

ECPI GLOBAL ESG AGRI- BUSINESS INDEX

RULE BOOK

January 2025
Version 3.0.3

ECPI Srl is part of STOXX

MARKET REALTY

The ECPI Global ESG Agri-Business Index is an equally weighted index designed to offer investors exposure to companies most exposed to the agricultural business and the use of technology and technological innovation to improve the efficiency and output of agriculture. Companies selected can be reconducted to one of the following specific subcluster:

- **Agricultural Products** → Companies significantly involved in the production of plant based fresh and frozen food.
- **Agricultural Chemicals** → Companies involved in the production of seeds and chemicals such as pesticides, herbicides, fungicides, insecticides, and fertilizers used in agriculture to control pests and disease or control and promote growth.
- **Agricultural Equipment & Logistics** → Companies involved in the production of machineries used in agriculture (i.e. tractors, tillers, harvesters, planters) and natural resources management (i.e. irrigation systems). Companies involved in the logistics, distribution, and trading of fresh, frozen, and transformed agricultural produces.
- **Agri-Tech Solutions** → Companies involved in the development and commercialization of technological solutions (i.e. information technology and biotechnology) meant to improve agricultural output.

INDEX FAMILY IDENTIFIERS

BLOOMBERG TICKER	REFINITIV RIC	INDEX NAME
GALPHABP Index	.GALPHABP	ECPI Global ESG Agri-Business Price Index
GALPHABR Index	.GALPHABR	ECPI Global ESG Agri-Business Total Return Index
GALPHABN Index	.GALPHABN	ECPI Global ESG Agri-Business Net Return Index

INDEX REBALANCING

Semi-Annually, on the Selection Date immediately preceding the relevant Effective Rebalance Date, index constituents are selected in accordance with the index eligibility criteria as new constituents of the index in order to ensure market representation. If the review day falls on a holiday, the subsequent working day will be considered.

REBALANCING TIMETABLE		
TIME REFERENCE	ACTION	WHEN
T ₀	Selection Date of the new constituents	1st Friday of Jan, Jul
T ₁	Equal Weight Reference Date	3rd Monday of Jan, Jul
T ₂	Proforma Period	4 days of Proforma, starting 3rd Monday of Jan, Jul
T ₃	Effective Rebalance Date: the new index is effective	3rd Friday (closing) of Jan, Jul

EQUITY UNIVERSE

Every six months ECPI reviews the index constituents to ensure market representation.

ECPI maintains a research universe of investable instruments construed according the ECPI ESG Screening Methodology.

Starting from the research universe, ECPI has built a thematic selection of companies according to the following criteria.

The companies most involved in the Agri-Business Index, with a positive ECPI ESG Rating (from E- to EEE) are selected and classified into four different subclusters:

- Agricultural Products
- Agricultural Chemicals
- Agricultural Equipment & Logistics
- Agri-Tech Solutions

To be eligible for inclusion in the ECPI Global ESG Agri-Business Index, a stock must satisfy the following criteria (in which case, it will be an “eligible stock”):

Index Initial Universe:

1. It belongs to the thematic universes described above
2. It is listed on a Global Developed Market

COUNTRY TABLE		
Australia	Hong Kong	Portugal
Austria	Ireland	Singapore
Belgium	Israel	Spain
Canada	Italy	Sweden
Denmark	Japan	Switzerland
Finland	Luxembourg	United Kingdom
France	Netherlands	United States
Germany	New Zealand	
Greece	Norway	

3. The issuer of the stock must have a minimum market capitalization of € 500 million
4. The average daily traded value of the stock over the last 6 months shall be equivalent to a minimum of € 5 million

ESG Investable Universe:

5. Company has a positive ECPI ESG Rating (from E- to EEE).
6. The following Normative & Controversy Screening is applied:
 - o Companies with a poor ESG profile (ESG Rating = F) are excluded.
 - o Companies involved in structural, repetitive, and severe controversies or violations of the:
 - UN Global Compact
 - UN Guiding Principles on Business and Human Rights (UNGPs)
 - OECD Guidelines for Multinational Enterprises (as far as relevant)
 - ILO Conventions
 are excluded.
7. Companies involved in “baseline” controversial activities as defined below are excluded from the Investable Equity Universe:
 - a. **Controversial Weapons** (Cluster Bombs, Antipersonnel Landmines, Nuclear Weapons, Biological Weapons): a company producing controversial weapons is considered “Not Eligible” regardless of the amount of revenues generated by the sale of these products.
 - b. **Tobacco**: a company producing tobacco products or products that are instrumental for the sale of tobacco products, or distributing tobacco products, is considered “Not Eligible” if revenues originated from this

business activity are greater than 2% of total sales (threshold considered for "Distributors" is 5%).

- c. **Coal Extraction:** company involved in the mining of coal is considered "Not Eligible" if revenues originated from this business activity are greater than 5% of total sales.
- d. **Coal Power Generation:** company involved in coal-based electricity generation is considered "Not Eligible" if revenues originated from this business activity are greater than 50% of total sales.

INDEX SELECTION

The index selects the first 100 highest capitalization stocks under the diversification constraints specified below:

Constituents shall be classified by cluster and Geography (Europe, United States and Others, based on their Country of Exchange), ordered by Capitalization, and selected based on the following rules:

- **Thematic Diversification Criteria:**
25 constituents for each one of the four underlying clusters are selected, if available. When less than 25 eligible constituents for a certain cluster exist, the remaining stocks are redistributed among the other clusters.
Within the Agri-tech cluster companies from the Information technology pillar cannot exceed 50 percent of cluster composition.
- **Geographic Diversification Criteria:**
Max exposure to a single geography cannot exceed 50 percent of index composition at rebalancing.

BUFFER RULE

For all current constituents, a tolerance of 20% is applied to the market capitalization and 6-months daily average value traded limits. Therefore, a constituent will be allowed to remain in the index if it has a minimum market cap of € 400 million and a minimum liquidity of € 4 million.

Versions

VERSION	EFFECTIVE DATE	CHANGES
3.0.1	30 June 2023	Ungrouping Index Family
3.0.2	1 May 2024	Verification and quality of data
3.0.3	1 January 2025	Exclusion criterion: Coal

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY

Item 1. Name of the benchmark administrator.	StatPro
Item 2. Type of benchmark or family of benchmarks.	Equity
Item 3. Name of the benchmark or family of benchmarks.	ECPI Global ESG Agri-Business Equity
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<p>Item 5. Where the response to Item 4 is positive, please list below, for each family of benchmarks, those ESG factors that are taken into account in the benchmark methodology, taking into account the ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816. Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets. The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.</p>	
(a) List of environmental factors considered:	<p>Selection:</p> <ul style="list-style-type: none"> • Overall ECPI ESG Rating must be E- or higher <p>Exclusion:</p> <ul style="list-style-type: none"> • Companies involved in systematic violations of the UN Global Compact are excluded (ESG Rating = F) • Mining of thermal coal, and coking coal; generation of electricity from coal
(b) List of social factors considered:	<p>Selection:</p> <ul style="list-style-type: none"> • Overall ECPI ESG Rating must be E- or higher <p>Exclusion:</p> <ul style="list-style-type: none"> • Companies involved in systematic violations of the UN Global Compact are excluded (ESG Rating = F) • Production of controversial weapons (Nuclear, Biological, Chemical, Cluster Munitions, Mines) and/or their essential components • Production of tobacco, products that contain tobacco
(c) List of governance factors considered:	<p>Selection:</p> <ul style="list-style-type: none"> • Overall ECPI ESG Rating must be E- or higher <p>Exclusion:</p> <ul style="list-style-type: none"> • Companies involved in systematic violations of the UN Global Compact are excluded (ESG Rating = F)
Hyperlink to the information on ESG factors for each benchmark:	https://ecpigroup.com/wp-content/uploads/rules/GALPHABP_Benchmark_Statement.pdf

Item 7. Data and standards used	
<p>(a) Data input. <i>(i) Describe whether the data are reported, modelled or sourced internally or externally.</i> <i>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</i></p>	<p>Company analyses draw on a range of reliable and publicly available sources to create a transferable, equitable and auditable approach. Where possible, ECPI aims to use objective information that is easily measured and quantified and less subject to bias and opinion. In cases where an indicator is important to capture, but not easily quantifiable, ECPI process works to reduce bias, by identifying clear and unambiguous rules for assigning scores.</p> <p>Sources include:</p> <ul style="list-style-type: none"> • Company annual reports • Company sustainability reports, environmental reports, CSR reports or similar • Company websites • Regulatory data (from the regulators in the country/countries where the company is incorporated and/or listed) • Information providers and search engines • Media and news services (including newsletters from local and international institutions and NGOs). • Screening of company’s participation in international institutions • Screening of company’s certifications • Screening of company’s awards • Thematic websites promoted by international non-profit organizations • Company Investor Relations departments, when necessary. In such cases, we try to obtain written answers in order to be able to store them in the company’s records
<p>(b) Verification and quality of data. <i>Describe how data are verified and how the quality of those data is ensured.</i></p>	<p>The ESG data is sourced externally, from ECPI, the ESG research provider. ECPI delivers ESG scores and ratings information as well as involvement in controversial sectors of activity and an assessment regarding the UNGC principles. For details on ECPI ESG research, please refer to ECPI ESG Methodology Document.</p> <p>The provider has been selected by the Administrator based on an assessment of its existing processes 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.</p> <p>The verification and quality of data are checked both externally and internally by automated and manual quality assurance processes.</p> <p>The quality assurance process includes:</p> <ul style="list-style-type: none"> • Systematic peer review for all issuers that are newly assessed • Systematic peer review for all significant changes during the annual update • Periodic spot checks for certain high-risk industries/issue areas by research leads • Periodic data comparison with third-party sources, including government and industry databases
<p>(c) Reference standards <i>Describe the international standards used in the benchmark methodology.</i></p>	<p>The rating criteria have been developed in accordance with ICCR’s “Principles for Global Corporate Responsibility: Benchmarks for Measuring Business Performance” and is inspired by the principles developed by International Bodies dedicated to Responsible Investment such as UN Global Compact (www.unglobalcompact.org), the Global Reporting Initiative (www.globalreporting.org) and UN PRI (www.unpri.org).</p>
<p>Date on which information has been last updated and reason for the update:</p>	<p>1 January 2025</p>

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