

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

Solactive BrandFinance® Global Brands 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 BrandFinance® Global Brands 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 controversies (level 5) in issues such as operations and employee incidents, human rights, business ethics and water use.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from thermal coal extraction, or $\geq 5\%$ from power generation using thermal coal, or $\geq 5\%$ from thermal coal supporting products or services, or increasing their thermal coal capacity (compared to the immediately preceding selection day), or owning $\geq 50\%$ of another company with involvement in the aforementioned activities.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from conventional oil and gas generation, or $\geq 5\%$ from conventional oil and gas production, or $\geq 5\%$ from conventional oil and gas supporting products or services, or increasing their conventional oil and gas capacity (compared to the immediately preceding selection day), or owning $\geq 50\%$ of another company with involvement in the aforementioned activities.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from oil sands extraction, or $\geq 5\%$ from arctic oil and gas exploration/extraction, or $\geq 5\%$ from shale energy extraction, or increasing their unconventional oil and gas capacity (compared to the immediately preceding selection day), or owning $\geq 50\%$ of another company with involvement in the aforementioned activities.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from nuclear power production, or $\geq 5\%$ from nuclear power generation, or $\geq 5\%$ from nuclear power supporting products, or increasing their nuclear power capacity (compared to the immediately preceding selection day), or owning $\geq 50\%$ of another company with involvement in the aforementioned activities.
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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 controversies (level 5) in issues such as operations and employee incidents, human rights, business ethics and water use.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ 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 $\geq 50\%$ of another company with involvement in the aforementioned activities.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from military contracting weapons, or $\geq 5\%$ from military contracting weapons related products or services, or owning $\geq 50\%$ of another company with involvement in the aforementioned activities.> Exclusion of companies with any direct involvement or indirect involvement, through corporate ownership, in 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 manufacturing and selling of small arms (including assault weapons) to civilian customers, or $\geq 5\%$ from distribution/retail of small arms (including assault weapons) to civilian customers, 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, or owning $\geq 50\%$ of another company with involvement in the aforementioned activities.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from operation of gambling, or $\geq 5\%$ from specialized gambling equipment, or $\geq 5\%$ from gambling supporting products or services, or owning $\geq 50\%$ of another company with involvement in the aforementioned activities.> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from production of, or $\geq 5\%$ from distribution of adult entertainment, or owning $\geq 50\%$ of another company with involvement in the aforementioned activities.
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 controversies (level 5) in issues such as operations and employee incidents, human rights, business ethics and water use.

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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