

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

IQ Candriam Healthy Hearts 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

Name of the benchmark administrator	Solactive AG
Type of benchmark or family of benchmarks	Equity
Name of the benchmark or family of benchmarks	IQ Candriam Healthy Hearts Index-NTR
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 violating the United Nations Global Compact > Exclusion of companies generating revenues (in proportion to their total revenues) >30% in the area of nuclear energy > Exclusion of companies generating revenues (in proportion to their total revenues) >10% in the area of thermal coal > Exclusion of companies generating revenues (in proportion to their total revenues) >10% in the area of unconventional oil and gas > Exclusion of companies generating revenues (in proportion to their total revenues) <40% in the area of natural gas or renewable energy > Exclusion of companies with lifecycle greenhouse gas emissions intensity of produced electricity > 408 (gCO₂/kwh). If no carbon emissions data is available, energy producers are excluded if they derive >10% of their power production from coal or > 30% of their power production from oil & gas, or > 30% of their power production from nuclear sources.
List of social factors considered	<ul style="list-style-type: none"> > Exclusion of companies violating the United Nations Global Compact > Exclusion of companies involved in the production or sale of anti-personnel landmines, cluster bombs, depleted uranium, and/or chemical/nuclear/biological weapons, regardless of the revenues involved and/or generate more than 3% of their turnover from the production or the sale of conventional weapons and/or generate more than 5% of their sales/revenues from the production, manufacturing, trade, testing or maintenance of white phosphorous > Exclusion of companies generating revenues (in proportion to their total revenues) > 1% in highly oppressive regimes > Exclusion of companies generating revenues (in proportion to their total revenues) > 5% from adult content > Exclusion of companies generating revenues (in proportion to their total revenues) > 10% from alcohol without any responsible policy



	<ul style="list-style-type: none">> Exclusion of companies generating revenues (in proportion to their total revenues) > 5% from gambling> Exclusion of companies generating revenues (in proportion to their total revenues) > 10% in the area of genetic modification> Exclusion of companies with controversial conduct in the area of animal testing> Exclusion of companies generating revenues (in proportion to their total revenues) > 5% from tobacco> Exclusion of companies generating revenues (in proportion to their total revenues) > 5% from vaping
List of governance factors considered	<ul style="list-style-type: none">> Exclusion of companies violating the United Nations Global Compact

Data and Standards used

Data Input	The data used to construct the index is sourced externally from Candriam
Verification and quality of data	The provider of ESG-related data input is selected by the index owner (Candriam) and approved by the index administrator (Solactive) 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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