

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

Ethical Europe Climate Care NTR 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

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| Name of the benchmark administrator | Solactive AG |
| Type of benchmark or family of benchmarks | Equity |
| Name of the benchmark or family of benchmarks | Ethical Europe Climate Care NTR Index |
| Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors? | Yes |

ESG Factors Applied in the Benchmark Methodology

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| List of environmental factors considered | <ul style="list-style-type: none"> > Companies need a Vigeo ESG score >40 and greater than their sector peers. > Companies with a Vigeo Carbon Footprint of A or B need a Vigeo Energy Transition score >40 and greater than their sector peers. > Companies with a Vigeo Carbon Footprint of C need a Vigeo Energy Transition score >50 and greater than their sector peers. > Companies with a Vigeo Carbon Footprint of D need a Vigeo Energy Transition score that is the maximum score in the VIGEO sector (in case of equal, the best is selected based on the ESG score), >50, and greater than their sector peers. > Exclusion of companies involved (>5%) in tailor-made products or services to produce nuclear energy. This includes design, building, management of nuclear energy plants, including specific research and consultancy services. > Exclusion of companies involved (>5%) in the supply of essential parts (specifically developed for this purpose) of nuclear energy installations or nuclear weapons (first level suppliers). > Exclusion of companies involved (>5%) in the mining, processing or sale of uranium or nuclear fuels. > Exclusion of companies involved (>5%) in the processing or storing of nuclear waste stemming from the exploitation of nuclear energy plants. > For every rebalancing of the index, companies with a Carbon Footprint of D are asked to provide more information on their strategy towards the energy transition. Exclusion of companies not responding within 12 months (starting at the inclusion date). |
| List of social factors considered | <ul style="list-style-type: none"> > Companies need a Vigeo ESG score >40 and greater than their sector peers. > Exclusion of companies involved (>0%) in the production or sale of controversial weapons (including antipersonnel landmines, cluster munitions, |



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| | <p>nuclear and chemical weapons).</p> <ul style="list-style-type: none"> > Exclusion of companies involved (>0%) in the production or sale of weapons that are directly design to kill, wound or destroy (and that are ready to use for those purposes) or essential parts of these weapons. This includes firearms (including hunting guns), bombs, missiles, torpedoes, combat vehicles, grenades, mines, ammunition, IT systems for weapon control, etc. > Exclusion of companies involved (>=5%) in the production or sale of protection devices and nonessential parts of weapons or parts of military systems (designed for military purpose but that are not usable as weapons by themselves). This includes spy satellites, landmine detection appliances, rocket or aircraft engines, uniforms, bullet proof jackets, helmets, gas masks, flight simulators. > Exclusion of companies involved (>=1%) in the financing (through non-consolidated participation or loan) of producers of controversial weapons: antipersonnel landmines, cluster munitions, nuclear and chemical weapons. > Exclusion of companies involved (>0%) in the manufacturing of core tobacco products (including leaf tobacco (raw material), cigarettes, cigars, hand rolling, pipe snuff and chewing tobacco). > Exclusion of companies involved (>=10%) in the manufacturing of products that do not contain tobacco themselves, but that are specifically developed or manufactured to be used in the manufacturing or consumption of tobacco products (e.g. machines, filters, pipes, cigarette paper and tobacco flavors). Products such as matches, lighters, packages and adhesives that are also used in other contexts than tobacco products manufacturing or consumption, are not regarded as tobacco products > Exclusion of companies involved (>=10%) in the distribution / sales of core tobacco products (including leaf tobacco (raw material), cigarettes, cigars, hand rolling, pipe snuff and chewing tobacco). > Exclusion of companies involved (>5%) in the supply of essential parts (specifically developed for this purpose) of nuclear energy installations or nuclear weapons (first level suppliers). |
| <p>List of governance factors considered</p> | <ul style="list-style-type: none"> > Companies need a Vigeo ESG score >40 and greater than their sector peers. |

Data and Standards used

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| <p>Data Input</p> | <p>The data used to construct the index is sourced externally from Vigeo Eiris.</p> |
| <p>Verification and quality of data</p> | <p>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.</p> |
| <p>Reference standards</p> | <p>International standards referenced by the index methodology are listed in the respective section above.</p> |
| <p>Information updated on</p> | <p>29/03/2023</p> |



Reason for update:

Initial document creation

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