

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

EQM Global Solar Energy Index GTR



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>	EQM Global Solar Energy Index GTR
<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 that generate more than 10% from Oil sand extraction and companies that derive more than 30% of their total oil equivalent production from oil sands. Also, companies that are building or operating pipelines that significantly facilitate export of oil extracted from oil sands. Majority-owned subsidiaries of a company are also excluded based on the oil sands criteria.</li><li>&gt; Exclusion of companies that generate more than 10% revenues derived from the exploration, mining or refining of fossil fuels. Also, companies that produce more than 20 million tons of thermal coal annually and are actively expanding exploration, mining or refining operations. In addition, companies that own coal-fired electricity generation capacity more than 10 gigawatts and are actively expanding coal-fired electricity production capacity are not eligible for index inclusion. Majority-owned subsidiaries of a company are also excluded based on the fossil fuels criteria.</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, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights.</li><li>&gt; Exclusion of companies that are involved in development, production, maintenance and trade of controversial weapons (Anti-personnel Mines, Biological weapons, Chemical weapons, Cluster Munitions, Ammunitions containing depleted uranium, Nuclear Weapons, White phosphorus weapons). In addition, companies that hold a stake of at least 20% in a company that is involved in controversial weapons and companies that are currently by at least 50% owned by a company that is involved in controversial weapons. Also, companies that are involved in the manufacture of civilian automatic and semi-automatic firearms are not eligible for index inclusion.</li></ul>



<b>List of governance factors considered</b>	> Not applicable.
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## Data and Standards used

<b>Data Input</b>	The data used to construct the index is sourced externally from Institutional Minerva Analytics Ltd.
<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>	23/09/2021
<b>Reason for update:</b>	New Index Setup

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