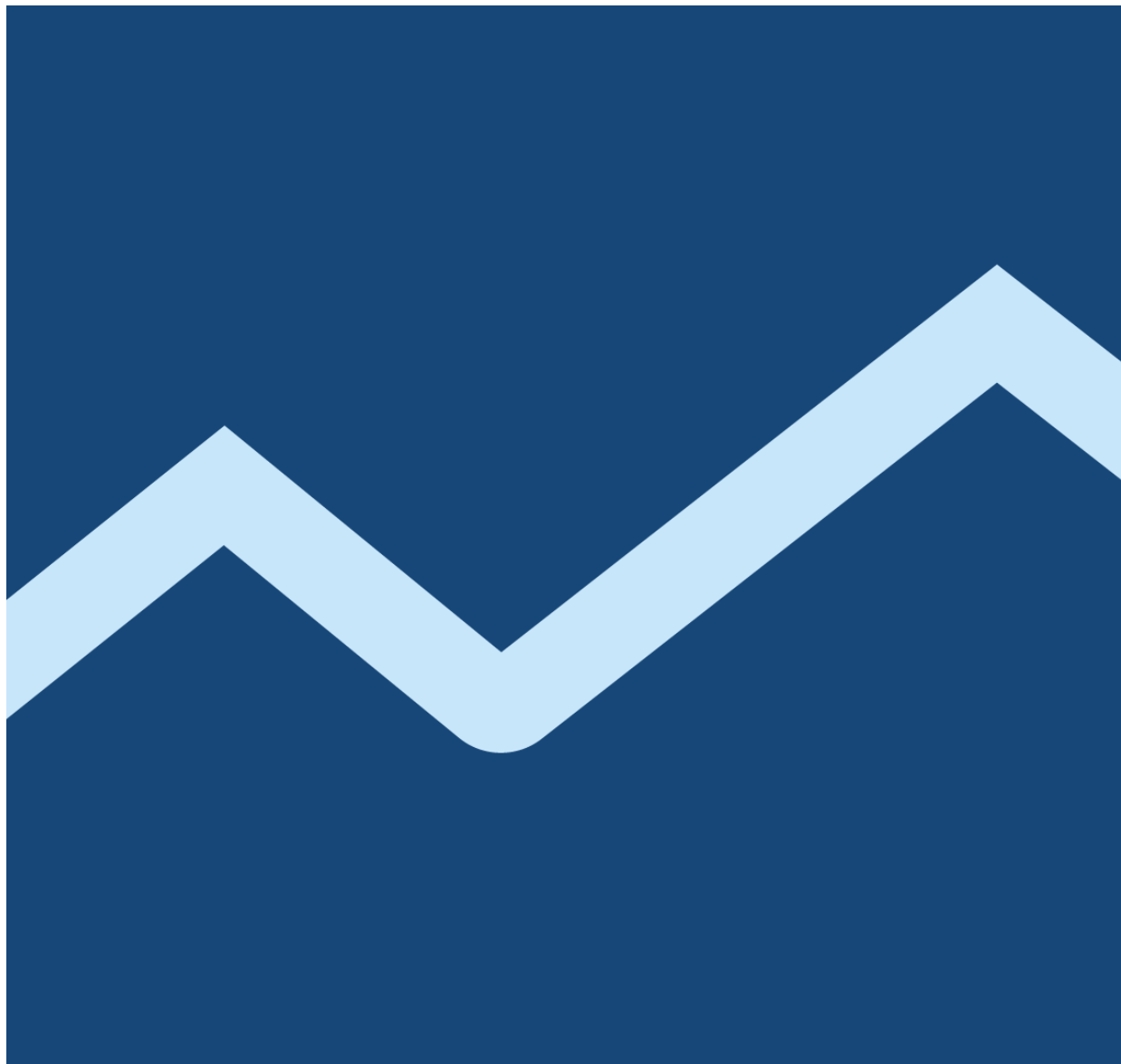


ESG Factor Definitions for Equity Indices

[STOXX.com](https://www.stoxx.com)



INTRODUCTION

Annex 1 to the Commission Delegated Regulation (EU) 2020/1816 stipulates the disclosure requirements on how ESG factors are to be shown for each relevant benchmark published by a benchmark administrator. STOXX Ltd. calculates and publishes the required data in the ESG Disclosure file for each relevant index.

For each line item calculated in the ESG Disclosure file, as required by Item 8 of Annex 1, descriptions of all data sources and any applicable supporting reference standards are included.

DISCLOSURES

COMBINED ESG FACTORS

Item 6a

Factor Name - Consolidated ESG Rating Family Level

Source – ISS ESG

Definition - This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's overall rating based on an assessment of environmental, social, and governance performance.

Calculation – Simple average of the Consolidated ESG Rating for all benchmark family members to which the benchmark belongs.

Factor Name - ESG Ratings Top Ten Family Level

Source – ISS ESG

Definition – The ESG ratings of the largest ten benchmark components by benchmark weight.

Calculation - Simple average of the ESG Ratings Top Ten for all benchmark family members to which the benchmark belongs.

Item 7a

Factor Name - Consolidated ESG Rating

Source – ISS ESG

Definition - This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's overall rating based on an assessment of environmental, social, and governance performance.

Calculation – Weighted average of the ESG ratings for all benchmark components.

Factor Name - ESG Ratings Top Ten

Source – ISS ESG

Definition - The ESG ratings of the largest ten benchmark components by benchmark weight.

Calculation – Weighted average of the ESG ratings for the ten highest weighted benchmark components.

ENVIRONMENTAL FACTORS

Item 6b

Factor Name - Consolidated Environmental Rating Family Level

Source – ISS ESG

Definition - This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Environmental rating. For funds and other aggregated issuers, the score is the weighted average of aggregated Environmental rating values from holdings. The Environmental rating is based on an assessment of performance across key environmental metrics including energy management, water risk and impact, waste management, eco-efficiency, sector specific environmental aspects along the value chain, and other issues.

Calculation – Simple average of the Consolidated Environmental Rating for all benchmark family members to which the particular benchmark belongs.

Factor Name – Green Revenues or Green Capex Family Level

Source – Sustainalytics

Definition -

Sustainable Activities Involvement metrics measure companies' level of involvement in economic activities that contribute to achieving a more just and sustainable world. This allows clients to identify companies involved in sustainable activities. Involvement is measured by percentage of revenues derived from a particular activity, passing a safeguard.

Calculation – Simple average of the Green Revenues or Green Capex (Green Revenues or Green Capex calculation defined in 7b below) for all benchmark family members to which the particular benchmark belongs.

Factor Name – Climate Related Physical Risks Family Level

As disclosure of this Factor within the Regulation is voluntary, STOXX Ltd. has opted not to disclose any information upon it.

Factor Name – Exposure NACE Sections Family Level

Source – Refinitiv

Definition - The Statistical Classification of Economic Activities in the European Community, commonly referred to as NACE, is the industry standard classification system used in the European Union.

Calculation – Simple average of the Exposure NACE Sections (Exposure NACE Sections calculation defined in 7b below) for all benchmark family members to which the particular benchmark belongs.

Factor Name – GHG Intensity Family Level

Source – ISS ESG

Definition - Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions expressed as tons of carbon dioxide equivalent per million USD of revenue. Emissions data is provided by ISS ESG

Calculation – Simple average of the GHG Intensity for all benchmark family members to which the particular benchmark belongs.

Factor Name – GHG Reported Vs. Estimated Family Level

Source – ISS ESG

Definition - Emissions data as reported by companies from ISS ESG. In instances of non-reporting, emissions are estimated by ISS ESG using their climate emissions model based on the sector and subsector that the company belongs to.

Calculation – Simple average of the GHG Reported Vs. Estimated (see GHG Reported Vs. Estimated calculation defined in 7b below) for all benchmark family members to which the particular benchmark belongs.

Factor Name – Exposure NACE Divisions Family Level

Source – Refinitiv

Definition - The Statistical Classification of Economic Activities in the European Community, commonly referred to as NACE, is the industry standard classification system used in the European Union.

Calculation – Simple average of the Exposure NACE Divisions (Exposure NACE Divisions calculation defined in 7b below) for all benchmark family members to which the particular benchmark belongs.

Factor Name – Exposure to Environmental Goods and Services Family Level

Source – Sustainalytics

Definition - Sustainalytics' Sustainable Activities Involvement metrics measure companies' level of involvement in economic activities that contribute to achieving a more just and sustainable world. This allows clients to identify companies involved in sustainable activities. Involvement is measured by percentage of revenues derived from a particular activity, passing a safeguard. Calculation –

Sum of constituent weights multiplied by sum of revenues from pollution prevention technologies and hazardous waste management

Simple average of the Exposure to Environmental Goods and Services (Exposure to Environmental Goods and Services calculation defined in 7b below) for all benchmark family members to which the particular benchmark belongs.

Item 7b

Factor Name – Consolidated Environmental Rating

Source – ISS ESG

Definition - This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Environmental rating. For funds and other aggregated issuers, the score is the weighted average of aggregated Environmental rating values from holdings. The Environmental rating is based on an assessment

of performance across key environmental metrics including energy management, water risk and impact, waste management, eco-efficiency, sector specific environmental aspects along the value chain, and other issues.

Calculation -

Weighted average of the Environmental ratings for all the components of the Index

Factor Name – Green Revenues or Green Capex

Source – Sustainalytics

Definition - Sustainalytics' Sustainable Activities Involvement metrics measure companies' level of involvement in economic activities that contribute to achieving a more just and sustainable world. This allows clients to identify companies involved in sustainable activities. Involvement is measured by percentage of revenues derived from a particular activity, passing a safeguard.

Calculation –

Sum of constituent weights multiplied by simple average of revenues from renewable energy divided by 100

Factor Name – Climate Related Physical Risks

As disclosure of this Factor within the Regulation is voluntary, STOXX Ltd. has opted not to disclose any information upon it.

Factor Name – Exposure NACE Sections

Source – Refinitiv

Definition - The Statistical Classification of Economic Activities in the European Community, commonly referred to as NACE, is the industry standard classification system used in the European Union.

Calculation – Total benchmark weight expressed as a percentage of all benchmark components within the following nine NACE Section codes.

NACE Section Code	Description
A	Agriculture, forestry, and fishing
B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam, and air conditioning supply
E	Water supply; sewerage, waste management and remediation activities
F	Construction
G	Wholesale and retail trade; repair of motor vehicles and motorcycles
H	Transportation and storage
L	Real estate activities

Factor Name – GHG Intensity

Source – ISS ESG

Definition – Scope 1 and Scope 2 Greenhouse Gas (GHG) emissions expressed as tons of carbon dioxide equivalent per million USD of revenue. Emissions data as reported by companies from ISS ESG. In instances of non-reporting, emissions are estimated by ISS ESG using their climate emissions model based on the sector and subsector that the company belongs to.

Calculation – Weighted average of the GHG Intensity for all benchmark components.

Factor Name – GHG Reported Vs. Estimated

Source – ISS ESG

Definition - Emissions data as reported by companies from ISS ESG. In instances of non-reporting, emissions are estimated by ISS ESG using their climate emissions model based on the sector and subsector that the company belongs to.

Calculation – Total benchmark weight expressed as a percentage that derives from reported GHG data collected by ISS ESG.

Factor Name – Exposure NACE Divisions

Source – Refinitiv

Definition - The Statistical Classification of Economic Activities in the European Community, commonly referred to as NACE, is the industry standard classification system used in the European Union.

Calculation - Total benchmark weight expressed as a percentage of all benchmark components within the following seven NACE Section codes.

NACE Division Code	Description
5	Mining of Coal & Lignite
6	Extraction of Crude Petroleum & Natural Gas
7	Mining of Metal Ores
8	Other Mining & Quarrying
9	Mining Support Service Industries
19	Manufacture of Coke & Refined Petroleum
20	Manufacture of Chemicals & Chemical Products

Factor Name – Exposure to Environmental Goods and Services

Source – Sustainalytics

Definition - Sustainalytics' Sustainable Activities Involvement metrics measure companies' level of involvement in economic activities that contribute to achieving a more just and sustainable world. This allows clients to identify companies involved in sustainable activities. Involvement is measured by percentage of revenues derived from a particular activity, passing a safeguard.

Calculation –

Sum of constituent weights multiplied by sum of revenues from pollution prevention technologies and hazardous waste management

SOCIAL FACTORS

Item 6c

Factor Name – Consolidated Social Rating Family Level

Source – ISS ESG

Definition - This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Social rating. For funds and other aggregated issuers, the score is the weighted average of aggregated Social rating values from holdings. The Social rating is based on an assessment of performance across key social sustainability metrics, including staff and suppliers, health and safety, human rights, sector specific product responsibility, and other issues.

Calculation – Simple average of the Consolidated Social Rating for all benchmark family members to which the benchmark belongs.

Factor Name – Sources for Controversial Weapon Definition Family Level

Source – Sustainalytics

Definition - International treaties and conventions used to define Controversial Weapons include Non-proliferation Treaty (1968), Biological and Toxin Weapons Convention (1972), Chemical Weapons Convention (1997), Anti-Personnel Mine Ban Convention (1999), Convention on Cluster Munitions (2008), United Nations Convention on Certain Conventional Weapons (1980), and Convention on the Physical Protection of Nuclear Material (1980).

Calculation – N/A

Factor Name – Controversial Weapons Family Level

Source – Sustainalytics

Definition – See Sources for Controversial Weapon Definition Family Level above.

Calculation – Simple average of Controversial Weapons (Controversial Weapons calculation defined in 7c below) for all benchmark family members to which the benchmark belongs.

Factor Name – Tobacco Family Level

Source – Sustainalytics

Definition – Sustainalytics' Product Involvement Research identifies companies' involvement in the following: manufacture of tobacco products, supply of tobacco-related products, distribution and retail sale of tobacco products; information sourced from companies' annual reports, financial disclosure statements and corporate websites.

Calculation – Simple average of Tobacco (Tobacco calculation defined in 7c below) for all benchmark family members to which the benchmark belongs.

Factor Name – Social Violations Family Level

Source – Sustainalytics

Definition – Sustainalytics' Controversy Rating assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications; information sourced from real-time media sources, social media, specialized publications, and non-government organizations.

Calculation – Absolute number and simple average of Social Violations (Social Violations calculation defined in 7c) below for all benchmark family members to which the benchmark belongs.

Factor Name – Exposures to Companies with no Due Diligence Policies on ILO Conventions Family Level

Source – Sustainalytics

Definition – Sustainalytics' ESG metrics identify if companies have policies addressed by Conventions 1-8 of the International Labour Organisation; information sourced from company data, as well as media and NGO reports.

Calculation – Simple average of Exposures to Companies with no Due Diligence Policies on ILO Conventions (Exposures to Companies with no Due Diligence Policies on ILO Conventions calculation defined in 7c) for all benchmark family members to which the benchmark belongs.

Factor Name – Gender Pay Gap Family Level

Source – Refinitiv

Definition – The gender pay gap is the percentage difference between parity and the percentage of average gross hourly wages between men and women; information sourced from both publicly available documents and from company disclosures.

Calculation – Simple average of Gender Pay Gap for all benchmark family members to which the benchmark belongs.

Factor Name – Female Male Board Member Ratio Family Level

Source – Refinitiv

Definition – The number of female board members divided by the number of male board members; information sourced from both publicly available documents and from company disclosures.

Calculation – Simple average of Female Male Board Member Ratio for all benchmark family members to which the benchmark belongs.

Factor Name – Ratio of Accidents Injuries Fatalities Family Level

Source – Refinitiv

Definition – Total number of injuries and fatalities including no-lost-time injuries relative to one million hours worked.

- total injury rate= accident total (number of injuries)/total working hours*1,000,000
- injuries include all work-related deaths, illnesses, minor & major injuries, lost time & non-lost time accidents, medical treatment injuries (MTI), recordable incidents and commuting accidents
- total injury rate ≠ employees injury rate + contractors injury rate
- total injury rate includes both employees and contractors' injury rate
- if the company doesn't report on contractors' health and safety, then the total injury rate employees are equal to the total injury rate
- unless the company provide the exact working hours, the total working hours= total number of (employees + contractors) * 2,000.

Calculation – Simple average of Ratio of Accidents Injuries Fatalities for all benchmark family members to which the benchmark belongs.

Factor Name – Convictions for Violations of Anti-Bribery and Anti-Corruption Laws Family Level

Source – Sustainalytics

Definition – International treaties and conventions used to define anti-bribery and anti-corruption are: the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

Calculation – Simple average of Convictions for Violations of Anti-Bribery and Anti-Corruption Laws for all benchmark family members divided by the number of benchmark family members.

Factor Name – Amount of fines Family_Level

Source – ISS ESG

Definition – This factor identifies if a company discloses the monetary value of losses incurred through legal proceedings related to corruption in USD.

Calculation – Simple average of amount of fines for all benchmark family members to which the benchmark belong.

Item 7c

Factor Name – Consolidated social Rating

Source – ISS ESG

Definition - This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Social rating. For funds and other aggregated issuers, the score is the weighted average of aggregated Social rating values from holdings. The Social rating is based on an assessment of performance across key social sustainability metrics, including staff and suppliers, health and safety, human rights, sector specific product responsibility, and other issues.

Calculation - Weighted average of the ISS ESG Social ratings for all the components of the Index.

Factor Name – Sources for Controversial Weapon Definition

Source – Sustainalytics

Definition - International treaties and conventions used to define Controversial Weapons include Non-proliferation Treaty (1968), Biological and Toxin Weapons Convention (1972), Chemical Weapons Convention (1997), Anti-Personnel Mine Ban Convention (1999), Convention on Cluster Munitions (2008), United Nations Convention on Certain Conventional Weapons (1980), and Convention on the Physical Protection of Nuclear Material (1980).

Calculation – N/A

Factor Name – Controversial Weapons

Source – Sustainalytics

Definition – Sustainalytics' Controversial Weapons Radar monitors any company involvement in Controversial Weapons (as defined by the treaties above), information sourced from specialized databases, industry newsletters, public interest groups, etc.

Calculation – Total benchmark weight expressed as a percentage of all benchmark components involved with Controversial Weapons.

Factor Name – Tobacco

Source – Sustainalytics

Definition – Sustainalytics' Product Involvement Research identifies companies' involvement in the following: manufacture of tobacco products, supply of tobacco-related products, distribution and retail sale of tobacco products; information sourced from companies' annual reports, financial disclosure statements and corporate websites.

Calculation – Total benchmark weight expressed as a percentage of all benchmark components involved with Tobacco.

Factor Name – Social Violations

Source – Sustainalytics

Definition – Sustainalytics' Controversy Rating assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications; information sourced from real-time media sources, social media, specialized publications, and non-government organizations.

Calculation – Absolute number and total benchmark weight expressed as a percentage of all benchmark components involved in Social Violations.

Factor Name – Exposures to Companies with no Due Diligence Policies on ILO Conventions

Source – Sustainalytics

Definition – Sustainalytics' ESG metrics identify if companies have policies addressed by Conventions 1-8 of the International Labour Organisation; information sourced from company data, as well as media and NGO reports.

Calculation – Total benchmark weight expressed as a percentage of all benchmark components with no Due Diligence Policies on ILO Conventions.

Factor Name – Gender Pay Gap

Source – Refinitiv

Definition – The gender pay gap is the percentage difference between parity and the percentage of average gross hourly wages between men and women; information sourced from both publicly available documents and from company disclosures.

Calculation – Weighted average of Gender Pay Gap for all benchmark components.

Factor Name – Female Male Board Member Ratio

Source – Refinitiv

Definition – The number of female board members divided by the number of male board members; information sourced from both publicly available documents and from company disclosures.

Calculation – Weighted average of Female Male Board Member Ratio for all benchmark components.

Factor Name – Ratio of Accidents Injuries Fatalities

Source – Refinitiv

Definition – Total number of injuries and fatalities including no-lost-time injuries relative to one million hours worked.

- total injury rate= accident total (number of injuries)/total working hours*1,000,000
- injuries include all work-related deaths, illnesses, minor & major injuries, lost time & non-lost time accidents, medical treatment injuries (MTI), recordable incidents and commuting accidents
- total injury rate ≠ employees injury rate + contractors injury rate
- total injury rate includes both employees and contractors' injury rate
- if the company doesn't report on contractors' health and safety, then the total injury rate employees are equal to the total injury rate
- unless the company provide the exact working hours, the total working hours= total number of (employees + contractors)* 2,000.

Calculation – Weighted average of Ratio of Accidents Injuries Fatalities for all benchmark components.

Factor Name – Convictions for Violations of Anti-Bribery and Anti-Corruption Laws

Source – Sustainalytics

Definition – Number of International treaties and conventions used to define anti-bribery and anti-corruption are the United Nations Global Compact (UNGC) Principles, the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions.

Calculation – Number of convictions for violations of anti-bribery and anti-corruption laws for all benchmark components.

Factor Name – Amount of fines

Source – ISS ESG

Definition – This factor identifies if a company discloses the monetary value of losses incurred through legal proceedings related to corruption in USD.

Calculation – Weighted average of the total monetary losses from corruption for all benchmark components

GOVERNANCE FACTORS

Item 6d

Factor Name – Consolidated Governance Rating Family Level

Source – ISS ESG

Definition - This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Governance rating. For funds and other aggregated issuers, the score is the weighted average of aggregated Governance rating values from holdings. The Governance rating is based on an assessment of performance across key governance metrics, including business ethics, corporate governance, and other issues.

Calculation – Simple average of the Consolidated Governance Ratings for all benchmark family members to which the benchmark belongs.

Factor Name – Percentage of Independent Board Members Family Level

Source – Refinitiv

Definition – Percentage of board members classified as independent; information sourced from both publicly available documents and from company disclosures.

Calculation – Simple average of the Percentage of Independent Board Members for all benchmark family members to which the benchmark belongs.

Factor Name – Percentage of Female Board Members Family Level

Source – Refinitiv

Definition - The number of female board members divided by the total number of board members; information sourced from both publicly available documents and from company disclosures.

Calculation – Simple average of the Percentage of Female Board Members for all benchmark family members to which the benchmark belongs.

Item 7d

Factor Name – Consolidated Governance Rating

Source – ISS ESG

Definition - This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Governance rating. For funds and other aggregated issuers, the score is the weighted average of aggregated Governance rating values from holdings. The Governance rating is based on an assessment of performance across key governance metrics, including business ethics, corporate governance, and other issues.

Calculation – Weighted average of the ISS ESG Governance ratings for all the components of the Index.

Factor Name – Percentage of Independent Board Members

Source – Refinitiv

Definition - Percentage of board members classified as independent; information sourced from both publicly available documents and from company disclosures.

Calculation – Weighted average of the Percentage of Independent Members for all benchmark components.

Factor Name – Percentage of Female Board Members

Source – Refinitiv

Definition - The number of female board members divided by the total number of board members; information sourced from both publicly available documents and from company disclosures.

Calculation - Weighted average of Female Board Member Ratio for all benchmark components.

VERSION HISTORY

Policy Version	Approval Date	Author	Reason for Change
1.4	Nov 14th 2025	Definitions amended and added by Daniel De Gasquet Reviewed by Saumya Mehrotra Index Product Management	Addition of field – Amount of fines <i>Amount of fines Family Level</i> Amended fields – Consolidated Governance Rating Family Level Consolidated Environmental Rating Consolidated social Rating Consolidated Governance Rating Consolidated ESG Rating Family Level ESG Ratings Top Ten Family Level Consolidated ESG Rating ESG Ratings Top Ten Consolidated Environmental Rating Consolidated Social Rating Consolidated Social Rating Family Level
1.3	Nov 13th 2024	Saumya Mehrotra Index Product Management	Change in data provider to ISS
1.2	Dec 06 th 2023	Saumya Mehrotra Index Product Management	updated any mentions of Sustainalytics's legacy Sustainable Product Research with their new offering "Sustainable Activities Involvement", and changed the calculation sections for 7b wherever mentioned.