

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

Solactive Global Artificial Intelligence ESG CHF Index NTR



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

<b>Name of the benchmark administrator</b>	Solactive AG
<b>Type of benchmark or family of benchmarks</b>	Equity
<b>Name of the benchmark or family of benchmarks</b>	Solactive Global Artificial Intelligence ESG CHF Index NTR
<b>Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?</b>	Yes

## ESG Factors Applied in the Benchmark Methodology

<b>List of environmental factors considered</b>	<ul style="list-style-type: none"><li>&gt; Exclusion of companies non-compliant with the UNGC</li><li>&gt; Exclusion of companies generating relative revenues larger than 30% from coal production or 30% from coal distribution</li><li>&gt; Exclusion of companies which show higher ESG Risk rating than "medium", hence have an ESG Risk Score <math>\geq 30</math></li></ul>
<b>List of social factors considered</b>	<ul style="list-style-type: none"><li>&gt; Exclusion of companies non-compliant with the UNGC</li><li>&gt; Exclusion of companies involved in Controversial Weapons</li><li>&gt; Exclusion of companies generating relative revenues larger than 5% from tobacco production or 5% from tobacco distribution</li><li>&gt; Exclusion of companies generating relative revenues larger than 10% from military related production or 10% from military related distribution</li><li>&gt; Exclusion of companies which show higher ESG Risk rating than "medium", hence have an ESG Risk Score <math>\geq 30</math></li></ul>
<b>List of governance factors considered</b>	<ul style="list-style-type: none"><li>&gt; Exclusion of companies non-compliant with the UNGC</li><li>&gt; Exclusion of companies which show higher ESG Risk rating than "medium", hence have an ESG Risk Score <math>\geq 30</math></li></ul>

## Data and Standards used

<b>Data Input</b>	The data used to construct the index is sourced externally from Sustainalytics GmbH.
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<b>Verification and quality of data</b>	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.
<b>Reference standards</b>	International standards referenced by the index methodology are listed in the respective section above.
<b>Information updated on</b>	01/07/2022
<b>Reason for update:</b>	Initial creation of the ESG Reporting.

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