

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

Solactive ISS Prime Rated ESG USA Large & Mid Cap Index TR



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 ISS Prime Rated ESG USA Large & Mid Cap Index TR
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 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 generating revenues from coal mining.> Exclusion of companies with power production from coal >5% (in proportion to their total power production).> Exclusion of companies generating revenues from the production or exploration of oil sands.> Exclusion of companies generating revenues from production or exploration of in the area of hydraulic fracturing.> 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.
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, cluster munitions, and anti-personnel mines).> Exclusion of companies generating revenues (in proportion to their total



	<p>revenues) >50% from services or >5% from production or >5% from distribution in the sector of military equipment.</p> <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) >50% from services or >5% from production or >5% from distribution 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 cannabis.> Exclusion of companies generating revenues from the production of genetically modified plants and/or animals for agricultural use.> 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.
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.> 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.

Data and Standards used

Data Input	The data used to construct the index is sourced externally from Institutional Shareholder Services Inc.
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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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Reason for update:	Initial document creation

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