

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

Solactive Semiconductor ESG Screened 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 Semiconductor ESG Screened 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 with verified failure to respect established international norms. The core normative framework consists of the Principles of the UN Global Compact.> Exclusion of companies with an ESG Risk Score of ≥ 40.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from extraction of or $\geq 5\%$ from generating electricity from thermal coal or owning $\geq 10\%$ of another company with involvement in thermal coal extraction.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from extraction of oil sands or owning $\geq 10\%$ of another company with involvement in oil sands extraction.
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies with verified failure to respect established international norms. The core normative framework consists of the Principles of the UN Global Compact.> Exclusion of companies with an ESG Risk Score of ≥ 40.> Exclusion of 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 controversial weapons (including anti-personnel mines, cluster, biological, chemical and nuclear weapons, depleted uranium, and white phosphorus).> Exclusion of companies generating revenues (in proportion to their total revenues) $> 0\%$ from production of or $\geq 5\%$ from services (supplying tobacco related products/services) related to or $\geq 5\%$ from distribution/retail of tobacco products or owning $\geq 10\%$ of another company with involvement in production of tobacco products.> Exclusion of companies generating revenues (in proportion to their total revenues) $> 0\%$ from manufacturing and selling of small arms (including assault weapons) to civilian customers, or $\geq 5\%$ from distribution/retail



	<p>of small arms (including assault weapons), or $\geq 5\%$ from manufacturing and selling small arms to military/law enforcement customers, or $\geq 5\%$ from manufacturing and selling key components of small arms.</p> <ul style="list-style-type: none"> > Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from manufacturing military weapon systems and/or integral, tailor-made components or these weapons. > Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 10\%$ from manufacturing military weapon systems and/or integral, tailor-made components or these weapons, and/or providing tailor-made products and/or services that support military weapons, and/or providing non-weapons related tailor-made products and/or services to the military or defense industry, and/or manufacturing and selling small arms (non-assault and/or assault weapons) to civilian and/or military/law enforcement customers, and/or distribution and/or retail sale of small arms (non-assault and/or assault weapons), and/or manufacturing and selling key components of small arms
List of governance factors considered	<ul style="list-style-type: none"> > Exclusion of companies with verified failure to respect established international norms. The core normative framework consists of the Principles of the UN Global Compact. > Exclusion of companies with an ESG Risk Score of ≥ 40.

Data and Standards used

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