

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

Solactive Environmental Footprint 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

Name of the benchmark administrator	Solactive AG
Type of benchmark or family of benchmarks	Equity
Name of the benchmark or family of benchmarks	Solactive Environmental Footprint 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

List of environmental factors considered	<ul style="list-style-type: none">> Parts of the selection of index components are based on the Total GHG & Resources Impact Ratio. First, starting from the index universe within each Sector the top 60 stocks with the lowest Total GHG & Resources Impact Ratio are selected. If there are less than 60 stocks within any Sector, all are selected. Then, the bottom 10% of stocks with the highest Total GHG & Resources Impact Ratio are excluded. The Total GHG & Resources Impact Ratio is an intensity ratio indicating how carbon and resource intensive a company is. The data provider calculates the direct and indirect carbon emissions, water consumption and natural resources use of each company and applies a monetary value to these quantities. This value represents the global average damage of each environmental impact and is derived from scientific literature. By dividing the total GHG and Resources costs by the company revenue one can obtain the Total GHG & Resources Impact Ratio.
List of social factors considered	<ul style="list-style-type: none">> Not applicable
List of governance factors considered	<ul style="list-style-type: none">> Not applicable

Data and Standards used

Data Input	The data used to construct the index is sourced externally from S&P Trucost Limited
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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CONTACT

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Tel.: +49 (0) 69 719 160 00
Fax: +49 (0) 69 719 160 25
Email: info@solactive.com
Website: www.solactive.com

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