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

Solactive Sustainable Global Developed EU PAB Index NTR EUR Dynamically Hedged

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	No Reporting
Name of the benchmark or family of benchmarks	Solactive Sustainable Global Developed EU PAB Index NTR EUR Dynamically Hedged
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 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. > Incorporation of an ESG tilt, based on the L&G ESG Score, which is created by L&G using a number of metrics including environmental, social, corporate governance and transparency. > Exclusion of companies generating revenues (in proportion to their total revenues) >1% from coal mining and power generation. > Exclusion of companies generating revenues (in proportion to their total revenues) >10% from fossil fuel production, exploration, distribution, and services. > Exclusion of companies generating revenues (in proportion to their total revenues) >50% from electric power generation from fossil fuel sources. > Exclusion of companies with significant negative impact on one of the following sustainable development goals (SDGs): Sustainable Development Goal 12: Responsible Consumption and Production, Sustainable Development Goal 13: Climate Action, Sustainable Development Goal 14: Life Below Water, Sustainable Development Goal 15: Life on Land. > Reduction of the carbon intensity (total scope 1, 2, 3 emissions divided by enterprise value including cash) of the index by at least 50% compared to the parent index. > Reduction of the carbon intensity (total scope 1, 2, 3 emissions divided by enterprise value including cash) of the index by at least 7% per annual basis. > Compared to the parent index the exposure to High Climate Impact Sectors (NACE Industry Codes A, B, C, D, E, F, G, H, L) must not decrease. > Compared to the parent index, the average Green Revenue of the index should increase by 100%.

	> Exclusion of companies with more than 5% of revenue from Fossil Fuels. > Exclusion of companies on the ISS Coal top 100 list - based on the size of company reserves. > Exclusion of companies with more than 5% of revenue from Oil Sands.
List of social factors considered	> 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. > Incorporation of an ESG tilt, based on the L&G ESG Score, which is created by L&G using a number of metrics including environmental, social, corporate governance and transparency. > 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 production/cultivation in the area of tobacco. > Exclusion of producers and companies generating revenues (in proportion to their total revenues) >50% from adult entertainment-related business activities. > Exclusion of producers and companies generating revenues (in proportion to their total revenues) >50% from adult alcohol-related business activities. > Exclusion of producers and companies generating revenues (in proportion to their total revenues) >50% of revenue from gambling-related business activities. > Exclusion of (Semi-) Automatic civilian firearms manufacturers and retailers.
List of governance factors considered	> 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. > Incorporation of an ESG tilt, based on the L&G ESG Score, which is created by L&G using a number of metrics including environmental, social, corporate governance and transparency.

Data and Standards used

Data Input	The data used to construct the index is sourced externally from Institutional Shareholder Services Inc. and Sustainalytics.

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 document creation

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