

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

Solactive L&G Enhanced ESG North America Index NTR



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 L&G Enhanced ESG North America Index NTR
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 included in the Future World Protection List (FWPL). The FWPL comprises companies which are (1) involved in the manufacture of controversial weapons (2) persistent violators of the UN Global Compact and/or (3) pure coal mining companies. It is reconstituted by LGIM on a semi-annual basis in March and September. > Weighting the securities by incorporating the L&G ESG Score as well as committing to a carbon reduction trajectory.
List of social factors considered	<ul style="list-style-type: none"> > Exclusion of companies included in the Future World Protection List (FWPL). The FWPL comprises companies which are (1) involved in the manufacture of controversial weapons (2) persistent violators of the UN Global Compact and/or (3) pure coal mining companies. It is reconstituted by LGIM on a semi-annual basis in March and September. > Exclusion of companies with revenues (in proportion to total revenues) > 5% from assault weapons > Exclusion of companies with revenues (in proportion to total revenues) > 10% from military weapon system manufacturing > Exclusion of companies with revenues (in proportion to total revenues) > 10% from the production or retail of tobacco products and related services > Weighting the securities by incorporating the L&G ESG Score.
List of governance factors considered	<ul style="list-style-type: none"> > Exclusion of companies included in the Future World Protection List (FWPL). The FWPL comprises companies which are (1) involved in the manufacture of controversial weapons (2) persistent violators of the UN Global Compact and/or (3) pure coal mining companies. It is reconstituted by LGIM on a semi-annual basis in March and September. > Weighting the securities by incorporating the L&G ESG Score.



Data and Standards used

Data Input	The data used to construct the index is sourced externally from Legal & General Investment Management (Holdings) Limited, Sustainalytics GmbH, Institutional Shareholder Services Inc.
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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