

## **SSE Social Responsibility Index Methodology**

Comprised of top 100 stocks ranked by social contribution value per share from the SSE Corporate Governance index, the SSE Social Responsibility index is designated to reflect the performance of stocks with good performance in Social Responsibility. The purpose of the SSE Social Responsibility index is to stimulate listed companies to carry out Social Responsibility and provide underlying for investors.

### **1. Index Code and Name**

Index Code: 000048

Index Name: SSE Social Responsibility index (Responsibility index for short)

### **2. Base Period and Base Point**

The Base Day for SSE Social Responsibility index is June 30, 2009. The Base Period is the adjusted market capitalization of all constituents after closing on the Base Day. The Base Index is 1000 points.

### **3. Index Universe**

Constituents of the SSE Corporate Governance index that disclose the Social Responsibility report.

### **4. Constituents Selection Method**

SSE Corporate Governance index follows the next three steps to select constituents:

- Calculate the daily average trading value during the most recent year for stocks in the index universe, rank the stocks in the universe by daily average trading value of the most recent year in descending order and delete the bottom ranked 20% stocks in A shares listed at Shanghai Stock Exchange(Non-ST or \*ST stocks);
- Calculate the social contribution value per share of the rest stocks according to the definition clarified in the “Notice of Improving Listed

Companies' Assumption of Social Responsibilities" issued by the SSE in May.

- Rank the rest stocks by social contribution value per share, those who rank top 100 are selected as index constituents.
- The stocks that break the criteria of the Social Responsibility in last year are not included in the SSE Social Responsibility index in principle.

#### **5. Index Calculation and Maintenance**

The same with that of SSE180 index.

#### **6. Periodical Review**

Companies on the SSE Governance board will be re-selected each year in May and June. CSI will then adjust constituents of the SSE Social Responsibility index accordingly in early July.

Number of constituents adjusted at each periodical review will not exceed 10%, unless the number of constituents to be deleted from Index universe exceeds 10%.

#### **6. Temporary Adjustment**

If constituents of the SSE Corporate Governance index are temporarily deleted and the deletions are also constituents of the SSE Social Responsibility index, then the deletions will be excluded from the SSE Social Responsibility index too.

If constituents on the SSE Social Responsibility index break the criteria of the Social Responsibility due to particular event, it will be excluded from the SSE Social Responsibility index as soon as possible.

If a constituent is deleted from the SSE Social Responsibility index, no stock should be added to the SSE Social Responsibility index to fill the vacancy before the next periodical review.