

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 World Equity Factor ESG Low Carbon Target Daily Hedged Index Family - STOXX Factor Based 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.	<p>(a) List of environmental factors considered</p> <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> <p>(b) List of social factors considered</p> <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> <p>(c) List of governance factors considered.</p> <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
	Controversy Rating- Severe	Exclusion
	Product Involvement – Thermal Coal	Exclusion
	GHG Intensity reduction	Weighing
	ESG Score	Weighing
(b) List of social factors considered	UN Global Compact Violations	Exclusion
	Controversy Rating- Severe	Exclusion
	Business Involvement – Controversial Weapons	Exclusion
	Product Involvement – Tobacco	Exclusion
	Product Involvement – Small Arms	Exclusion
	ESG Score	Weighing
(c) List of governance factors considered.	UN Global Compact Violations	Exclusion
	Controversy Rating- Severe	Exclusion
	ESG Score	Weighing
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>Product Involvement: Sustainalytics' Product Involvement Research identifies companies' involvement on a range of product involvement categories.</p> <p>GHG Intensity reduction: The GHG Protocol Corporate Standard classifies companies' greenhouse gas (GHG) emissions as direct and indirect emissions. Direct emissions, also known as Scope 1 emissions, refer to GHG waste produced and consumed by the reporting entity. For instance, on-site generation and use of energy are tracked under Scope 1. In contrast, Scope 2 emissions are indirect emissions attributed to the reporting company but generated by another entity. Scope 2 includes acquired/purchased energy brought into the company's reporting boundary as a form of: electricity, steam, heating, and cooling. Scope 1 and 2 data is obtained from ISS ESG.</p> <p>ESG Score: The Index exposure to ISS ESG Performance Score is greater than or equal to that of the Parent Index.</p> <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> <ul style="list-style-type: none"> (i) Sustainalytics, a wholly owned subsidiary of Morningstar Inc. https://www.sustainalytics.com/ (ii) Data is offered through ISS ESG, the sustainable investment arm of Institutional Shareholder Services Inc. https://www.issgovernance.com/esg/
(b) Verification and quality of data.	The verification and quality of data are checked both externally and internally by automated and manual quality assurance processes involving, <i>inter alia</i> , change control; change mapping; ID mapping; exception reporting; pre-publication reviews; continuous incident monitoring; quarterly rebalancing and centralised definitions.
(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>Product Involvement: Sustainalytics' Product Involvement Research identifies companies' involvement on a range of product involvement categories.</p>
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