

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

Solactive L&G Developed Markets Low Carbon Temperature
Controlled 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 Developed Markets Low Carbon Temperature Controlled 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) that are involved in activities related to Coal (e.g. Thermal Coal Extraction, Thermal Coal Power Generation, Oil Sands Extraction).> Incorporation of an ESG tilt, based on the L&G ESG Score, which is created by L&G using a number of metrics including environmental, social, corporate governance and transparency.> Reduction of the carbon intensity (total scope 1, 2 emissions divided by sales) of the index by at least 50% compared to the parent index.> Reduction of the carbon intensity (total scope 1, 2 emissions divided by sales) of the index by at least 7% an an annual basis.> The emission weighted temperature score, based on sales weighted carbon intensity, is capped at 2.5°C.
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies included in the Future World Protection List (FWPL) that are involved in activities related to Controversial Weapons (e.g. Cluster Weapons, Anti-Personnel Mines).> Incorporation of an ESG tilt, based on the L&G ESG Score, which is created by L&G using a number of metrics including environmental, social, corporate governance and transparency.
List of governance factors considered	<ul style="list-style-type: none">> Incorporation of an ESG tilt, based on the L&G ESG Score, which is created by L&G using a number of metrics including environmental, social, corporate governance and transparency.

Data and Standards used

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