

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

Solactive Australian and Global Select Sustainability Leaders
Bond TR 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	Fixed Income – Mixed
Name of the benchmark or family of benchmarks	Solactive Australian and Global Select Sustainability Leaders Bond TR 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">> Only bonds classified as green bonds or passing the ESG criteria outlined below are eligible for inclusion in the index> Exclusion of companies which have fossil fuel reserves, fossil fuels infrastructure, or are involved in the mining, extraction, burning of fossil fuels; or are top corporate funders of fossil fuels (in case of green bonds, an issuer exposure of up to 5% is permitted)> Exclusion of companies generating any revenues from uranium mining and nuclear energy (in case of green bonds, an issuer exposure of up to 5% is permitted), or >5% of revenues from products and services related to nuclear energy> Exclusion of companies contributing to the the destruction of valuable environments through activities which have direct negative impact on recognised World Heritage and High Conservation areas
List of social factors considered	<ul style="list-style-type: none">> Exclusion of companies with evidence of human rights violations including child labour, forced labour, sweatshops, bribery and corruption> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from casino operations, manufacture of gaming products, and poker machine operations, or revenues >5% from the distribution of gaming products> 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 munitions, cluster munitions, and anti-personnel mines)> Exclusion of companies generating revenues (in proportion to their total revenues) >0% from production or manufacture of tobacco products, or >5% from distribution of tobacco products> Exclusion of companies generating revenues (in proportion to their total



	<p>revenues) >0% from production or >5% from the distribution of pornography</p> <ul style="list-style-type: none"> > Exclusion of companies generating revenues (in proportion to their total revenues) >20% from the production or sale of alcohol > Exclusion of companies generating revenues (in proportion to their total revenues) >33% from the production or sale of junk foods > Exclusion of companies generating revenues (in proportion to their total revenues) >0% from exposure to live animal export, animal testing for cosmetic purposes, factory farming, or controversial animal products (ivory, foie gras etc.) > Exclusion of companies generating revenues (in proportion to their total revenues) >0% from the production or use of chemicals of concern recognised by UN Environmental Program, Producers of contentious agricultural chemicals > Exclusion of companies generating revenues (in proportion to their total revenues) >0% from manufacture of armaments and weapons or >5% from specific and significant services to military and armaments manufacture > Exclusion of sovereign issuers that are subject to current sanctions as a result of human rights concerns through international bodies such as the United Nations and EU
List of governance factors considered	<ul style="list-style-type: none"> > Exclusion of companies with no women on the board of directors > Exclusion of companies with evidence of human rights violations including child labour, forced labour, sweatshops, bribery and corruption

Data and Standards used

Data Input	The data used to construct the index is sourced externally from the Responsible Investment Committee established by BetaShares Capital Limited and the Climate Bonds Initiative
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.
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