SOLACTIVE
German Index Engineering

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

Solactive ILIM Sustainable Global Market Equity Index TR

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 ILIM Sustainable Global Market Equity Index TR
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	> Remove any UNGC Violators. > Remove companies with controversies in issues such as operations and employee incidents, human rights, business ethics and water use. > Remove companies deriving more than 10% of its revenue from thermal coal extraction or more than 25% of its revenues based on generating electricity from thermal coal. > Remove companies deriving more than 10% of its revenues from oil and gas exploration in Arctic regions. > Remove companies deriving more than 10% of its revenues from oil sands extraction. > The index weights are determined by incorporating ESG Risk Ratings, ESG Risk Rating Momentum. > Additionally, the weights are also determined by incorporating Carbon Intensity and Carbon Risk Scores.
List of social factors considered	> Remove any UNGC Violators. > Remove companies with controversies in issues such as operations and employee incidents, human rights, business ethics and water use. > Remove companies with any detectable involvement in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon. > Remove any company which manufactures tobacco products, derives more than 10% of its revenues from supplying tobacco-related products/services or the distribution and/or retail sale of tobacco products. > The index weights are determined by incorporating ESG Risk Ratings, ESG Risk Rating Momentum.

List of governance factors considered	> Remove any UNGC Violators. > Remove companies with controversies in issues such as operations and employee incidents, human rights, business ethics and water use. > The index weights are determined by incorporating ESG Risk Ratings, ESG Risk Rating Momentum.

Data and Standards used

Data Input	The data used to construct the index is sourced externally from 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.
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