

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

Solactive ISS US Low Carbon Leaders ex-Fossil Fuel Index  
Target Vol 5



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>   | No Reporting  |
| <b>Name of the benchmark or family of benchmarks</b>   | Solactive ISS US Low Carbon Leaders ex-Fossil Fuel Index Target Vol 5 |
| <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 belonging to the FactSet Industries: Oilfield Services / Equipment, Oil Refining / Marketing, Oil &amp; Gas Production, Integrated Oil, Oil &amp; Gas Pipelines or Coal.</li><li>&gt; Exclusion of the world's largest 100 oil &amp; gas reserve holders.</li><li>&gt; Exclusion of the world's largest 100 coal reserve holders.</li><li>&gt; Exclusion of companies of the Electric Utilities and Gas Distribution FactSet Industries with &gt;50% of installed capacity related to fossil fuels.</li><li>&gt; Exclusion of companies neither measuring nor reporting its greenhouse gas emissions.</li><li>&gt; companies with a ratio of greenhouse gas emission (tCO<sub>2</sub>e) per \$m revenue below the median of the respective sector are eligible for inclusion.</li></ul> |
| <b>List of social factors considered</b>        | > Not applicable  |
| <b>List of governance factors considered</b>    | > Not applicable  |

## Data and Standards used

|   |  |
|---|--|
| <b>Data Input</b>                       | The data used to construct the index is sourced externally from Institutional Shareholder Services Inc., Fossil Free Indexes LLC, and FactSet Research Systems.  |
| <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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