

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

Solactive Ethical Europe Climate Care Low Carbon 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 Ethical Europe Climate Care Low Carbon 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">> A company's overall ESG score of a company is used in the selection of index components> A company's carbon footprint (absolute CO2 equivalent emissions) as well as its Energy Transition Score are used in the selection of index components> Exclusion of companies generating revenues (in proportion to their total revenues) $\geq 5\%$ from owning / operating nuclear power stations (generation of nuclear energy), $\geq 10\%$ from reselling electricity generated from nuclear power plant owned / operated by a third party, or $\geq 10\%$ from the production of major nuclear parts or providing major nuclear services (including nuclear power reactors, nuclear fuels, control rooms and waste storage)> Exclusion of companies owning or operating uranium mines> Exclusion of companies causing severe environmental damage (based on Vigeo UNGC assessment)> Exclusion of companies with unacceptable greenhouse gas emissions (no company with more than 10 million tradable energy quotas (teq) CO2 emitted and an Energy transition score below 50 is eligible)> Exclusion of companies involved in thermal coal mining activities, production of tar sand or oil shale> Exclusion of companies from the fossil fuels industry (coal, oil, natural gas, peat) generating revenues (in proportion to their total revenues) $< 40\%$ from renewable energies> Exclusion of companies from the utilities industry with a carbon intensity of the electric power generated $\geq 315\text{g CO}_2/\text{kWh}$> Exclusion of companies violating the (environmental) principles of the UN Global Compact
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List of social factors considered

- > A company's overall ESG score of a company is used in the selection of index components
- > Exclusion of companies involved (>0% revenue) in the development, production, maintenance, use, distribution, storage, transportation or trade of controversial weapons or their components. Controversial weapons are arms for which the production / proliferation is regulated by international treaties (including antipersonnel landmines, cluster munitions, nuclear and chemical weapons) and which are not yet regulated by international treaties, but that are subject to stakeholder campaigns and discussions in international institutions regarding possible future regulation (including depleted uranium weapons and white phosphorus weapons)
- > Exclusion of companies that are major shareholders (>=3%) of any company involved in antipersonnel landmines or cluster munitions
- > Exclusion of companies generating revenue from the production of conventional weapons (any weapon that is not controversial)
- > Exclusion of companies involved in the production of conventional weapons or the production of key parts and services for conventional weapons according to Febelfin (>10% of their revenues)
- > Exclusion of companies generating turnover >=10% from the production of key parts (including subsystems of the whole weapon system, as well as end products that are essential to weapon systems) or services (services that are essential to weapon systems and combat) for conventional weapons
- > Exclusion of companies generating revenue from the production and / or sale of firearms, ammunition or semi-automatic weapons for use by civilians (e.g. hunting, sporting, self-defense, etc.)
- > Exclusion of companies generating revenue >=10% from the production and / or sale of key parts of firearms for use by civilians (e.g. barrels, optics, stocks, cartridge casings, gun-powders, etc.)
- > Exclusion of companies violating the (social) principles of the UN Global Compact
- > Exclusion of companies involved in the production or distribution of tobacco

List of governance factors considered

- > A company's overall ESG score of a company is used in the selection of index components

Data and Standards used

Data Input

The data used to construct the index is sourced externally from Vigeo Eiris

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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