

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

Frankfurter Modern Value Index



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	Frankfurter Modern Value Index
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 negative impact of the company operation, according to international norms and principles; in particular the 10 UN Global Compact Principles.> Exclusion of companies with >5% involvement in thermal coal power generation or mining.> Exclusion of companies with >5% involvement in the generation of nuclear power or in supporting products/services.> Exclusion of companies with any involvement in hydraulic fracturing.> Exclusion of companies with any involvement in the production or exploration of oil sands.
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies with negative impact of the company operation, according to international norms and principles; in particular the 10 UN Global Compact Principles.> Exclusion of companies with verified ongoing involvement in the area of controversial weapons.> Exclusion of companies with >5% involvement in the sector of military contracting.> Exclusion of companies with >5% involvement in the production or distribution of pornography.> Exclusion of companies with >5% involvement in the production, distribution, retail or related products/services of tobacco.> Exclusion of companies with >5% involvement in the operation of gambling facilities or production of specialized equipment or supporting products/services for gambling.> Exclusion of companies with >5% involvement in the production of alcohol (>15% alcohol per volume).



List of governance factors considered	> Exclusion of companies with negative impact of the company operation, according to international norms and principles; in particular the 10 UN Global Compact Principles.
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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.
Information updated on	19/08/2022
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