

EXPLANATION OF HOW KEY ELEMENTS OF THE BENCHMARK METHODOLOGY REFLECT ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS

Solactive Canada Large Cap ESG Index



This document provides an explanation of how the key elements of the benchmark methodology reflect ESG factors. It is compiled in accordance with the requirements of point (d) of Article 13 (1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "Benchmarks Regulation") and of the Commission Delegated Regulation (EU) 2020/1817.

General Information

Name of the benchmark administrator	Solactive AG
Type of benchmark or family of benchmarks	Equity
Name of the benchmark or family of benchmarks	Solactive Canada Large Cap ESG Index
Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	Yes

ESG Factors Applied in the Benchmark Methodology

List of environmental factors considered	<ul style="list-style-type: none">> Exclusion of companies with verified ongoing failure to respect established norms or severe/very severe controversies in an area covered by these norms. The core normative framework consists of the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.> Exclusion of companies with a sector-specific ESG Corporate Rating of D- or D. The sector specific ESG corporate rating applies an alphabetical twelve point grading system from "A+" to "D-". This rating recognizes that environmental, social and governance risks differs within an industry. For instance, companies in high risk and impact sectors like oil and gas have to achieve a better performance than those in low risk sectors such as real estate.> A company's revenue percentage in the area of fossil fuels negatively affects its weighting in the Index.
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies with verified ongoing failure to respect established norms or severe/very severe controversies in an area covered by these norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights.> Exclusion of companies with verified ongoing involvement in the area of controversial weapons (including chemical, biological and nuclear weapons (both under and outside the Treaty on the Non-Proliferation of Nuclear Weapons), depleted uranium munitions, cluster munitions, and anti-personnel mines.> Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services or >5% from production or >5% from distribution in the sector of military equipment.> Exclusion of companies generating revenues from the production of pornography.> Exclusion of companies generating revenues (in proportion to their total



	<p>revenues) >5% from services or from distribution in the sector of pornography.</p> <ul style="list-style-type: none"> > Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services or >5% from distribution in the sector of tobacco. > Exclusion of companies generating revenues from the production of tobacco. > Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services or >5% from production or >5% from distribution in the sector of gambling. > Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services or >5% from production or >5% from distribution in the sector of alcohol. > Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services or >5% from production or >5% from distribution in the sector of cannabis.
List of governance factors considered	<ul style="list-style-type: none"> > Exclusion of companies with verified ongoing failure to respect established norms or severe/very severe controversies in an area covered by these norms. The core normative framework consists of the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. > A high Gender Diversity Score positively affects the weighting of a company in the Index. The Gender Diversity Score is the average of the (i) percentage of women on the board and (ii) percentage of women executives in senior management.

Data and Standards used

Data Input	The data used to construct the index is sourced externally from Institutional Shareholder Services Inc.
Verification and quality of data	The provider of ESG-related data input is selected by the Administrator based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.
Reference standards	International standards referenced by the index methodology are listed in the respective section above.
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Reason for update:	Initial document creation

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