

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

Solactive Euro Biodiversity Select 40 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	Solactive Euro Biodiversity Select 40 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 with verified ongoing failure to respect established international norms. The core normative framework consists of the Principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.> Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services in the sector of fossil fuels or >5% from production or >5% from distribution or >5% from exploration of fossil fuels.> Exclusion of companies that are active in the area unconventional oil and gas (oil sands, shale oil and gas).> Exclusion of companies that are active in the area of nuclear power.> Exclusion of companies with a Corporate Biodiversity Footprint (CBF) score that is >2. The CBF score is provided by Iceberg Data Lab and measures the impact of a company's business on the degradation of ecosystems from their pristine state. Impact is expressed in "Mean species abundance per km²" (km² MSA). MSA is adjusted for revenues and converted to a sector-normalized score from 1 (best) to 6 (worst).
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies with verified ongoing failure to respect established international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights.> 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).> Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services or >5% from production or >5% from distribution in the sector of military equipment.



	<ul style="list-style-type: none">> Exclusion of companies generating revenues (in proportion to their total revenues) >5% in the sector of pornography.> Exclusion of companies generating revenues from the production of pornography.> Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services or >5% from distribution in the sector of tobacco.> Exclusion of companies generating revenues from the production of tobacco.> Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services or >5% from production or >5% from distribution in the sector of gambling.> Exclusion of companies generating revenues (in proportion to their total revenues) >=10% from production in the sector of alcohol.> Exclusion of companies generating revenues (in proportion to their total revenues) >50% from services or >5% from production or >5% from distribution in the sector of civilian firearms.
List of governance factors considered	<ul style="list-style-type: none">> Exclusion of companies with verified ongoing failure to respect established international norms. The core normative framework consists of the Principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles for Business and Human Rights.

Data and Standards used

Data Input	The data used to construct the index is sourced externally from ISS & IDL
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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