

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

Solactive ISS ESG Screened Paris Aligned US 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	Solactive ISS ESG Screened Paris Aligned US 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 with verified ongoing failure to respect established international norms. The core normative framework consists of the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.> Exclusion of companies generating revenues (in proportion to their total revenues) >1% from Coal Production and Refining> Exclusion of companies generating revenues (in proportion to their total revenues) >5% from Fossil fuel Production, Exploration, Distribution. Except (1) Companies generating max 10% of their revenues from Fossil fuel Production, Exploration, Distribution that also generate min 10% of their revenues from renewable energies power generation, max 10% of revenues from coal power generation and have set a concrete science-based target or (2) Companies generating 0% revenues from oil extraction, oil refinement and fossil fuel exploration, max 10% of revenues from oil distribution, max 50% revenues from gas extraction, gas refinement and fossil fuel distribution, min 10% of their revenues from renewable energies power generation, max 10% of revenues from coal power generation, have set a concrete science-based target and are classified as \> companies> Exclusion of companies generating revenues (in proportion to their total revenues) >50% from Fossil Fuel Services.> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from Oil Sands Production and Exploration.> Exclusion of companies that exhibit verified failure to respect established norms <OR> Alleged failure to respect established norms where the Remediation efforts taken by the company are assessed to be insufficient with respect to the ISS ESG \> criteria: Pollution, Air Pollution, Water Pollution, Soil Pollution, Deforestation. Biodiversity & Environmental Impacts
---	---



	<ul style="list-style-type: none">> Exclusion of companies that exhibit verified failure to respect established norms <OR> Alleged failure to respect established norms where the Remediation efforts taken by the company are assessed to be insufficient with respect to the Sustainable Development Goal 12: Responsible Consumption and Production> Exclusion of companies that exhibit verified failure to respect established norms <OR> Alleged failure to respect established norms where the Remediation efforts taken by the company are assessed to be insufficient with respect to the Sustainable Development Goal 13: Climate Action> Exclusion of companies that exhibit verified failure to respect established norms <OR> Alleged failure to respect established norms where the Remediation efforts taken by the company are assessed to be insufficient with respect to the Sustainable Development Goal 14: Life Below Water> Exclusion of companies that exhibit verified failure to respect established norms <OR> Alleged failure to respect established norms where the Remediation efforts taken by the company are assessed to be insufficient with respect to the Sustainable Development Goal 15: Life on Land
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies with verified ongoing failure to respect established international 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 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) >0% from Tobacco Cultivation and Production or >5% from Tobacco Distribution or >50% from Tobacco Services> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from Pornography Production or >5% from Pornography overall> Exclusion of companies generating revenues (in proportion to their total revenues) >5% from Gambling Production and Distribution or >50% from Gambling Services> Exclusion of companies generating revenues (in proportion to their total revenues) >5% from Alcohol Production and Distribution or >50% from Alcohol Services> Exclusion of companies generating revenues (in proportion to their total revenues) >5% from Military Equipment Production or >5% from Military Equipment Distribution or 50% from Military Equipment Services> Exclusion of companies generating revenues (in proportion to their total revenues) >5% from non-pharmaceutical Cannabis Production and Distribution or >50% from non-pharmaceutical Cannabis Services
List of governance factors considered	<ul style="list-style-type: none">> Exclusion of companies with verified ongoing failure to respect established



international norms. The core normative framework consists of the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

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.
Information updated on	23/02/2024
Reason for update:	Update of the achieved decarbonization trajectory in 8.2 b)

CONTACT

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Tel.: +49 (0) 69 719 160 00
Fax: +49 (0) 69 719 160 25
Email: info@solactive.com
Website: www.solactive.com