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GLOBAL GOLD MINERS INDEX



GLOBAL GOLD MINERS INDEX GUIDE

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1. CHANGES TO THE GUIDE BOOK

1.1. HISTORY OF CHANGES TO THE GUIDE

- July 2020: Publication of the rule book
- May 2022: Methodology change of the Global Gold Miners Index
- October 2023: Change in the STOXX Logo

2. GLOBAL GOLD MINERS INDEX

2.1. OVERVIEW

The Global Gold Miners Index gives investors the opportunity to participate in and track the performance of companies operating around the world primarily in the areas of gold mining. The constituents are exclusively companies that generate at least 50% of their revenues from gold production. Gold mining covers exploration drilling, geological assessment, financing, development, extraction, initial refinement, and delivery of gold ore.

The index composition is reviewed semi-annually, and its constituents are weighted proportionally to their gold production. Weights are capped so to avoid excessive concentration in less liquid securities.

Universe: The parent universe is the STOXX Global Total Market Index

Weighting scheme: Each constituent is weighted proportionally to its Annual Gold Production and capped depending on its liquidity

Base values and dates: The following base values and dates apply: 100 on May 19, 2014

Index types and currencies: Price. net return. gross return in USD

Dissemination calendar: STOXX Europe calendar

2.2. INDEX REVIEW

Selection list:

The index constituents shall be selected on a semi-annual basis in May and November in accordance with the methodology described below.

Exchange screen:

Only securities traded on the following exchanges are eligible for selection:

Exchange
ASX
EURONEXT (BE)
EURONEXT (FR)
EURONEXT (NL)
EURONEXT (PT)
Hong Kong Stock Exchange
Johannesburg Stock Exchange
KRX Korea Exchange
KRX Korea Exchange

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LSE
Milan
NASDAQ
NASDAQ
NYSE MKT LLC (AMEX)
NZX
New York Stock Exchange
OMX (DK)
OMX (FI)
OMX (SE)
Oslo
SIBE
SIX Swiss Exchange
Singapore Exchange
Stockholm (NGM)
Taiwan Stock Exchange Corp
Tokio Stock Exchange
Toronto Stock Exchange
Warsaw
XETRA (AT)
XETRA (DE)
EURONEXT (IE)

Secondary lines eligibility: In case a company has multiple share lines, only the most liquid share line is retained.

Gold mining screen:

From the Universe, all companies that are identified as being active in the gold mining business are considered for selection. Fast Markets, a leading commodity data provider, provides the information regarding the gold production of the companies in the Universe.

ESG screen:

The gold mining companies are screened for all of the following criteria:

Global Standards Screening:

STOXX will exclude companies that are non-compliant based on the Sustainalytics Global Standards Screening assessment. Global Standards Screening identifies companies that violate or are at risk of violating commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

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Controversial Weapons:

STOXX will exclude the companies that Sustainalytics identifies to be involved with controversial weapons.

The following weapons are considered controversial: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.

The criteria for involvement are:

- » Internal production or sale of controversial weapons
- » The ultimate holding company owns >10% of voting rights of an involved company
- » >10% of voting rights of a company is owned by the involved company

Product Involvement¹: STOXX will exclude companies that Sustainalytics identifies to have:

- **Tobacco:**
 - » >0% revenues from manufacturing tobacco products
 - » >0% revenues from supplying tobacco-related products/services
 - » >0% revenues from the distribution and/or retail sale of tobacco products.
- **Conventional Oil & Gas:**
 - » >5% revenues from oil and gas exploration, production, refining, transportation and/or storage

This category evaluates oil and gas related activities' share of total company's revenue. Assessments are made for producers, refiners, transporters, and companies engaged in storage (proxy: revenues).

 - » >5% revenues from providing tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage (proxy: revenues)
 - » >5% revenues from generating electricity from oil and/or gas (proxy: generating capacity)

Companies that pass the oil & gas power generation screen are additionally assessed for any increase in capacity in this area, as measured at the index cut-off date. Companies with any increase in installed capacity percentage in generating electricity from oil and/or gas will not be eligible for selection.
- **Unconventional Oil & Gas:**
 - i) **Arctic Oil and Gas Exploration:**
 - » >5% revenues Oil & Gas exploration & extraction in Arctic regions
 - ii) **Oil Sands:**
 - » >5% revenues from extracting oil sands. This category evaluates oil sands' share of total oil and gas average production in barrels of oil equivalent per day
 - iii) **Shale Energy:**
 - » >5% revenues from shale energy exploration and/or production

¹ If a company holds a majority stake, i.e. 50 per cent or more, of another company that is considered involved, the parent company is considered involved in the same way as the subsidiary.

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Companies that pass the unconventional oil and gas screens are additionally assessed for any increase in revenues or capacity in these areas, as measured at the index cut-off date. Companies with any increase in installed capacity percentage in oil sands extraction, or any increase in revenue percentage in Arctic oil & gas or shale energy extraction will not be eligible for selection.

- Thermal Coal:

»>5% revenues from thermal coal extraction (including thermal coal mining and exploration)

»>5% revenues from providing tailor-made products and services that support thermal coal extraction

»>5% power generation capacity: coal-fired electricity, heat or steam generation capacity / thermal coal electricity production (including utilities that own/operates coal-fired power plants)

Companies that pass the thermal coal screens are additionally assessed for any increase in revenues or capacity in these areas, as measured at the index cut-off date. Companies with any increase in installed capacity percentage in thermal coal power generation, or any increase in revenue percentage in thermal coal extraction will not be eligible for selection.

- Nuclear Power:

»>5% revenues from nuclear power production:

- Utilities that own/operate nuclear power generators

Note: in this category Sustainalytics tracks the percentage of a company's generating capacity that is based on nuclear power

»>25% revenues from nuclear power supporting products / services, including:

- Design and construction of nuclear power plants
- Design and manufacture of specialized parts for use in nuclear power plants, including steam generators, control rod drive mechanisms, reactor vessels, cooling systems, containment structures, fuel assemblies, and digital instrumentation and controls
- Special services, such as the transport of nuclear power materials, and nuclear plant maintenance;
- Uranium mining and exploration, including companies that mine uranium and convert, enrich, and fabricate

»>25% revenues from nuclear power distribution, including:

- The resale or distribution of electricity generated from nuclear power;
- This applies to distributors, resellers and utilities that distribute nuclear power as a part of their energy mix

Note: In this category Sustainalytics tracks the percentage of a company's energy mix that is generated from nuclear power

Companies that pass the nuclear power screens are additionally assessed for any increase in revenues or capacity in these areas, as measured at the index cut-off date. Companies with any increase in installed capacity percentage in nuclear power

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production, or any increase in revenue percentage in nuclear power supporting products / services or nuclear power distribution will not be eligible for selection.

- **Weapons:**

i) **Small Arms:**

- »>5% revenues from manufacturing and selling assault weapons to civilian customers
- »>5% revenues from manufacturing and selling small arms (non-assault weapons) to civilian customers
- »>5% revenues from manufacturing and selling key components of small arms
- »>5% revenues from retail and/or distribution of assault weapons
- »>5% revenues from retail and/or distribution of small arms (non-assault weapons)
- »>5% revenues from manufacturing and selling small arms to military / law enforcement customers

ii) **Military Contracting:**

- »>5% revenues from manufacturing military weapons systems and/or integral, tailor made components of these weapons
- »>5% revenues from tailor made products and/or services that support military weapons
- »>5% revenues from non-weapons related tailor-made products and/or services to the military or defence industry

Where data is unavailable for any security for any of the ESG screens, it will be excluded from the selection process.

Size and liquidity screens:

- Full market-capitalisation per company must be above or equal to USD 400M where the full market-capitalization is the total number of shares outstanding (i.e. all available share lines will be considered) multiplied by the close price of the company at cut-off date.
- The 3-month average daily value traded of each company must be above or equal to USD 1M²

Annual Gold Production screen:

In respect of each company, the most recently available Gold Revenue Share shall be above or equal to 50%, with Gold Revenue Share of company *i* being defined as:

$$\text{Gold Revenue Share}_i = \frac{\text{Gold Revenues}_i}{\text{Total Revenues}_i}$$

The annual USD revenue generated from gold production shall be determined by multiplying Annual Gold Production per company *i* and the yearly average gold prices (USD/oz). That is,

² Where the 3-month average daily value traded is the average on a three-month period of; the number of shares bought and sold daily multiplied by the prices at which they were traded that same day.

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$$\text{Gold Revenues}_i = \text{Annual Gold Production}_i \times \text{Yearly Average Gold Price}$$

where,

Total Revenues_i are the total revenues generated by company i in the respective calendar year.

where the **Yearly Average Gold Price** is computed as the arithmetic average of daily gold prices (in USD) for the respective calendar year.

Composition list: The application of the described criteria produces the composition list of the index, which does not have a fixed number of components. However, if the number of constituents is less than 20, then the minimum Gold Revenue Share threshold shall be reduced in 10% steps until the number of constituents is determined to be equal to or greater than 20.

Review frequency: The reviews are conducted on a semi-annual basis in May and November, implemented on the third Friday and effective on the following Monday.

The cut-off date is the last dissemination day of the preceding month.

The index weight factors are calculated on a semi-annual basis in May and November.

They are published on the second Friday of these months based on the stocks' close prices in EUR of the preceding Thursday.

Weight factors:

The weight of company *i* (w_i) is determined as:

$$w_i = \frac{AGP_i}{\sum_{j=1}^n AGP_j}$$

with AGP_i being the Annual Gold Production of company *i*.

Weights are subject to the following capping constraints:

1. Liquidity weight-adjustments
 - If the 3-month average daily value traded of a company is equal to or above USD 1 million but below USD 2 million, the company's weight in the index shall be capped at 1%
 - If the 3-month average daily value traded of a company is equal to or above USD 2 million but below USD 3 million, the company's weight in the index shall be capped at 2%
 - If the 3-month average daily value traded of a given company is equal to or above USD 3 million but below USD 4 million, the company's weight in the index shall be capped at 3%
2. Weight-adjustments
 - In respect of each review date, the weight of each company within the index cannot exceed 15% and cannot be lower than 0.5%. If a company's weight is below 0.5% of the index, that company's weight shall be increased to 0.5% of the index.

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- At the end of each month between the review dates the weight of each company within the index cannot exceed 19%. The residual weight shall be distributed across all remaining index components proportionally to their weight.

The residual weight shall then be distributed across all remaining index components proportionally to their weight, such that the constraints set out in steps 1 and 2 above continue to be fulfilled.

2.3. ONGOING MAINTENANCE

Replacements: Deleted companies are not replaced.

Fast exit: Not applicable.

Fast entry: Not applicable.

Spin-offs: A spin-off are not added

Corporate Actions: All components are maintained for corporate actions as outlined in the STOXX calculation guide available on stxxx.com

2.4. INDEX CALCULATION

The indices are weighted based on the components' stock prices and weighting factors. For more details, please refer to the [STOXX calculation Guide](#).