

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

Global Ethical Values Index PR



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	Global Ethical Values Index PR
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 labeled as watchlist or non-compliance regarding the Principles of the UN Global Compact Compliance, the UN Human Rights Compliance and the ILO Labor Compliance.> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from nuclear power, the design and engineering of nuclear power reactors, uranium enrichment or uranium mining. Exclusion of companies generating revenues (in proportion to their total revenues) >5% from the supply of nuclear power companies.> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from arctic oil and gas production.> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from unconventional oil and gas production or companies with unconventional oil and gas reserves or ownership.> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from thermal coal mining or >5% from thermal coal power generation.> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from production or refining of conventional oil and gas or >5% from conventional oil and gas power generation. Exclusion of companies with ownership of conventional oil for energy generation.> Exclusion of energy producers with less than 20% power generation from renewable energies.> Exclusion of companies with high greenhouse gas emissions, measured as high GHG intensity (scope 1 & 2).
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies labeled as watchlist or non-compliance regarding the Principles of the UN Global Compact Compliance, the UN Human Rights Compliance and the ILO Labor Compliance.> Exclusion of companies generating revenues (in proportion to their total



- revenues) >0% from production and distribution or >5% other involvement or > USD 20 mil in annual revenues from civilian firearms.
- > Exclusion of companies with any involvement in the area of controversial weapons. Exclusion of companies generating revenues (in proportion to their total revenues) >5% or > USD 500 mil in annual revenues from any involvement in conventional weapons.
 - > Exclusion of companies generating revenues (in proportion to their total revenues) >0% from operations and support or >5% from other involvement or > USD 500 mil annual revenues from gambling.
 - > Exclusion of companies generating revenues (in proportion to their total revenues) >0% from production or >5% from distribution or retail from adult entertainment.
 - > Exclusion of publicly traded companies identified as in violation of the International marketing code on breast milk substitutes as identified by IBFAN.
 - > Exclusion of companies generating revenues (in proportion to their total revenues) >0% from production or retail from recreational cannabis.
 - > Companies must have a MSCI ESG Rating of > BB (scale CCC to AAA). Companies with a BBB rating are evaluated based on their ESG Rating trend: Companies that were downgraded from their previous rating are not eligible for inclusion.
 - > Exclusion of companies that own or operate one or more acute care hospitals or surgical centers that may provide general medical services, including abortions, lease space to hospitals, surgical centers, or short term acute care facilities, produce surgical instruments likely used in abortion procedures, including speculas, dilators, laparoscopes, suction devices, and curettes or are involved in the production of in vitro fertilization (IVF).
 - > Exclusion of companies generating revenues (in proportion to their total revenues) >0% from production or >5% from other involvement in tobacco.
 - > Exclusion of companies generating revenues (in proportion to their total revenues) >5% from production of alcohol (distilled products) or retail of any alcohol.
 - > Exclusion of companies with any involvement in the areas of abortifacients and abortion providers. Exclusion of companies generating revenues (in proportion to their total revenues) >5% from production of contraceptives.
 - > Exclusion of research or cloning companies that conduct stem cell research with cells derived from human embryos or conduct embryonic stem cell research using human embryos derived from cloning techniques. Exclusion of companies with any involvement in the area of genetic engineering.
 - > Exclusion of companies generating revenues (in proportion to their total revenues) >0% from production and retail from fur.
 - > Exclusion of companies that are involved in commercial animal husbandry for the purpose of food production, including breeding, raising, and slaughtering pork, veal, poultry, and beef, as well as dairy and egg farm operators. Exclusion of companies that are involved in the conduction of animal tests for non-pharmaceutical products



List of governance factors considered	> Exclusion of companies labeled as watchlist or non-compliance regarding the Principles of the UN Global Compact Compliance, the UN Human Rights Compliance and the ILO Labor Compliance.
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Data and Standards used

Data Input	The data used to construct the index is sourced externally from MSCI ESG Research..
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	21/01/2022
Reason for update:	Index launch

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