

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

Solactive Emerging Market Minimum Variance ESG 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 Emerging Market Minimum Variance ESG 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	> Exclusion of companies not covered by Sustainalytics. A company is considered as covered if there exist an ESG as well as an E-, S- and G-Score by Sustainalytics > Companies are clustered in peer groups, based on Sustainalytics' classification. Within each peer group, companies are sorted according their ESG scores in decreasing order and those with an ESG score better than the 70th-percentile ESG score are eligible for inclusion in the index. > Exclusion of companies within the Sustainalytics' Controversy Category (CC) 4 or 5. The CC is based on the lowest score achieved in the Sustainalytics criteria: Business Ethics Incidents, Governance Incidents, Public Policy Incidents, Operations Incidents, Environmental Supply Chain Incidents, Product and Service Incidents, Employee Incidents, Social Supply Chain Incidents, Customer Incidents, Society and Community Incidents > Exclusion of companies not covered by Sustainalytics Carbon Research. > The absolute carbon emissions of the portfolio are constrained to be lower than the index universe carbon emission by 40%. > The carbon intensity (carbon emissions scope 1+2 in relation to revenues) of the portfolio is constrained to be lower than the index universe carbon intensity by 40%.
List of social factors considered	> Exclusion of companies not covered by Sustainalytics. A company is considered as covered if there exist an ESG as well as an E-, S- and G-Score by Sustainalytics. > Companies are clustered in peer groups, based on Sustainalytics' classification. Within each peer group, companies are sorted according their ESG scores in decreasing order and those with an ESG score better than the 70th-percentile ESG score are eligible for inclusion in the index. > Exclusion of companies within the Sustainalytics' Controversy Category (CC) 4 or 5.



List of governance factors considered	> Exclusion of companies not covered by Sustainalytics. A company is considered as covered if there exist an ESG as well as an E-, S- and G-Score by Sustainalytics. > Companies are clustered in peer groups, based on Sustainalytics' classification. Within each peer group, companies are sorted according their ESG scores in decreasing order and those with an ESG score better than the 70th-percentile ESG score are eligible for inclusion in the index. > Exclusion of companies within the Sustainalytics' Controversy Category (CC) 4 or 5.
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Data and Standards used

Data Input	The data used to construct the index is sourced externally from Sustainalytics.
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.
Information updated on	23/02/2024
Reason for update:	Initial document creation

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