

CONSIDERATION OF ESG FACTORS IN THE BENCHMARK METHODOLOGY	
Item 1. Name of the benchmark administrator.	STOXX Ltd.
Item 2. Type of benchmark.	Equity
Item 3. Name of the benchmark.	Benchmark – STOXX PSBC China A ESG Index Family – STOXX Environmental Social & Governance Family
Item 4. Does the methodology take into account ESG factors?	Yes
Item 5. ESG factors taken into account for benchmark family.	
(a) List of environmental factors considered	<p>This benchmark family takes the following environmental factors into account by exclusion: Global Standards Screening; Controversy Ratings; Environmental Ratings, Overall ESG Ratings; Unconventional Oil & Gas; Conventional Oil & Gas; Thermal Coal; Genetically Modified Plants & Seeds; Pesticides; Palm Oil; Power Generation from Fossil Fuels; Subsectorial Classification.</p> <p>This benchmark family takes the following environmental factors into account by selection: Environmental Ratings, Overall ESG Ratings.</p> <p>This benchmark family takes the following environmental factors into account by weighting: Environmental Ratings, Overall ESG Ratings; EU Climate Transition Benchmark (EU CTB) requirements; EU Paris Aligned Benchmark (EU PAB) requirements.</p>
(b) List of social factors considered	<p>This benchmark family takes the following social factors into account by exclusion: Global Standards Screening; Controversy Rating; Social Rating, Overall ESG Rating; Controversial Weapons; Weapons (Small Arms & Military Contracting); Nuclear Power; Tobacco; Adult Entertainment; Alcoholic Beverages; Fur & Speciality Leather; Gambling; Abortion; Contraceptives; Human Embryonic Stem Cells; Genetically Modified Plants & Seeds; Predatory Lending; Subsectorial Classification.</p> <p>This benchmark family takes the following social factors into account by selection: Social Rating; Overall ESG Rating.</p> <p>This benchmark family takes the following social factors into account by weighting: Social Rating; Overall ESG Rating.</p>
(c) List of governance factors considered.	<p>This benchmark family takes the following governance factors into account by exclusion: Global Standards Screening; Governance Rating; Overall ESG Rating.</p> <p>This benchmark family takes the following governance factors into account by selection: Governance Rating; Overall ESG Rating.</p> <p>This benchmark family takes the following governance factors into account by weighting: Governance Rating; Overall ESG Rating.</p>
Item 6. ESG factors applied for the stated benchmark.	

(a) List of environmental factors considered	UN Global Compact Violations	Exclusion
	Product Involvement – Thermal Coal	Exclusion
	Overall ESG Score	Selection
	Overall ESG Score	Weighting
(b) List of social factors considered	UN Global Compact Violations	Exclusion
	Business Involvement – Controversial Weapons	Exclusion
	Product Involvement – Tobacco	Exclusion
	Overall ESG Score	Selection
	Overall ESG Score	Weighting
(c) List of governance factors considered.	UN Global Compact Violations	Exclusion
	Overall ESG Score	Selection
	Overall ESG Score	Weighting
Description of factors considered.	<p>UNGC Violations: IIGF's UN Global Compact screen identifies companies that are non-compliant with international standards such as the United Nations Global Compact (UNGC) Principles and related norms.</p> <p>Controversial Weapons: IIGF's Controversial Weapons screen monitors company's involvement in the following areas: cluster weapons, anti-personnel mines, biological and chemical weapons, nuclear weapons, depleted uranium, and white phosphorus weapons.</p> <p>Product Involvement: IIGF business involvement screen identifies companies' involvement in a range of product involvement areas.</p> <p>Overall ESG Score: IIGF's ESG Score evaluates the sustainable development level of various firms in the Chinese market. ESG performance evaluation is based on qualitative and quantitative indicators.</p> <p>More detailed information on the application of these categories is available within the relevant methodology guides. https://www.stoxx.com/rulebooks</p>	
Item 7. Data and standards used		
(a) Data input.	<p>The data are sourced externally from:</p> <p>(i) Internal Institute of Green Finance (IIGF) https://iigf-china.com/</p>	
(b) Verification and quality of data.	<p>The verification and quality of data are checked both externally and internally by automated and manual quality assurance processes involving, inter alia, change control; change mapping; ID mapping; exception reporting; pre-publication reviews; continuous incident monitoring; quarterly rebalancing and centralised definitions.</p>	

<p>(c) Reference standards</p>	<p>UNGC Violations: The United Nations Global Compact (UNGC) Principles, the United Nations Principles for Responsible Investment (UN PRI), the United Nations Sustainable Development Goals (UN SDGs), and their underlying conventions.</p> <p>Controversial Weapons: International treaties and conventions used to define Controversial Weapons include: Convention on Cluster Munitions(2008), Implementation of the Convention on Cluster Munitions(UNGA), Treaty on the Non-Proliferation of Nuclear Weapons(1968),The Anti-Personnel Landmines Treaty(1997, also known as The Ottawa Treaty), The Biological Weapons Convention(1975), The Chemical Weapons Convention (1977).</p> <p>ESG Score: considers international standards as well as Chinese policy on environment and market development. The overall score is derived from nearly 300 indicators across the E, S and G pillars.</p>
<p>Date on which information has been last updated and reason for the update:</p>	<p>March 2022 - First Version</p>