

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

Solactive ILIM Low Carbon Equity Income 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 ILIM Low Carbon Equity Income 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 UNGC Violators> Exclusion of companies with controversies in issues such as operations and employee incidents, human rights, business ethics and water use.> Exclusion of companies generating revenues from oil sands extraction.> Exclusion of companies generating revenues from oil and gas exploration in Arctic regions.> Exclusion of companies with any ownership in thermal coal extraction companies> Exclusion of companies generating revenues from Oil & Gas Production> Exclusion of companies with any ownership in Oil & Gas Production companies> Exclusion of companies generating revenues from Oil & Gas Generation> Exclusion of companies with any ownership in Oil & Gas Generation companies> Exclusion of companies generating revenues (in proportion to their total revenues) >2.5% from Oil & Gas Supporting Products and Services> Exclusion of companies with any ownership in Oil & Gas Supporting Products and Services companies> Exclusion of companies generating revenues from generating electricity from thermal coal> Exclusion of companies with any ownership in companies generating electricity from thermal coal> Exclusion of companies generating revenues from generating electricity from thermal coal> Exclusion of companies with any ownership in companies generating electricity from thermal coal
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	<ul style="list-style-type: none"> > Weight tilts are determined by incorporating Carbon Intensity and Carbon Risk Scores.
List of social factors considered	<ul style="list-style-type: none"> > Exclusion of UNGC Violators > Exclusion of companies with controversies in issues such as operations and employee incidents, human rights, business ethics and water use. > Exclusion of companies with any detectable involvement in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon. > Exclusion of companies which manufactures tobacco products, derives more than 10% of its revenues from supplying tobacco-related products/services or the distribution and/or retail sale of tobacco products. > Exclusion of companies which derive any revenue from or are involved in small arms (including production and distribution), or have significant ownership in such companies. > Exclusion of companies which derive more than 2.5% of their revenues from weapon and non-weapon related product and services through military contracting, or have significant ownership in such companies. > Exclusion of companies which are involved in riot control weapons or protection equipment, or have significant ownership in such companies.
List of governance factors considered	<ul style="list-style-type: none"> > Exclusion of UNGC Violators > Exclusion of companies with controversies in issues such as operations and employee incidents, human rights, business ethics and water use.

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.
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