

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

Global Challenges Index Emerging Markets



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>	Global Challenges Index Emerging Markets
<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; Compliance with the strict requirements for the ESG Performance Rating</li><li>&gt; Screen for violations of the UN Sustainable Development Goals (UN SDGs), with a particular focus on the Global Challenges combating the causes and consequences of climate change, ensuring an adequate supply of drinking water, the sustainable use of forests, maintaining biodiversity, handling population growth, fighting poverty and establishing governance structures.</li></ul>
<b>List of social factors considered</b>	<ul style="list-style-type: none"><li>&gt; Compliance with the strict requirements for the ESG Performance Rating</li><li>&gt; Screen for violations of the UN Sustainable Development Goals (UN SDGs), with a particular focus on the Global Challenges combating the causes and consequences of climate change, ensuring an adequate supply of drinking water, the sustainable use of forests, maintaining biodiversity, handling population growth, fighting poverty and establishing governance structures.</li></ul>
<b>List of governance factors considered</b>	<ul style="list-style-type: none"><li>&gt; Compliance with the strict requirements for the ESG Performance Rating</li><li>&gt; Screen for violations of the UN Sustainable Development Goals (UN SDGs), with a particular focus on the Global Challenges combating the causes and consequences of climate change, ensuring an adequate supply of drinking water, the sustainable use of forests, maintaining biodiversity, handling population growth, fighting poverty and establishing governance structures.</li></ul>

## Data and Standards used

<b>Data Input</b>	The data used to construct the index is sourced externally from Institutional Shareholder Services Inc.
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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>	01/02/2023
<b>Reason for update:</b>	Initial document creation.

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