

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

ISS ESG Developed Markets Freshwater 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

<b>Name of the benchmark administrator</b>	Solactive AG
<b>Type of benchmark or family of benchmarks</b>	Equity
<b>Name of the benchmark or family of benchmarks</b>	ISS ESG Developed Markets Freshwater Index NTR
<b>Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?</b>	Yes

## ESG Factors Applied in the Benchmark Methodology

<b>List of environmental factors considered</b>	<ul style="list-style-type: none"><li>&gt; Exclusion of companies with verified ongoing failure to respect established international norms.</li><li>&gt; Exclusion of companies with an ESG Overall Rating of D+, D and D-</li><li>&gt; Exclusion of companies with a Water Risk Rating below 50</li></ul>
<b>List of social factors considered</b>	<ul style="list-style-type: none"><li>&gt; Exclusion of companies with verified ongoing failure to respect established international norms.</li><li>&gt; Exclusion of companies with verified ongoing involvement in the area of controversial weapons (including chemical, biological and nuclear weapons (both under and outside the Treaty on the Non-Proliferation of Nuclear Weapons), depleted uranium munitions, cluster munitions, and anti-personnel mines).</li><li>&gt; Exclusion of companies with an ESG Overall Rating of D+, D and D-</li></ul>
<b>List of governance factors considered</b>	<ul style="list-style-type: none"><li>&gt; Exclusion of companies with verified ongoing failure to respect established international norms.</li><li>&gt; Exclusion of companies with an ESG Overall Rating of D+, D and D-</li></ul>

## Data and Standards used

<b>Data Input</b>	The data used to construct the index is sourced externally from ISS
<b>Verification and quality of data</b>	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.



<b>Reference standards</b>	International standards referenced by the index methodology are listed in the respective section above.
<b>Information updated on</b>	27/03/2023
<b>Reason for update:</b>	Initial document creation.

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