

| CONSIDERATION OF ESG FACTORS IN THE BENCHMARK METHODOLOGY | |
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| Item 1. Name of the benchmark administrator. | STOXX Ltd. |
| Item 2. Type of benchmark. | Equity |
| Item 3. Name of the benchmark. | Benchmark – STOXX USA ESG Select KPIs 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. | |

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| (a) List of environmental factors considered | UN Global Compact Violations | Exclusion |
| | Overall ESG Rating – KPI Score | Exclusion |
| | Overall ESG Rating – KPI Score | Weighting |
| | Controversy Rating – Severe | Exclusion |
| | Product Involvement – Unconventional Oil & Gas | Exclusion |
| | Product Involvement – Thermal Coal | Exclusion |
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| (b) List of social factors considered | UN Global Compact Violations | Exclusion |
| | Business Involvement – Controversial Weapons | Exclusion |
| | Overall ESG Rating – KPI Score | Exclusion |
| | Overall ESG Rating – KPI Score | Weighting |
| | Controversy Rating – Severe | Exclusion |
| | Product Involvement – Small Arms | Exclusion |
| | Product Involvement – Military Contracting | Exclusion |
| | Product Involvement – Tobacco | Exclusion |
| | Product Involvement – Private Prisons | Exclusion |
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| (c) List of governance factors considered. | UN Global Compact Violations | Exclusion |
| | Overall ESG Rating – KPI Score | Exclusion |
| | Overall ESG Rating – KPI Score | Weighting |
| | Controversy Rating – Severe | Exclusion |
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| Description of factors considered. | <p>UNGC Violations: Sustainalytics' Global Standards Screening provides an assessment of a company's impact on stakeholders and the extent to which a company causes, contributes, or is linked to violations of international norms and standards (UNGC, OECD, UNGPs and their underlying conventions).</p> <p>Controversy Rating: Sustainalytics assesses companies' involvement in incidents with negative ESG implications. A controversy is defined as an event or aggregation of events relating to an ESG topic and is measured by its severity on a scale of 1 to 5 (1- Low, 2- Moderate, 3- Significant, 4- High, 5- Severe).</p> <p>Controversial Weapons: Sustainalytics' Controversial Weapons Radar monitors company involvement in the following areas: anti-personnel mines, biological and chemical weapons, cluster weapons, depleted uranium, nuclear weapons and white phosphorus weapons.</p> <p>Overall ESG Rating: Sustainalytics' KPI scores measure how well issuers proactively manage five specific environmental, social and governance issues. (Emission targets; percentage of board member independence; percentage of women on the board; policy against child labour; no 'golden parachute' agreements).</p> <p>Product Involvement: Sustainalytics' Product Involvement Research identifies companies' involvement on a range of product involvement categories.</p> | |

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| | <p>More detailed information on the application of these categories is available within the relevant methodology guides.</p> <p>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) Sustainalytics, a wholly owned subsidiary of Morningstar Inc. https://www.sustainalytics.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> |
| (c) Reference standards | <p>UNGC Violations: 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.</p> <p>Controversial Weapons: 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).</p> <p>ESG Rating: The input comprises company reports, quantitative data from external sources, such as greenhouse gas (GHG) emissions or water consumption, materiality assessments as provided by companies, and third-party research, including regulatory news, sustainability Account Standards Board (SASB) information and assessments from the United Nations-supported Principles for Responsible Investment (PRI).</p> |
| Date on which information has been last updated and reason for the update: | <p style="text-align: center;">Feb 2023 – Second Version</p> <p style="text-align: center;">Addition of Unconventional Oil & Gas, Thermal Coal, Tobacco, Military Contracting, Private Prisons, Small Arms and Controversy Rating</p> |