

# INDEX GUIDELINE

SOLACTIVE GLOBAL UN SUSTAINABLE DEVELOPMENT GOALS INDEX

1.0

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## INTRODUCTION

This document (the "**GUIDELINE**") is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive Global UN Sustainable Development Goals Index (the "**INDEX**"). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE specified in Section 5.5. The INDEX is owned, calculated, administered and published by Solactive AG ("**SOLACTIVE**") assuming the role as administrator (the "**INDEX ADMINISTRATOR**") under the Regulation (EU) 2016/1011 (the "**BENCHMARK REGULATION**" or "**BMR**"). The name "Solactive" is trademarked.

*The text uses defined terms which are formatted with "SMALL CAPS". Such Terms shall have the meaning assigned to them as specified in Section 6 (Definitions).*

**The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX. SOLACTIVE does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX nor the level of the INDEX at any certain point in time nor in any other respect. SOLACTIVE strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for SOLACTIVE – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the INDEX. The publication of the INDEX by SOLACTIVE does not constitute a recommendation for capital investment and does not contain any assurance or opinion of SOLACTIVE regarding a possible investment in a financial instrument based on this INDEX.**



# 1. INDEX SPECIFICATIONS

## 1.1. SCOPE OF THE INDEX

| Category              | Description   |
|-----------------------|---|
| Asset Class           | Equity  |
| Strategy              | Representation of securities with high dividend and low volatility features. The Index includes only companies providing a positive contribution to the UN Sustainable Development Goals (SDG) while excluding companies identified as having significant obstructions to those Goals. The final securities are weighted to minimize volatility of the portfolio. |
| Regional Allocation   | Developed Markets Global  |
| Rebalancing Frequency | Quarterly   |

## 1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

| Name  | ISIN         | Currency | Type | RIC       | BBG ticker |
|---|--------------|----------|------|-----------|------------|
| Solactive Global UN Sustainable Development Goals Index     | DE000SLA9KU1 | EUR      | PR   | .SOUNSDG  | SOUNSDG    |
| Solactive Global UN Sustainable Development Goals Index NTR | DE000SLOBD24 | EUR      | NTR  | .SOUNSDGN | -          |
| Solactive Global UN Sustainable Development Goals Index TR  | DE000SLOBD32 | EUR      | GTR  | .SOUNSDGT | -          |

\*PR, NTR, GTR means that the Index is calculated as a price return, net total return, and gross total return Index as described in the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>

The INDEX is published on the website of the INDEX ADMINISTRATOR ([www.solactive.com](http://www.solactive.com)) and is, in addition, available via the price marketing services of Boerse Stuttgart GmbH and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDEX (e.g. notices, amendments to the GUIDELINE) will be available at the website of the INDEX ADMINISTRATOR: <https://www.solactive.com/news/announcements/>.



### 1.3. INITIAL LEVEL OF THE INDEX

The initial level of the INDEX on 01/08/2007, the START DATE, is 100. Historical values from 08/07/2020, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR. Levels of the INDEX published for a period prior to the LIVE DATE have been back-tested.

### 1.4. PRICES AND CALCULATION FREQUENCY

The level of the INDEX is calculated on each CALCULATION DAY from 9:00 a.m. to 10:50 p.m. CET based on the TRADING PRICES on the EXCHANGES on which the INDEX COMPONENTS are listed. TRADING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Reuters spot foreign exchange rate. Should there be no current TRADING PRICE for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is based on the CLOSING PRICES for the INDEX COMPONENTS on the respective EXCHANGES on which the INDEX COMPONENTS are listed. The CLOSING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 4pm London time WM Fixing quoted by Reuters. If there is no 4pm London time WM Fixing for the relevant CALCULATION DAY, the last available 4pm London time WM Fixing will be used for the closing level calculation.

### 1.5. LICENSING

Licenses to use the INDEX as the underlying value for financial instruments, investment funds and financial contracts may be issued to stock exchanges, banks, financial services providers and investment houses by SOLACTIVE.



## 2. INDEX SELECTION

On each SELECTION DAY, the INDEX ADMINISTRATOR will revise the composition of the INDEX.

In a first step, the INDEX ADMINISTRATOR determines the INDEX UNIVERSE in accordance with Section 2.1. The INDEX UNIVERSE comprises all those financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS (as specified in Section 2.1) and will constitute a starting pool from which the components of the INDEX will be selected. Based on this INDEX UNIVERSE, the new composition of the INDEX will be determined by applying the rules outlined in Section 2.2.

Each new INDEX COMPONENT will be assigned a weight as described in Section 2.3.

### 2.1. INDEX UNIVERSE REQUIREMENTS

The INDEX UNIVERSE is comprised of all financial instruments which fulfill the below requirements (the “INDEX UNIVERSE REQUIREMENTS”):

- Part/Component of the GBS INDEX UNIVERSE of the Solactive GBS Developed Markets Large & Mid Cap Index (ISIN: DE000SLA41B6)
- Part of the ESG Universe as described below
- FREE FLOAT MARKET CAPITALIZATION of at least EUR 200 million on the SELECTION DAY
- AVERAGE DAILY VALUE TRADED (ADV) over 120 days prior to and including the SELECTION DAY of at least EUR 1 million
- Price history of at least 126 weekdays prior to the SELECTION DAY
- Only one share class of each company is eligible for inclusion in the INDEX UNIVERSE. The share class with the highest ADV as defined above is included

The “**ESG Universe**” is determined by the DATA PROVIDER by applying the following criteria to its “World Corporate” Rating Universe:

1. Contribution to the UN Sustainable Development Goals (SDGs), based on the ISS SUSTAINABILITY SOLUTIONS ASSESSMENT data:
  - a. Inclusion of issuers with a minimum contribution of 10% of net sales to one or more social and environmental objectives defined by the ISS Sustainability Solutions Assessment
  - b. Exclusion of issuers with a limited obstruction of more than 5% of net sales to one or more social and environmental objectives defined by the ISS Sustainability Solutions Assessment



- c. Exclusion of all issuers with a significant obstruction to one or more social and environmental objectives defined by the ISS Sustainability Solutions Assessment
2. Overall ESG Performance
  - a. Inclusion of issuers with an overall ESG rating (« ISS Corporate rating ») equal to or higher than « Prime-2 » status, i.e. two levels below the Prime threshold defined by ISS
3. Further exclusions are based on the filters and thresholds described in Appendix 7.1.

The determination of the INDEX UNIVERSE is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decisions.

## 2.2. SELECTION OF THE INDEX COMPONENTS

Based on the INDEX UNIVERSE, the initial composition of the INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY in accordance with the following rules (the “**INDEX COMPONENT REQUIREMENTS**”):

1. The 80 stocks with the highest LAST YEAR'S QUARTERLY REALIZED DIVIDEND YIELD are retained.
2. From the 80 remaining stocks the 20 stocks with the lowest volatility over the 90 days prior to and including the SELECTION DAY are selected for the index. Volatility is calculated in Euro.

The selection of the INDEX COMPONENTS is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decision.

## 2.3. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION DAY each INDEX COMPONENT is weighted using a minimum variance optimization with a minimum individual weight of 1% and a maximum individual weight of 7%. The covariance matrix is calculated using a 125 business days lookback period.



## 3. REBALANCE

### 3.1. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 2.1 and 2.2) the INDEX is adjusted on the REBALANCE DAY after CLOSE OF BUSINESS.

This is carried out by implementing the shares as determined on the FIXING DAY based on the weights calculated on the SELECTION DAY.

For more information on the rebalance procedure please refer to the Equity Index Methodology, which is incorporated by reference and available on the Solactive website: <https://www.solactive.com/documents/equity-index-methodology/>

SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE webpage under the section "Announcement", which is available at <https://www.solactive.com/news/announcements/>

### 3.2. EXTRAORDINARY REBALANCE

The INDEX is not rebalanced extraordinarily.





## 4. CALCULATION OF THE INDEX

### 4.1. INDEX FORMULA

The INDEX is calculated as a price return, net total return, and gross total return Index.

The calculation is performed according to the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. The divisor index formula stipulates that the level of the INDEX changes based on the change of the prices of its INDEX COMPONENTS taking into account their weight in the INDEX and any currency conversion in case the price of an INDEX COMPONENT is quoted in a currency other than the INDEX CURRENCY.

Any dividends or other distributions are reinvested across the entire basket of INDEX COMPONENTS by means of a divisor at the opening of the effective date (the so-called ex-date) of the payment of such dividend or other distribution. Special cash distributions are reinvested net of withholding taxes for the price return index.

A more detailed description of the mechanics of the index calculation formula can be found in the Equity Index Methodology under Section 1.2.

### 4.2. ACCURACY

The level of the INDEX will be rounded to 2 decimal places. Divisors will be rounded to six decimal places. TRADING PRICES and foreign exchange rates will be rounded to six decimal places.

### 4.3. ADJUSTMENTS

Under certain circumstances, an adjustment of the INDEX may be necessary between two regular REBALANCE DAYS. Such adjustment has to be made if a corporate action (as specified in Section 4.4 below) in relation of an INDEX COMPONENT occurs. Such adjustment may have to be done in relation to an INDEX COMPONENT and/or may also affect the number of INDEX COMPONENTS and/or the weighting of certain INDEX COMPONENTS and will be made in compliance with the Solactive Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>.

SOLACTIVE will announce the INDEX adjustment giving a notice period of at least two TRADING DAYS (with respect to the affected INDEX COMPONENT) on the SOLACTIVE website under the Section "Announcements", which is available at <https://www.solactive.com/news/announcements/>. The INDEX adjustments will be implemented on the effective day specified in the respective notice.



## 4.4. CORPORATE ACTIONS

As part of the INDEX maintenance SOLACTIVE will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the INDEX. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the INDEX coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the INDEX to account for corporate actions will be made in compliance with the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the INDEX variables.

While SOLACTIVE aims at creating and maintaining its methodology for the treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, it retains the right in accordance with the Equity Index Methodology to deviate from these standard procedures in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the INDEX over time.

SOLACTIVE considers the following, but not conclusive, list of corporate actions as relevant for the INDEX maintenance:

- > Cash Distributions (e.g. payment of a dividend)
- > Stock distributions (e.g. payment of a dividend in form of additional shares)
- > Stock distributions of another company (e.g. payment of a dividend in form of additional shares of another company (e.g. of a subsidiary))
- > Share splits (company's present shares are divided and therefore multiplied by a given factor)
- > Reverse splits (company's present shares are effectively merged)
- > Capital increases (such as issuing additional shares)
- > Share repurchases (a company offer its shareholders the option to sell their shares to a fixed price)
- > Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- > Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) are transferred or consolidated with other entities, e.g. fusion of two or more separate companies into one entity)
- > Delistings (company's shares are no longer publicly traded at a stock exchange)
- > Nationalization of a company (effective control of a legal entity is taken over by a state)



> Insolvency

## 4.5. RECALCULATION

SOLACTIVE makes the greatest possible efforts to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. SOLACTIVE endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of "a reasonable period of time" as well as the general measures to be taken are generally depending on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/correction-policy/>.

## 4.6. MARKET DISRUPTION

In periods of market stress SOLACTIVE calculates its indices following predefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/disruption-policy/>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more INDEX COMPONENTS. The determination of the INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress.



## 5. MISCELLANEOUS

### 5.1. DISCRETION

Any discretion which may need to be exercised in relation to the determination of the INDEX (for example the determination of the INDEX UNIVERSE (if applicable), the selection of the INDEX COMPONENTS (if applicable) or any other relevant decisions in relation to the INDEX) shall be made in accordance with strict rules regarding the exercise of discretion or expert judgement.

### 5.2. METHODOLOGY REVIEW

The methodology of the INDEX is subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the INDEX, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Solactive Methodology Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/methodology-policy/>.

Such change in the methodology will be announced on the SOLACTIVE website under the Section "[Announcement](https://www.solactive.com/news/announcements/)", which is available at <https://www.solactive.com/news/announcements/>. The date of the last amendment of this INDEX is contained in this GUIDELINE.

### 5.3. CHANGES IN CALCULATION METHOD

The application by the INDEX ADMINISTRATOR of the method described in this document is final and binding. The INDEX ADMINISTRATOR shall apply the method described above for the composition and calculation of the INDEX. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The INDEX ADMINISTRATOR may also make changes to the terms and conditions of the INDEX and the method applied to calculate the INDEX that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The INDEX ADMINISTRATOR is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the INDEX ADMINISTRATOR will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.



## 5.4. TERMINATION

SOLACTIVE makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, SOLACTIVE follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 5.2 "Methodology Review") in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the INDEX may be indicated. This is usually the case when the underlying market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

SOLACTIVE has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative index. Details are specified in the Solactive Termination Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/termination-policy/>.

## 5.5. OVERSIGHT

An oversight committee composed of staff from SOLACTIVE and its subsidiaries (the "**OVERSIGHT COMMITTEE**") is responsible for decisions regarding any amendments to the rules of the INDEX. Any such amendment, which may result in an amendment of the GUIDELINE, must be submitted to the OVERSIGHT COMMITTEE for prior approval and will be made in compliance with the Methodology Policy, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/methodology-policy/>.



## 6. DEFINITIONS

**“AVERAGE DAILY VALUE TRADED”** means, in respect of an INDEX COMPONENT, the sum of DAILY VALUE TRADED over the specified period divided by the number of TRADING DAYS that fall in the specified period.

**“BENCHMARK REGULATION”** shall have the meaning as defined in Section “Introduction”.

**“BMR”** shall have the meaning as defined in Section “Introduction”.

**“BUSINESS DAY”** is every weekday from Monday to Friday.

**“CALCULATION DAY”** is every weekday from Monday to Friday.

**“CLOSE OF BUSINESS”** is the calculation time of the closing level of the INDEX as outlined in Section 1.4.

The **“CLOSING PRICE”** in respect of an INDEX COMPONENT and a TRADING DAY is a security's final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.

**“DAILY VALUE TRADED”** means, in respect of an INDEX COMPONENT and a TRADING DAY, the product of (i) the CLOSING PRICE of such INDEX COMPONENT and (ii) the volume traded (measured as a number of shares) of such INDEX COMPONENT on the EXCHANGE during such TRADING DAY.

**“DATA PROVIDER”** is ISS who provides a universe screened for ESG criteria in line with the UN Global Impact principles. For more information, please visit: <https://www.issgovernance.com/>

**“ELIGIBLE REBALANCE DAY”** is each day that is a TRADING DAY at the New York Stock Exchange, the London Stock Exchange, the EUREX Exchange and the Tokyo Stock Exchange.

**“EXCHANGE”** is with respect to the INDEX and every INDEX COMPONENT, the respective exchange where the INDEX COMPONENT has its listing as determined in accordance with the rules in Section 2.

**“FIXING DAY”** is the SELECTION DAY.

The **“FREE FLOAT”** is with regard to each of the securities fulfilling the Index Component Requirements on a SELECTION DAY the share class-specific fraction of the total number of shares of such share class issued that are available for trading by market participants and not locked-in by long term holders, as sourced from data vendors.

The **“FREE FLOAT MARKET CAPITALIZATION”** is with regard to each of the securities fulfilling the Index Component Requirements on a SELECTION DAY the share class-specific free float market capitalization. It is calculated as the multiplication of the shares outstanding in FREE FLOAT (as sourced from data vendors) with the CLOSING PRICE of the share class as of the respective SELECTION DAY.

**“GBS INDEX UNIVERSE”** is the Index Universe as defined in the guideline of the Solactive Global Benchmark Series: <https://solactive.com/downloads/Guideline-Solactive-GBS-Benchmark-Series.pdf>

**“GUIDELINE”** shall have the meaning as defined in Section “Introduction”.



“**INDEX**” shall have the meaning as defined in Section “Introduction”.

“**INDEX ADMINISTRATOR**” shall have the meaning as defined in Section “Introduction”.

“**INDEX COMPONENT**” is each security reflected in the INDEX.

“**INDEX COMPONENT REQUIREMENTS**” shall have the meaning as defined in Section 2.2.

“**INDEX CURRENCY**” is the currency specified in the column “Currency” in the table in Section 1.2.

“**INDEX UNIVERSE REQUIREMENTS**” shall have the meaning as defined in Section 2.1.

“**INDEX UNIVERSE**” is the sum of all financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS.

The “**ISS SUSTAINABILITY SOLUTIONS ASSESSMENT**” provides investors with detailed information and data regarding the impact of a company’s product and services portfolio towards the UN Sustainable Development Goals (SDGs).

The “**LAST YEAR’S QUARTERLY REALIZED DIVIDEND YIELD**” captures the sum of daily differences between the total returns and price returns of a stock. The period over which these differences are aggregated corresponds to the 3-month period the stock will be in the index following the current rebalancing - moved back by 1 year. It is calculated as follows:

$$\sum_{t=AD-1Y+1BD}^{next\ AD-1Y} \left( \frac{P_t^{GTR}}{P_{t-1}^{GTR}} - \frac{P_t^{PR}}{P_{t-1}^{PR}} \right)$$

where:

$P_t^{GTR}$  = stock price adjusted for splits, spin-offs, and cash dividends on Trading Day t

$P_{t-1}^{GTR}$  = stock price adjusted for splits, spin-offs, and cash dividends on Trading Day t-1

$P_t^{PR}$  = stock price adjusted for splits and spin-offs on Trading Day t-1

$P_{t-1}^{PR}$  = stock price adjusted for splits and spin-offs on Trading Day t

$AD$  = date of current Rebalance Day

$next\ AD$  = date of next Rebalance Day following the current Rebalance Day

$next\ AD - 1Y$  = date of: next Adjustment Day following the current Rebalance Day minus 1 year. If this is not a Business Day, the date is set as the next following Business Day

$AD - 1Y + 1BD$  = date of: The current Rebalance Day minus 1 year plus 1 Business Day. If this is not a Business Day, the date is set as the next following Business Day

“**LIVE DATE**” shall have the meaning as defined in Section 1.3.

“**OVERSIGHT COMMITTEE**” shall have the meaning as defined in Section 5.5.

“**REBALANCE DAY**” is the first Wednesday in February, May, August and November. If that day is not an ELIGIBLE REBALANCE DAY the REBALANCE DAY will be the immediately following ELIGIBLE REBALANCE DAY.



“**SELECTION DAY**” is 10 weekdays (Monday to Friday) before the scheduled REBALANCE DAY.

“**SOLACTIVE**” shall have the meaning as defined in Section “Introduction”.

“**START DATE**” shall have the meaning as defined in Section 1.3.

“**TRADING DAY**” is with respect to an INDEX COMPONENT included in the INDEX at the REBALANCE DAY and every INDEX COMPONENT included in the INDEX at the CALCULATION DAY immediately following the REBALANCE DAY (for clarification: this provision is intended to capture the TRADING DAYS for the securities to be included in the INDEX as new INDEX COMPONENTS with close of trading on the relevant EXCHANGE on the REBALANCE DAY) a day on which the relevant EXCHANGE is open for trading (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the scheduled EXCHANGE closing time and days on which the EXCHANGE is open for a scheduled shortened period. The INDEX ADMINISTRATOR is ultimately responsible as to whether a certain day is a TRADING DAY.

The “**TRADING PRICE**” in respect of an INDEX COMPONENT and a TRADING DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.





## 7. APPENDIX

### 7.1. ADDITIONAL ESG FILTERS

| Febelfin Sections            | ISS ESG screens applied  | Thresholds applied                   | Definitions  |
|------------------------------|--|--------------------------------------|--|
| UN Global Compact Violations | Controversies on: Human rights, Labour Rights, Controversial environmental practices, Business malpractice | Severe and very severe controversies | <p>A controversial practice in the area of human rights is defined as when a company allegedly disregards generally accepted norms, principles and standards for the protection of human rights to a considerable extent and/or when, through its practice, significant negative effects on the human rights of the population were directly or indirectly, allegedly, caused or exacerbated.</p> <p>For the evaluation and classification of severity of individual situations, ISS ESG applies assessment guidelines derived from international conventions and guidelines (incl. International Bill of Human Rights and the UN Guiding Principles on Business and Human Rights, Voluntary Principles on Security and Human Rights, Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War account).</p> <p>A further distinction is made in the classification of the cases depending on whether the company itself or its suppliers engaged in the practice and brought about the adverse effects, or whether a company triggers or significantly exacerbates the human rights controversy through direct or indirect financing.</p> <p>A controversial practice in the area of labour rights is defined as when a company allegedly disregards generally accepted norms, principles and standards for the protection of workers to a considerable extent and/or when, through its practice, significant negative effects on workers</p> |



| Febelfin Sections | ISS ESG screens applied | Thresholds applied | Definitions  |
|-------------------|-------------------------|--------------------|--|
|                   |                         |                    | <p>were directly or indirectly, allegedly, caused or exacerbated.</p> <p>For the evaluation and classification of severity of individual situations, ISS ESG applies assessment guidelines derived from international conventions and guidelines (incl. the Universal Declaration of Human Rights, the labour standards of the International Labour Organization (ILO), and the UN Guiding Principles on Business and Human Rights, sector-specific standards and best practices).</p> <p>A further distinction is made in the classification of the cases depending on whether the company itself or its suppliers are engaged in the practice and brought about the adverse effects. A distinction is also made according to the Fundamental Principles and Rights at Work adopted by the ILO (core labour standards), which cover the following four topics: union rights, forced labour, child labour and discrimination. A further sub-area concerns minimum labour standards that are not covered by the core labour standards of the ILO (for example regarding occupational health and safety, remuneration and working time).</p> <p>A controversial environmental practice is defined as when a company, allegedly disregards generally accepted norms, principles and standards for the protection of the environment to a considerable extent and/or when, through its practices, significant negative effects on the environment were directly or indirectly, allegedly, caused or exacerbated.</p> <p>For the evaluation and classification of severity of individual situations, ISS ESG applies assessment guidelines derived from international conventions and guidelines (incl. the precautionary principle, common industry standards, the</p> |



| Febelfin Sections | ISS ESG screens applied        | Thresholds applied   | Definitions   |
|-------------------|--------------------------------|--|---|
|                   |                                |  | <p>principle of best available technology (BAT) and the most advanced international organisation standards) and classifications (incl. protected areas by IUCN, RAMSAR and UNESCO, and endangered species by CITES and IUCN).</p> <p>A further distinction is made in the classification of the cases depending on whether the company itself or its suppliers engaged in the practice and brought about the adverse effects, or whether the company triggers or significantly exacerbates such damages to the environment through direct or indirect financing.</p> <p>Business malpractice is defined as when a company allegedly disregards generally accepted norms, principles and standards to ensure fair business practices to a considerable extent. In such cases, ISS ESG also considers situations in which significant economic or societal damage was directly or indirectly, allegedly, caused or exacerbated through a company's practices.</p> <p>For the evaluation and classification of severity of individual situations, ISS ESG applies assessment guidelines derived from international conventions and guidelines (incl. <b>UN Convention against Corruption and UN Convention against Transnational Organised Crime</b>).</p> |
| Weapons           | Banned (Controversial) Weapons | Verified involvement in Banned (controversial) weapons (>0% revenue) | <p>Covers issuers with involvement in controversial weapons (including key components, tailor made components, specific services) i.e. weapons which are banned by international conventions:</p> <ul style="list-style-type: none"> <li>- Anti-personnel mines (Mine Ban Treaty)</li> <li>- Biological Weapons (The Biological Weapons Convention)</li> </ul>  |



| Febelfin Sections                             | ISS ESG screens applied          | Thresholds applied  | Definitions   |
|---|----------------------------------|---|---|
|   |                                  |   | <ul style="list-style-type: none"> <li>- Chemical Weapons (Chemical Weapons Convention)</li> <li>- Cluster Munitions (Convention on Cluster Munitions)</li> </ul>   |
|   | Depleted uranium                 | Verified involvement in depleted uranium ammunition or armour (>0% revenue) | Covers issuers with involvement in depleted uranium ammunition and armour (including key components, tailor made components, specific services).  |
|   | Military Equipment or Services   | >0% involvement in Military Equipment or Services                           | Covers issuers with involvement in the production, distribution, or provision of services related to military equipment (Combat Equipment and/or Non-combat Military Equipment), including manufacturing and production of military equipment, the reselling of military equipment, and provision of services for military equipment such as maintenance, repair, testing, and transport. |
|   | Nuclear Weapons                  | Verified involvement in nuclear weapons outside the NPT (>0% revenue)       | Covers issuers with involvement in nuclear weapons outside the Non-Proliferation Treaty (including key components, tailor made components, specific services)   |
| Tobacco                                       | Tobacco                          | >0% involvement   | <p>Covers all types of tobacco products and products that contain tobacco (e.g cigarettes, cigars, loose tobacco, chewing tobacco, etc.) and related key components or accessories (e.g. cigarette boxes, filters, flavours etc.)</p> <p>Covers production and wholesale trading of these products.</p>   |
| Coal and Unconventional Oil & Gas Extractions | Thermal Coal Mining (Extraction) | >5% involvement in Thermal Coal Extraction                                  | <p>Covers the following activities:</p> <ul style="list-style-type: none"> <li>- Exploration: activities conducted with the goal of locating, identifying, and inventorying coal resources in consideration for the development of mining activities.</li> <li>- Extraction/Production: mining of coal (surface and underground mines).</li> </ul>  |



| Febelfin Sections | ISS ESG screens applied  | Thresholds applied     | Definitions  |
|-------------------|--|------------------------|--|
|                   |  |                        | <ul style="list-style-type: none"> <li>- Processing: coal-to-liquids operations and coal gasification (syngas for thermal use)</li> <li>- Dedicated equipment and Services - Any relevant services in relation to coal production including, but not limited to, contract mining.</li> </ul>   |
|                   | Fossil Fuel – Hydraulic Fracturing   | >5% involvement        | Covers companies involved in the exploration, extraction, processing and production of shale oil or shale gas, and provision of dedicated equipment and services.  |
|                   | Fossil Fuel – Oil Sands  | >5% involvement        | Covers companies involved in the exploration, extraction, processing and production of oil/tar sands as well as provision of dedicated equipment and services.   |
|                   | Arctic Drilling  | >5% involvement        | <p>Covers the following activities:</p> <ul style="list-style-type: none"> <li>- Extraction/Production - Development drilling, which consists of drilling conducted with the goal of extracting hydrocarbons from within a reservoir for utilization. It also pertains to offshore drilling, which consists of drilling below the seabed.</li> <li>- Exploration - Drilling activities conducted with the goal of discovering hydrocarbons. It also pertains to appraisal drilling, which consists of drilling that is carried out to determine the physical extent, reserves, hydrocarbon properties and likely production rate of an already discovered reservoir. Companies with controversial onshore activities and license holding status in the Arctic region are flagged with risk for exploration.</li> <li>- Dedicated Equipment and Services</li> </ul> |
|                   | Cumulative filter for 4 screens: Thermal Coal Mining (Extraction), Fossil Fuel - Hydraulic Fracturing, | >10% total involvement | Companies that derive more than 10% of their revenue from the sum of the 4 categories (Thermal Coal Mining (Extraction); Fossil Fuel - Hydraulic   |



| Febelfin Sections                 | ISS ESG screens applied                             | Thresholds applied  | Definitions  |
|-----------------------------------|---|---|--|
|                                   | Fossil Fuel - Oil Sands, Arctic Drilling            |   | Fracturing; Fossil Fuel - Oil Sands; Arctic Drilling) will be excluded from the index universe. For example, if a company derives 10% of its revenue from Thermal Coal Mining (Extraction), it will not be able to derive any revenue (0%) from Fossil Fuel - Hydraulic Fracturing, or Fossil Fuel - Oil Sands, or Arctic Drilling; otherwise, the company will be excluded from the index universe. |
| Conventional Oil & Gas Extraction | Electricity Generation - Renewables and Natural Gas | <50% Revenue from Power Generation from Renewable Energy Sources<br><br><50% Revenue from Natural Gas Extraction  | Power Generation - The process of producing electric power from different sources of energy. Covers production, transmission, distribution, and retailing of electricity generated from natural gas, and renewable types of energy such as hydro, geothermal, wind, solar, and biomass.<br><br>Covers the extraction of natural gas (including coalbed/coal seam methane).                           |
| Electricity Generation            | Electricity Generation - Emissions                  | GHG Emissions - Scope 1 (tCO <sub>2</sub> e) Emissions Per Gigawatt Hours (GWh) ≤429  | This factor provides an issuer's GHG emissions (carbon) intensity based on Scope 1 emissions (tons) per gigawatt hours (GWh).  |
|                                   | Electricity Generation - Power Sources              | >0 Power Generation sourced from Coal<br>>5 Power Generation sourced from Oil<br>>5 Power Generation sourced from Natural Gas<br>>0 Power Generation sourced from Nuclear Sources | Power Generation - The process of producing electric power from different sources of energy. Covers production, transmission, distribution, and retailing of electricity generated from fossil fuels such as coal, natural gas and oil, nuclear power, and renewable types of energy such as hydro, geothermal, wind, solar, and biomass.  |



| Additional screens (from SDGSOL index) | Threshold applied (unchanged)   | Definitions   |
|--|---|---|
| Alcohol                                | <p>&gt;0% involvement in Production; &gt;5% involvement in Distribution; &gt;5% involvement in Services</p> | <p>Covers the following:</p> <p>Production - companies involved in fermenting or distilling or vining producing of alcoholic beverages.</p> <p>Distribution - companies involved in the retail or wholesale distribution of alcoholic beverages, which covers liquor stores, supermarkets, bars and restaurants.</p> <p>Services - companies involved in the supply of key related components/raw materials (e.g. malts, hops, molasses, alcoholic flavourings, packaging products). Services also include licensing, advertising, promoting and marketing alcoholic beverages.</p> |
| Gambling                               | <p>&gt;5% involvement in Production; &gt;5% involvement in Distribution; &gt;5% involvement in Services</p> | <p>Covers the following:</p> <p>Production – companies involved in the operation or management of any activity involving the waging of money on a game or event.</p> <p>Distribution – companies involved in the retail of low-risk gambling items such as lottery tickets.</p> <p>Services - companies involved in the provision of services to and development of platforms for activities involving waging money (software, gaming machines). Additional services include the marketing or promotion of waging money on a game or event.</p>                                     |



|                      |  |   |
|----------------------|--|---|
| Pornography          | >0% involvement in Production; >5% involvement in Distribution or Consolidated Sales | <p>Covers the following:</p> <p>Production - companies involved in the publication or production through print, film, internet of materials labelled as 'erotica' or 'porn'.</p> <p>Distribution - companies involved in the wholesale and retail of pornographic content. These include active (or direct) distribution through media (e.g. broadcasting, magazines, and internet retail) and passive (or indirect) in which pornographic content is part of the company's products/services (e.g. hotels, TV/Cable channel offerings, telecommunication).</p> |
| GMOs                 | >5% involvement in Production; >10% involvement in Trade or Usage                    | Covers genetically modified plants and animals. A differentiation is made between producers, users and traders. The use of genetically modified raw materials in products is covered only if these materials constitute key components of the company's core products.  |
| Pesticides           | >5% involvement in Production  | Covers the production of pesticides which are classified by the WHO as "extremely" or "highly hazardous".   |
| Hazardous Substances | REACH Authorisation List   | Covers issuers identified by ChemSec as being engaged in the production or import of hazardous substances, included in Annex XIV of the EU chemical regulation REACH.   |
| Nuclear Power        | >0% involvement  | <p>Covers various aspects of the value chain in the nuclear energy field.</p> <ul style="list-style-type: none"> <li>• Production Nuclear Power: the ownership and operation of power reactors to produce energy.</li> <li>• Production Uranium Mining: uranium exploration, extraction, and processing.</li> <li>• Services: the production and trading of key components and the provision of key services for nuclear power stations. Relevant key components</li> </ul>   |





|              |   |   |
|--------------|---|---|
|              |   | <p>and services among others include the construction of nuclear reactors, the enrichment of uranium and the production of relevant components such as nuclear fuel cladding tubes.</p>   |
| Fossil Fuels | Total Fossil Fuel related activities: >5% involvement in Production, Processing, Services | <p>Covers various aspects of the value chain of the fossil fuels: coal, oil and natural gas. On the Production level, a distinction is made among extraction, refining &amp; processing, Distribution covers to the operation of <b>essential infrastructure specifically used for the transportation of fossil fuels such as oil and gas pipelines and gas distributors, as well as the marketing and sale of fossil fuels.</b></p> <p>Services covers core services and other essential business activities including, for example, the production of key components for systems needed for the extraction and processing of fossil fuels, the implementation of extraction activities by contract companies as well as specific transportation services.</p> |

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