

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

iClima Global Decarbonisation Enablers Index USD TR



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

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| Name of the benchmark administrator | Solactive AG |
| Type of benchmark or family of benchmarks | Equity |
| Name of the benchmark or family of benchmarks | iClima Global Decarbonisation Enablers Index USD TR |
| Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors? | Yes |

ESG Factors Applied in the Benchmark Methodology

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| List of environmental factors considered | <ul style="list-style-type: none">> Exclusion of companies involved in oil exploration> Power generators that are predominantly renewable energy generators are allowed to enter the index if they have less than 20% revenues derived from nuclear energy and less than 1% derived from coal fired power plants. Furthermore, natural gas must represent less than 50% of revenues of these companies.> Automotive makers must have Internal Combustion Engine (ICE) sales representing less than 40% of total revenue.> Index components are selected based on a list of products and services that enable CO2 avoidance, across five broader sectors: Green Energy, Green Transportation, Water & Waste Improvements, Enabling Solutions, and Sustainable Products (a full description of each sector can be found here: www.clima.investments)> Companies are classified according to the percentage of green revenue (defined as the revenues associated with activities that generate CO2 avoidance) vis-a-vis the total net revenue reported. Companies fall within one of four categories, namely: pure player, if green revenue is above 90%; majority player if green revenues are between 50% and 90%; partial player if revenues are between 20% and 50%; and upcoming player if revenues are below 20% but the green revenue line is observing double digit annual growth. |
| List of social factors considered | <ul style="list-style-type: none">> Exclusion of companies with any exposure to non-conventional weapons (nuclear weapons or systems, chemical or biological weapons, landmine, cluster bombs, or depleted uranium weapons). Companies in the enabling solutions segment with revenues exposure of less than 10% to conventional armament producers are allowed to enter the index. |
| List of governance factors considered | <ul style="list-style-type: none">> Not applicable |



Data and Standards used

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| Data Input | The data used to construct the index is sourced externally from iClima Earth Ltd. |
| 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. |
| Information updated on | 23/02/2024 |
| Reason for update: | Initial creation of the report |

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