SOLACTIVE
German Index Engineering

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

Solactive L&G Low Carbon Transition Europe ex UK Index PR

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 L&G Low Carbon Transition Europe ex UK Index PR
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	> Exclusion of companies deriving more than 30% of their revenue from Coal Mining > Each security in the Index is assigned a Carbon Emissions Intensity Score if the company has Carbon Emissions. Here, the company with the largest Carbon Emissions Intensity receives the lowest score. Scores range from -1 to +1. > Each security in the Index is assigned a Coal Reserves Intensity Score if the company has Coal Reserves. Here, the company with the largest Coal Reserves Intensity receives the lowest score. Scores range from -1 to -0.75. > Each security in the Index is assigned a Oil & Gas Reserves Intensity Score if the company has Oil & Gas Reserves. Here, the company with the largest Oil & Gas Reserves Intensity receives the lowest score. Scores range from -0.75 to -0.25. > Each security in the Index is assigned a Carbon Reserves Intensity Score if the company has Oil & Gas and/or Coal Reserves. Securities are assigned their Coal Reserves Intensity Score, if available, as the Carbon Reserves Intensity Score. If only the Oil & Gas Reserves Intensity Score is available, the Oil & Gas Reserves Intensity Score is assigned as the Carbon Reserves Intensity Score. Otherwise, no score is assigned. > Each security in the Index is assigned a Green Revenue Score. Here the Green Revenue Score is the cumulative revenue attributed to activities benefitting the following objectives, that utilize the UN Sustainable Development Goals (SDG´s) as reference framework: Achieving sustainable agriculture and forestry, Conserving water, Promoting sustainable building, Optimising Material Use, Mitigating climate change, Preserving marine ecosystem, Preserving terrestrial ecosystem. > The Carbon Score for each security in the index is calculated by aggregating the available Carbon Intensity Score, the Carbon Reserves Intensity Score, and the Green Revenue Score as a geometric mean.

	> The Carbon Score is used to tilt the weight of each security in the index to achieve defined Carbon Intensity Reductions compared to the Benchmark.
List of social factors considered	> Exclusion of companies with verified ongoing involvement in Controversial Weapons (Chemical and Biological Weapons, Cluster Munitions, Anti-Personnel Mines)
List of governance factors considered	> Not applicable

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:	Initial creation of the ESG Reporting

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