

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

Solactive ERSTE Fair Invest Index VC



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 ERSTE Fair Invest Index VC
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	<ul style="list-style-type: none">> Exclusion of companies with an overall ESG Rating < 50> Exclusion of companies with an ESG Environmental Rating < 50> Exclusion of companies that fail to comply with the principles of the United Nations Global Compact.> Exclusion of companies generating revenues (in proportion to their total revenues) >5% from Coal mining and coal liquefaction or >5% from Power generation from coal.> Exclusion of companies generating revenues (in proportion to their total revenues) >5% from production of crude oil and natural gas by conventional methods or >5% from production of crude oil and natural gas by non-conventional methods or >5% from Refining of crude oil or >5% from Power generation from crude oil. In addition, companies with a share of non-conventional reserves in total reserves of >20% are excluded.> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from Production of nuclear power or >0% from Production and Trading of uranium or >5% from Production of key components for nuclear power stations or >5% from Trading of key components for nuclear power stations.
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies with an overall ESG Rating < 50> Exclusion of companies with an ESG Social Rating < 50> Exclusion of companies that fail to comply with the principles of the United Nations Global Compact.> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from Production and Trading of weapons, weapon systems, controversial weapons, i.e. nuclear, biological, and chemical weapons, cluster munitions, anti-personnel mines, uranium ammunition or >0% from Production and/or provision of Military Equipment and Services (combat



involvement) or >0% from Top arms-producing & military services companies in the world (SIPRI) or >5% from Production and/or provision of Military Equipment and Services (non-combat involvement).

- > Exclusion of companies generating revenues from Animal Testing beyond legal requirements.
- > Exclusion of specialized companies generating revenues from Embryonic Research.
- > Exclusion of companies generating revenues (in proportion to their total revenues) >5% from Food commodities speculation, i.e. use of derivatives on food commodities to generate a speculative profit in the mutual fund.
- > Exclusion of companies generating revenues (in proportion to their total revenues) >5% from operating and specialized manufacturing in the sector of gambling or >5% from Providing gambling with addictive potential without effective measures to prevent social and financial threats to existence or >5% from Providing gambling with addictive potential with effective measures to prevent social and financial threats to existence .
- > Exclusion of companies generating revenues from production of manipulated seed or from Production of genetically modified plants / animals for agricultural use.
- > Exclusion of companies generating revenues (in proportion to their total revenues) >0% from Production of Pornography or >10% from Trading of pornography.
- > Exclusion of companies generating revenues from Production of Tobacco end products.
- > After applying all filtering steps during the index selection, the top 35 securities with the highest ESG Social Rating rank are selected as Index Components.

List of governance factors considered

- > Exclusion of companies with an overall ESG Rating < 50
- > Exclusion of companies with an ESG Governance Rating < 50
- > Exclusion of companies that fail to comply with the principles of the United Nations Global Compact.
- > Exclusion of companies from the banking and financial services industry that systematically violate accepted business practices.
- > Exclusion of companies not complying with legal requirements regarding Accounting fraud and corruption
- > Exclusion of companies involved in the worst forms of child labour.
- > Exclusion of companies disregarding legal regulations relating to Fraud and Corruption .
- > Exclusion of companies violating Human Rights, i.e. disregard of generally accepted norms, principles and standards for the protection of human rights, e.g. the international Bill of Human Rights, UN Guiding Principles on Business and Human Rights.



- > Exclusion of companies violating Labour Rights, i.e. disregard of generally accepted norms, principles and standards for the protection of workers, e.g. the core principles of the ILP, i.e. freedom of association and the right to collective bargaining, forced labour, discrimination, and other aspects for companies and suppliers/sub-contractors..
- > After applying all filtering steps during the index selection and the selection of the top 35 securities with the highest ESG Social Rating rank, among the remaining securities, the top 15 with the highest ESG Governance Rating rank are selected as additional Index Components.

Data and Standards used

Data Input	The data used to construct the index is sourced externally from Erste Asset Management.
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 Reporting

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