

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

Solactive Oekom Ethical Low Volatility Index



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>	Solactive Oekom Ethical Low Volatility Index
<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; Only companies with a "Prime" Rating in the ISS ESG Corporate Rating are eligible for inclusion. Companies are categorized as „Prime“ if they achieve or exceed the sector-specific performance requirements defined by ISS ESG based on the ESG risk exposure and impact of their respective business model and value chain (absolute best-in-class approach). Prime companies rank among the sustainability leaders in their industry.</li><li>&gt; Exclusion of companies generating revenues from coal and oil, oil or natural gas.</li><li>&gt; Exclusion of companies generating revenues from the production of nuclear power or uranium, or &gt;5% from key components for nuclear power stations.</li><li>&gt; Exclusion of companies involved in controversial environmental practices, either immediately causing the impact or suppliers / subcontractors causing the impact.</li></ul>
<b>List of social factors considered</b>	<ul style="list-style-type: none"><li>&gt; Only companies with a "Prime" Rating in the ISS ESG Corporate Rating are eligible for inclusion. Companies are categorized as „Prime“ if they achieve or exceed the sector-specific performance requirements defined by ISS ESG based on the ESG risk exposure and impact of their respective business model and value chain (absolute best-in-class approach). Prime companies rank among the sustainability leaders in their industry.</li><li>&gt; Exclusion of companies generating revenue with drugs for abortion or clinics generating revenue with abortion.</li><li>&gt; Exclusion of companies specialized in embryonic research.</li><li>&gt; Exclusion of companies generating revenues from controversial forms of gambling or &gt;20% from other forms of gambling.</li><li>&gt; Exclusion of companies generating revenue &gt;5% with the production of alcohol (beer / wine and high-proof beverages / foodstuffs).</li></ul>



	<ul style="list-style-type: none"> <li>&gt; Exclusion of companies generating revenues from the production of Genetically Modified Organism (GMO).</li> <li>&gt; Exclusion of companies generating net sales from the production of weapons (systems) or outlawed weapons, or &gt;5% from the production of other armaments.</li> <li>&gt; Exclusion of companies generating revenues from the production or &gt;10% from distribution of pornography.</li> <li>&gt; Exclusion of companies generating net sales &gt;5% from the production of end products or components / accessories in the sector of tobacco.</li> <li>&gt; Exclusion of companies violating human rights or companies whose suppliers / subcontractors violate human rights.</li> <li>&gt; Exclusion of companies that violate, or companies whose suppliers / subcontractors violate, the labor rights of freedom of association, forced labor, child labor, discrimination or other areas.</li> </ul>
<b>List of governance factors considered</b>	<ul style="list-style-type: none"> <li>&gt; Only companies with a "Prime" Rating in the ISS ESG Corporate Rating are eligible for inclusion. Companies are categorized as „Prime“ if they achieve or exceed the sector-specific performance requirements defined by ISS ESG based on the ESG risk exposure and impact of their respective business model and value chain (absolute best-in-class approach). Prime companies rank among the sustainability leaders in their industry.</li> <li>&gt; Exclusion of companies involved in corruption or falsification of accounts.</li> <li>&gt; Exclusion of companies violating human rights or companies whose suppliers / subcontractors violate human rights.</li> <li>&gt; Exclusion of companies that violate, or companies whose suppliers / subcontractors violate, the labor rights of freedom of association, forced labor, child labor, discrimination or other areas.</li> </ul>

## Data and Standards used

<b>Data Input</b>	The data used to construct the index is sourced externally from Institutional Shareholder Services Inc.
<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>	23/02/2024
<b>Reason for update:</b>	Initial document creation

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