

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

Solactive ISS ESG Europe Paris-Aligned Benchmark 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 ISS ESG Europe Paris-Aligned Benchmark 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 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.</li> <li>&gt; Exclusion of companies generating revenues (in proportion to their total revenues) &gt;1% from Coal Mining and Power Generation.</li> <li>&gt; Exclusion of companies generating revenues (in proportion to their total revenues) &gt;10% from Fossil fuel Production, Exploration, Distribution, and Services.</li> <li>&gt; Exclusion of companies generating revenues (in proportion to their total revenues) &gt;50% from Electric Power Generation from Fossil Fuel Sources.</li> <li>&gt; Exclusion of companies with significant negative impact on the Sustainable Development Goal 12: Responsible Consumption and Production, i.e. SDG Impact Rating of <math>\leq -5.1</math>.</li> <li>&gt; Exclusion of companies with significant negative impact on the Sustainable Development Goal 13: Climate Action, i.e. SDG Impact Rating of <math>\leq -5.1</math>.</li> <li>&gt; Exclusion of companies with significant negative impact on the Sustainable Development Goal 14: Life Below Water, i.e. SDG Impact Rating of <math>\leq -5.1</math>.</li> <li>&gt; Exclusion of companies with significant negative impact on the Sustainable Development Goal 15: Life on Land, i.e. SDG Impact Rating of <math>\leq -5.1</math>.</li> </ul>
<b>List of social factors considered</b>	<ul style="list-style-type: none"> <li>&gt; 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.</li> <li>&gt; Exclusion of companies with verified ongoing involvement in the area of controversial weapons (including chemical, biological and nuclear weapons)</li> </ul>



	<p>(both under and outside the Treaty on the Non-Proliferation of Nuclear Weapons), depleted uranium munitions, cluster munitions, and anti-personnel mines).</p> <p>&gt; Exclusion of companies generating revenues (in proportion to their total revenues) &gt;0% from Tobacco Cultivation and Production.</p>
<b>List of governance factors considered</b>	<p>&gt; 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.</p>

## Data and Standards used

<b>Data Input</b>	The data used to construct the index is sourced externally from Institutional Shareholder Services Inc.
<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>	23/02/2024
<b>Reason for update:</b>	Update of the achieved decarbonization trajectory in 8.2 b)

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