

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

Solactive L&G Emerging Markets Future Core Index NTR



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 L&G Emerging Markets Future Core Index NTR
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 listed on the Future World Protection List (FWPL). The FWPL comprises companies which are (1) involved in the manufacture of controversial weapons (2) persistent violators of the UN Global Compact and/or (3) pure coal mining companies. It is reconstituted by Legal & General on a semi-annual basis in March and September> Exclusion of companies generating revenues (in proportion to their total revenues) >50% from nuclear power generation> Exclusion of companies generating revenues (in proportion to their total revenues) >25% from oil sand extraction> In the weighting process the "L&G ESG Score" is used as a tilting mechanism, i.e. the higher the ESG Score the higher the positive tilt of the weights
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies listed on the Future World Protection List (FWPL). The FWPL comprises companies which are (1) involved in the manufacture of controversial weapons (2) persistent violators of the UN Global Compact and/or (3) pure coal mining companies. It is reconstituted by Legal & General on a semi-annual basis in March and September> Exclusion of companies involved in controversial weapons (including nuclear weapon systems)> Exclusion of companies generating revenues (in proportion to their total revenues) >5% from the production or distribution of assault weapons> Exclusion of companies generating revenues (in proportion to their total revenues) >50% from gambling services> Exclusion of companies involved in the production/retail of tobacco products or production/distribution of recreational cannabis> In the weighting process the "L&G ESG Score" is used as a tilting mechanism, i.e. the higher the ESG Score the higher the positive tilt of the weights

**List of governance factors considered**

- > Exclusion of companies listed on the Future World Protection List (FWPL). The FWPL comprises companies which are (1) involved in the manufacture of controversial weapons (2) persistent violators of the UN Global Compact and/or (3) pure coal mining companies. It is reconstituted by Legal & General on a semi-annual basis in March and September
- > In the weighting process the "L&G ESG Score" is used as a tilting mechanism, i.e. the higher the ESG Score the higher the positive tilt of the weights

Data and Standards used

Data Input	The data used to construct the index is sourced externally from Sustainalytics and Legal & General Investment Management
Verification and quality of data	The providers of ESG-related data input are selected by the Administrator based on an assessment of their existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data providers have 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	22/10/2021
Reason for update:	Initial document creation

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