

INDEX GUIDELINE

SOLACTIVE NEW ZEALAND SUSTAINABLE LEADERS INDEX

Version 1.0

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INTRODUCTION

This document (the “GUIDELINE”) is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive New Zealand Sustainable Leaders Index (the “INDEX”). Any amendments to the rules made to the GUIDELINE are approved by the INDEX COMMITTEE specified in Section 5.5. The INDEX is owned, calculated, administered and published by Solactive AG (“SOLACTIVE”) assuming the role as administrator (the “INDEX ADMINISTRATOR”) under the Regulation (EU) 2016/1011 (the “BENCHMARK REGULATION” or “BMR”). The name “Solactive” is trademarked.

The text uses defined terms which are formatted with “SMALL CAPS”. Such Terms shall have the meaning assigned to them as specified in Section 6 (Definitions).

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX. SOLACTIVE does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX nor the level of the INDEX at any certain point in time nor in any other respect. SOLACTIVE strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for SOLACTIVE – irrespective of possible obligations to issuers – to advise third parties, including investors and/or financial intermediaries, of any errors in the INDEX. The publication of the INDEX by SOLACTIVE does not constitute a recommendation for capital investment and does not contain any assurance or opinion of SOLACTIVE regarding a possible investment in a financial instrument based on this INDEX.



1. INDEX SPECIFICATIONS

1.1. SCOPE OF THE INDEX

Category	Description
Asset Class	Equity
Regional Allocation	New Zealand
Rebalancing Fee	-
Rebalancing Frequency	Semiannually

1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	RIC	BBG ticker
Solactive New Zealand Sustainable Leaders Index (NZ PR)	TBD	NZD	PR*	TBD	-
Solactive New Zealand Sustainable Leaders Index (NZ NTR)	TBD	NZD	NTR*	TBD	-
Solactive New Zealand Sustainable Leaders Index (NZ TR)	TBD	NZD	GTR*	TBD	-

*PR, NTR, GTR means that the Index is calculated as price return, net total return, gross total return Index as described in the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. Indices that includes an ISO Country Code (2 letters) in the index name indicate that the dividends reinvestments logic is applied from the perspective of an investor based in that country as specified in the section 2.1.1.3 of the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>.

The INDEX is published on the website of the INDEX ADMINISTRATOR (www.solactive.com) and is, in addition, available via the price marketing services of Boerse Stuttgart GmbH and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDEX (e.g. notices, amendments to the GUIDELINE) will be available at the website of the INDEX ADMINISTRATOR: <https://www.solactive.com/news/announcements/>.

1.3. INITIAL LEVEL OF THE INDEX

The initial level of the INDEX on the 20/03/2020, the START DATE, is 1000. Historical values from (on or around) the 01/11/2024, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR. Levels of the INDEX published for a period prior to the LIVE DATE have been back-tested.



1.4. PRICES AND CALCULATION FREQUENCY

The level of the INDEX is calculated on each CALCULATION DAY from 7:00 a.m. to 5:00 p.m. AEDT based on the TRADING PRICES on the EXCHANGES on which the INDEX COMPONENTS are listed. TRADING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the current Intercontinental Exchange (ICE) spot foreign exchange rate. Should there be no current TRADING PRICE for an INDEX COMPONENT, the later of: (i) the most recent CLOSING PRICE; or (ii) the last available TRADING PRICE for the preceding TRADING DAY is used in the calculation.

In addition to the intraday calculation a closing level of the INDEX for each CALCULATION DAY is also calculated. This closing level is based on the CLOSING PRICES for the INDEX COMPONENTS on the respective EXCHANGES on which the INDEX COMPONENTS are listed. The CLOSING PRICES of INDEX COMPONENTS not listed in the INDEX CURRENCY are converted using the 04:00 p.m. London time rates provided by WM/REFINITIV (the “WM/REFINITIV RATE”). If there is no 04:00 p.m. London time WM/REFINITIV RATE for the relevant CALCULATION DAY, the last available 04:00 p.m. London time WM/REFINITIV RATE will be used for the closing level calculation.

1.5. LICENSING

Licenses to use the INDEX as the underlying value for financial instruments, investment funds and financial contracts may be issued to stock exchanges, banks, financial services providers and investment houses by SOLACTIVE.



2. INDEX SELECTION

On each SELECTION DAY / REVIEW DAY, the SELECTION PARTY will revise the composition of the INDEX.

In a first step, on each SELECTION DAY, the INDEX ADMINISTRATOR determines the INDEX UNIVERSE in accordance with Section 2.1. The INDEX UNIVERSE comprises all those financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS (as specified in Section 2.1) and will constitute a starting pool from which the components of the INDEX will be selected. Based on this INDEX UNIVERSE, the new composition of the INDEX will be determined by applying the rules outlined in Section 2.2.

Each new INDEX COMPONENT will be assigned a weight as described in Section 2.3.

At each REVIEW DAY, the INDEX UNIVERSE is the one determined at the last SELECTION DAY.

2.1. INDEX UNIVERSE REQUIREMENTS

The INDEX UNIVERSE is comprised of all financial instruments which fulfill the below requirements (the “INDEX UNIVERSE REQUIREMENTS“):

1. Listings:
 - > INDEX COMPONENTS need to trade on the Main Board of the New Zealand Exchange or the Australian Securities Exchange
2. Security types:
 - > Only Common Stocks, Real Estate Investment Trusts [REITs], Stapled Securities and Chess Depository Interests [CDIs] are eligible for inclusion
3. Domicile:
 - > Securities need to be headquartered in New Zealand
4. FREE FLOAT percentage:
 - > Securities need to have a FREE FLOAT of at least 20%.

The securities that meet these criteria constitute the INDEX UNIVERSE.

The determination of the INDEX UNIVERSE is fully rule-based and the INDEX ADMINISTRATOR cannot make any discretionary decisions.

2.2. SELECTION OF THE INDEX COMPONENTS

Based on the INDEX UNIVERSE, the initial composition of the INDEX as well as any selection for an ordinary rebalance is determined on the SELECTION DAY / REVIEW DAY in accordance with the following rules:

(the “INDEX COMPONENT REQUIREMENTS“):

- > The SELECTION PARTY will assign an ESG exclusion flag to certain securities, resulting in their removal from the pool of eligible INDEX COMPONENTS, as described in Appendix 7.2



- > New (Current) INDEX COMPONENTS require a MEDIAN DAILY VALUE TRADED of at least NZD 100,000 (75,000) over the preceding 6-month period. If an INDEX component does not have a 6-month history, the preceding 3-month period is used
- > New (Current) INDEX COMPONENTS require to rank in the top 75% (85%) in terms of LIQUIDITY RATIO
- > New (Current) INDEX COMPONENTS require a FREE FLOAT MARKET CAPITALIZATION of at least 100 (75) million NZD
- > New INDEX COMPONENTS must have a trading history of at least 20 TRADING DAYS

For FOREIGN EXEMPT ISSUERS, the number of shares used for the calculation of the FREE FLOAT MARKET CAPITALIZATION is adjusted based on the latest available New Zealand registered shares.

Only one listing of each company is eligible for inclusion in the INDEX, according to the following rule:

In case of multiple listings, the security listed on the New Zealand Exchange is used by default. However, if the New Zealand Exchange-listed security does not meet both the MEDIAN DAILY VALUE TRADED and LIQUIDITY RATIO criteria defined above, the listing on the Australian Securities Exchange will be used as an INDEX COMPONENT instead.

The INDEX ADMINISTRATOR has outsourced part of the selection of the INDEX COMPONENTS to the SELECTION PARTY. Such outsourcing has been made in accordance with the requirements of the BMR (Article 10 BMR). Any discretionary decision of the SELECTION PARTY will be made in accordance with the specifications.

2.3. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION DAY / REVIEW DAY each INDEX COMPONENT is assigned a tentative weight according to FREE FLOAT MARKET CAPITALIZATION. Additionally, the tentative weights of INDEX COMPONENTS flagged as SUSTAINABLE LEADERS are upweighted by 20% and then rescaled within all INDEX COMPONENTS.

Individual securities are also capped at 10%.



3. REBALANCE

3.1. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY / REVIEW DAY (in accordance with Section 2.1 and 2.2) the INDEX is adjusted on the REBALANCE DAY / REVIEW ADJUSTMENT DAY after CLOSE OF BUSINESS.

This is carried out by implementing the shares as determined on the FIXING DAY based on the weights calculated on the SELECTION DAY / REVIEW DAY.

For more information on the rebalance procedure please refer to the Equity Index Methodology, which is incorporated by reference and available on the Solactive website: <https://www.solactive.com/documents/equity-index-methodology/>.

SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY / REVIEW ADJUSTMENT DAY on the SOLACTIVE website under the section “News”, which is available at <https://www.solactive.com/news/announcements/>.

3.2. EXTRAORDINARY REBALANCE

The INDEX is not rebalanced extraordinarily.

4. CALCULATION OF THE INDEX

4.1. INDEX FORMULA

The INDEX is calculated as a price return, net total return, gross total return Index.

The calculation is performed according to the Equity Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>. The



standard index formula stipulates that the level of the INDEX changes based on the change of the prices of its INDEX COMPONENTS taking into account their weight in the INDEX and any currency conversion in case the price of an INDEX COMPONENT is quoted in a currency other than the INDEX CURRENCY.

Any dividends or other distributions are reinvested across the entire basket of INDEX COMPONENTS by means of a divisor at the opening of the effective date (the so-called ex-date) of the payment of such dividend or other distribution.

A more detailed description of the mechanics of the index calculation formula can be found in the Equity Index Methodology under Section 1.2.

4.2. ACCURACY

The level of the INDEX will be rounded to two decimal places. Divisors will be rounded to six decimal places. TRADING PRICES and foreign exchange rates will be rounded to six decimal places.

4.3. ADJUSTMENTS

Under certain circumstances, an adjustment of the INDEX may be necessary between two regular REBALANCE DAYS / REVIEW ADJUSTMENT DAYS. Such adjustment has to be made if a corporate action (as specified in Section 4.4 below) in relation of an INDEX COMPONENT occurs. Such adjustment may have to be done in relation to an INDEX COMPONENT and/or may also affect the number of INDEX COMPONENTS and/or the weighting of certain INDEX COMPONENTS and will be made in compliance with the Solactive Equity Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/equity-index-methodology/>.

SOLACTIVE will announce the INDEX adjustment giving a notice period of at least two TRADING DAYS (with respect to the affected INDEX COMPONENT) on the SOLACTIVE website under the section “News”, which is available at <https://www.solactive.com/news/announcements/>. The INDEX adjustments will be implemented on the effective day specified in the respective notice.

4.4. CORPORATE ACTIONS

As part of the INDEX maintenance SOLACTIVE will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS / REVIEW ADJUSTMENT DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the INDEX. Corporate actions will be implemented from the cum-day to the ex-day of the corporate action, so that the adjustment to the INDEX coincides with the occurrence of the price effect of the respective corporate action.

Adjustments to the INDEX to account for corporate actions will be made in compliance with the Equity Index Methodology, which is available on the SOLACTIVE website:



<https://www.solactive.com/documents/equity-index-methodology/>. This document contains for each corporate action a brief definition and specifies the relevant adjustment to the INDEX variables.

While SOLACTIVE aims at creating and maintaining its methodology for treatment of corporate actions as generic and transparent as possible and in line with regulatory requirements, it retains the right in accordance with the Equity Index Methodology to deviate from these standard procedures in case of any unusual or complex corporate action or if such a deviation is made to preserve the comparability and representativeness of the INDEX over time.

SOLACTIVE considers following, but not conclusive, list of corporate actions as relevant for INDEX maintenance:

- > Cash Distributions (e.g. payment of a dividend)
- > Stock distributions (e.g. payment of a dividend in form of additional shares)
- > Stock distributions of another company (e.g. payment of a dividend in form of additional shares of another company (e.g. of a subsidiary))
- > Share splits (company's present shares are divided and therefore multiplied by a given factor)
- > Reverse splits (company's present shares are effectively merged)
- > Capital increases (such as issuing additional shares)
- > Share repurchases (a company offer its shareholders the option to sell their shares to a fixed price)
- > Spin-offs (the company splits its business activities into two or more entities and distributes new equity shares in the created entities to the shareholders of the former entity)
- > Mergers & Acquisitions (transaction in which the ownership of a company (or other business organizations) are transferred or consolidated with other entities, e.g. fusion of two or more separate companies into one entity)
- > Delistings (company's shares are no longer publicly traded at a stock exchange)
- > Nationalization of a company (effective control of a legal entity is taken over by a state)
- > Insolvency

4.5. RECALCULATION

SOLACTIVE makes the greatest possible efforts to accurately calculate and maintain its indices. However, errors in the determination process may occur from time to time for variety reasons (internal or external) and therefore, cannot be completely ruled out. SOLACTIVE endeavors to correct all errors that have been identified within a reasonable period of time. The understanding of “a reasonable period of time” as well as the general measures to be taken are generally depending on the underlying and is specified in the Solactive Correction Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/correction-policy/>.



4.6. MARKET DISRUPTION

In periods of market stress SOLACTIVE calculates its indices following predefined and exhaustive arrangements as described in the Solactive Disruption Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/disruption-policy/>. Such market stress can arise due to a variety of reasons, but generally results in inaccurate or delayed prices for one or more INDEX COMPONENTS. The determination of the INDEX may be limited or impaired at times of illiquid or fragmented markets and market stress.



5. MISCELLANEOUS

5.1. DISCRETION

Any discretion which may need to be exercised in relation to the determination of the INDEX (for example the determination of the INDEX UNIVERSE (if applicable), the selection of the INDEX COMPONENTS (if applicable) or any other relevant decisions in relation to the INDEX) shall be made in accordance with strict rules regarding the exercise of discretion or expert judgement.

For the INDEX, a SELECTION PARTY is used. The determinations of the INDEX UNIVERSE are subject to decisions of the SELECTION PARTY where the exercise of discretion is needed. The SELECTION PARTY has confirmed, that such discretionary decision is performed in accordance with the specifications established by the INDEX ADMINISTRATOR.

5.2. METHODOLOGY REVIEW

The methodology of the INDEX is subject to regular review, at least annually. In case a need of a change of the methodology has been identified within such review (e.g. if the underlying market or economic reality has changed since the launch of the INDEX, i.e. if the present methodology is based on obsolete assumptions and factors and no longer reflects the reality as accurately, reliably and appropriately as before), such change will be made in accordance with the Solactive Methodology Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/methodology-policy/>.

Such change in the methodology will be announced on the SOLACTIVE website under the section “News”, which is available at <https://www.solactive.com/news/announcements/>. The date of the last amendment of this INDEX is contained in this GUIDELINE.

5.3. CHANGES IN CALCULATION METHOD

The application by the INDEX ADMINISTRATOR of the method described in this document is final and binding. The INDEX ADMINISTRATOR shall apply the method described above for the composition and calculation of the INDEX. However, it cannot be excluded that the market environment, supervisory, legal and financial or tax reasons may require changes to be made to this method. The INDEX ADMINISTRATOR may also make changes to the terms and conditions of the INDEX and the method applied to calculate the INDEX that it deems to be necessary and desirable in order to prevent obvious or demonstrable error or to remedy, correct or supplement incorrect terms and conditions. The INDEX ADMINISTRATOR is not obliged to provide information on any such modifications or changes. Despite the modifications and changes, the INDEX ADMINISTRATOR will take the appropriate steps to ensure a calculation method is applied that is consistent with the method described above.

5.4. TERMINATION

SOLACTIVE makes the greatest possible efforts to ensure the resilience and continued integrity of its indices over time. Where necessary, SOLACTIVE follows a clearly defined and transparent procedure to adapt Index methodologies to changing underlying markets (see Section 5.2 “Methodology



Review”) in order to maintain continued reliability and comparability of the indices. Nevertheless, if no other options are available the orderly cessation of the INDEX may be indicated. This is usually the case when the underlying market or economic reality, which an index is set to measure or to reflect, changes substantially and in a way not foreseeable at the time of inception of the index, the index rules, and particularly the selection criteria, can no longer be applied coherently or the index is no longer used as the underlying value for financial instruments, investment funds and financial contracts.

SOLACTIVE has established and maintains clear guidelines on how to identify situations in which the cessation of an index is unavoidable, how stakeholders are to be informed and consulted and the procedures to be followed for a termination or the transition to an alternative index. Details are specified in the Solactive Termination Policy, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/termination-policy/>.

5.5. INDEX COMMITTEE

An index committee composed of staff from SOLACTIVE and its subsidiaries (the “INDEX COMMITTEE”) is responsible for decisions regarding any amendments to the rules of the INDEX. Any such amendment, which may result in an amendment of the GUIDELINE, must be submitted to the INDEX COMMITTEE for prior approval and will be made in compliance with the Methodology Policy, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/methodology-policy/>.



6. DEFINITIONS

“BENCHMARK REGULATION” shall have the meaning as defined in Section “Introduction”.

“BMR” shall have the meaning as defined in Section “Introduction”.

“BUSINESS DAY” is every weekday from Monday to Friday.

“CALCULATION DAY” is BUSINESS DAY. A day on which the New Zealand Exchange is not open for general business is not a CALCULATION DAY.

“CLOSE OF BUSINESS” is the calculation time of the closing level of the INDEX as outlined in Section 1.4.

The “CLOSING PRICE” in respect of an INDEX COMPONENT and a TRADING DAY is a security's final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.

“DAILY VALUE TRADED” means, in respect of an INDEX COMPONENT and a TRADING DAY, the product of (i) the CLOSING PRICE of such INDEX COMPONENT and (ii) the volume traded (measured as a number of shares) of such INDEX COMPONENT on the EXCHANGE during such TRADING DAY.

“EXCHANGE” is with respect to the INDEX and every INDEX COMPONENT, the respective exchange where the INDEX COMPONENT has its listing as determined in accordance with the rules in Section 2.

“FIXING DAY” is SELECTION DAY / REVIEW DAY.

“FOREIGN EXEMPT ISSUERS” are companies listed on a recognized foreign exchange, as defined by the New Zealand Exchange, and qualify for the Foreign Exempt issuer status on the New Zealand Exchange.

The “FREE FLOAT” is with regard to each of the securities fulfilling the INDEX COMPONENT REQUIREMENTS on a SELECTION DAY / REVIEW DAY the share class-specific fraction of the total number of shares of such share class issued that are available for trading by market participants and not locked-in by long term holders, as sourced from data vendors.

The “FREE FLOAT MARKET CAPITALIZATION” is with regard to each of the securities fulfilling the INDEX COMPONENT REQUIREMENTS on a SELECTION DAY / REVIEW DAY the share class-specific free float market capitalization. It is calculated as the multiplication of the shares outstanding in FREE FLOAT (as sourced from data vendors) with the CLOSING PRICE of the share class as of the respective SELECTION DAY / REVIEW DAY.

“GUIDELINE” shall have the meaning as defined in Section “Introduction”.

“INDEX” shall have the meaning as defined in Section “Introduction”.

“INDEX ADMINISTRATOR” shall have the meaning as defined in Section “Introduction”.

“INDEX COMMITTEE” shall have the meaning as defined in Section 5.5.

“INDEX COMPONENT” is each security reflected in the INDEX.

“INDEX COMPONENT REQUIREMENTS” shall have the meaning as defined in Section 2.2.

“INDEX CURRENCY” is the currency specified in the column “Currency” in the table in Section 1.2.



“INDEX UNIVERSE REQUIREMENTS” shall have the meaning as defined in Section 2.1.

“INDEX UNIVERSE” is the sum of all financial instruments which fulfill the INDEX UNIVERSE REQUIREMENTS.

“LIQUIDITY RATIO” means, in respect of an INDEX COMPONENT, the ratio of the minimum of the MEDIAN DAILY VALUE TRADED over the preceding 1-month period and 6-month period divided by the FREE FLOAT MARKET CAPITALIZATION.

“LIVE DATE” shall have the meaning as defined in Section 1.3.

“MEDIAN DAILY VALUE TRADED” means, in respect of an INDEX COMPONENT, the median of the DAILY VALUE TRADED over a specified period.

“REBALANCE DAY” is the close of the third Friday in March. If that day is not a CALCULATION DAY, the REBALANCE DAY will be the immediately following CALCULATION DAY.

“RESPONSIBLE INVESTMENT COMMITTEE” is determined by the SELECTION PARTY and responsible for overall governance of the screening list process which leads to the determination of the company inclusion list. The RESPONSIBLE INVESTMENT COMMITTEE also provides oversight on engagement activity arising from screening and investment processes.

“REVIEW ADJUSTMENT DAY” is the close of the third Friday in September. If that day is not a CALCULATION DAY, the REVIEW ADJUSTMENT DAY will be the immediately following CALCULATION DAY.

“REVIEW DAY” is 15 BUSINESS DAYS before the scheduled REVIEW ADJUSTMENT DAY, disregarding any potential change of the REVIEW ADJUSTMENT DAY.

“SELECTION DAY” is 15 BUSINESS DAYS before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY.

“SELECTION PARTY” is BetaShares Capital Limited.

“SOLACTIVE” shall have the meaning as defined in Section “Introduction”.

“START DATE” shall have the meaning as defined in Section 1.3.

“SUSTAINABLE LEADERS” shall have the meaning as defined in Appendix 7.2.

“TRADING DAY” is with respect to an INDEX COMPONENT included in the INDEX at the REBALANCE DAY / REVIEW ADJUSTMENT DAY and every INDEX COMPONENT included in the INDEX at the CALCULATION DAY immediately following the REBALANCE DAY / REVIEW ADJUSTMENT DAY (for clarification: this provision is intended to capture the TRADING DAYS for the securities to be included in the INDEX as new INDEX COMPONENTS with close of trading on the relevant EXCHANGE on the REBALANCE DAY / REVIEW ADJUSTMENT DAY) a day on which the relevant EXCHANGE is open for trading (or a day that would have been such a day if a market disruption had not occurred), excluding days on which trading may be ceased prior to the scheduled EXCHANGE closing time and days on which the EXCHANGE is open for a scheduled shortened period. The INDEX ADMINISTRATOR is ultimately responsible as to whether a certain day is a TRADING DAY.

The “TRADING PRICE” in respect of an INDEX COMPONENT and a TRADING DAY is the most recent published price at which the INDEX COMPONENT was traded on the respective EXCHANGE.

“WM / REFINITIV RATE” shall have the meaning as defined in Section 1.4.



7. APPENDIX

7.1. ESG EXCLUSION FLAGS

For each company in the INDEX UNIVERSE, an analyst reviews the prior year screening results. If the company was previously excluded, or if there are historical issues associated with any of the screens, the SELECTION PARTY screens for those issues to check whether the company has resolved those issues. If the issue has not been addressed, the company fails that screen. If the company does not have any historical issues, the analyst screens the company against the first criteria as identified in the screening criteria and thresholds table below, following this process:

- Screen Pass/Flag/Fail:
 - If the company passes the first screen without any concerns, the analyst moves on to the next screen. Once all screening for all criteria is complete, the analyst moves on to the next company.
 - If the company passes the screen but the analyst encounters doubts or issues, the company is flagged for review.
 - If the company fails, the analyst documents the rationale for failure and data sources.
- Review of flagged companies: The director, heading of the RESPONSIBLE INVESTMENT TEAM, undertakes a review of all companies flagged during the screening process, re-screens the flagged companies to confirm that the right rationale was applied. Issues are either resolved or flagged for consideration by the RESPONSIBLE INVESTMENT COMMITTEE (RIC).
- Check using commercial database: All companies with a 'Pass' or 'Flagged' screening result are screened using a commercial database as a double-check. Any companies flagged at this point are rescreened.
- Historical comparison: All screening results are compared with previous screening history to identify any changes vs prior years.
- Identification of additions and deletions: All additions and deletions from the screening process are highlighted and run through the process again by to confirm their inclusion or exclusion.
- Preparation of final list: At this stage, the manager also highlights companies which have passed or failed the screens but have outstanding issues or controversies which need to be raised with the RIC.

Ultimately, the RIC holds a meeting to approve the data sources, discuss and debate the results of the screening process, raise concerns over certain additions or deletions, and provide feedback on the overall process followed. The RIC may potentially recommend engagement with a certain company prior to taking a final call on inclusion or exclusion. Lastly, the RIC approves the final inclusion list of companies.



Industry / Activity	Maximum exposure limit/threshold (% of total revenue)	Explanatory note
Fossil Fuels - Direct	- 0%	Companies which have fossil fuel reserves, fossil fuel infrastructure, or are involved in the mining, extraction, or burning of fossil fuels
Fossil Fuels – Indirect	<ul style="list-style-type: none"> - 5% for products and services - Exclude the largest global financiers of fossil fuels and financiers of significant fossil fuel infrastructure 	Companies which provide products, services or finance which is specific to and significant for the fossil fuel industry, except where more than 50% of company revenue is derived from renewable energy, resource efficiency, environmental solutions or energy efficiency products and services
Gambling	<ul style="list-style-type: none"> - 0% for casinos, manufacture of gaming products, and poker machine operations - 5% for distribution of gambling products 	
Tobacco	<ul style="list-style-type: none"> - 0% for production or manufacture - 5% for sale of tobacco products 	
Uranium and Nuclear Energy	<ul style="list-style-type: none"> - 0% for uranium mining and nuclear energy - 5% for products and services to nuclear energy 	
Armaments and Militarism	<ul style="list-style-type: none"> - 0% for manufacture of armaments and weapons 	



	- 5% for specific and significant services to military and armaments manufacture	
Destruction of Valuable Environments	- 0%	Activities which have direct negative impact on recognised World Heritage and High Conservation areas.
Animal Cruelty	- 0%	Exposure to live animal export, animal testing for cosmetic purposes, factory farming, or controversial animal products (ivory, foie gras etc.).
Chemicals of Concern	- 0%	Production or use of chemicals of concern recognised by UN Environmental Program, Producers of contentious agricultural chemicals.
Alcohol	- 5% for production - 20% for sale of alcohol	
Junk Foods	- 33%	Production or sale of junk foods
Pornography	- 0% for production of pornography - 5% for distribution of pornography	
Human and Labour Rights	- n/a	Evidence of human rights violations including child labour, forced labour, sweatshops, bribery, and corruption
Board Diversity	- n/a	No women on board of directors
Payday Lending	- 0%	Lending practices that impose unfair or abusive terms on a borrower



7.2. SUSTAINABLE LEADERS

To be classified as a SUSTAINABLE LEADER, a company must satisfy at least one of the following criteria, which have been determined with reference to the UN SDGs. If a company's business activities cover multiple categories, the aggregate revenue from identified activities will be considered in the identification of SUSTAINABLE LEADERS:

Sustainability Leader Criteria	Explanatory notes
Climate adaptation	<ul style="list-style-type: none"> - Companies that earn 50% or more of revenue from the manufacture or sale of climate adaptation technologies, or associated research, consulting or engineering services
Nutrition, agriculture and land use	<ul style="list-style-type: none"> - Companies that earn 50% or more of revenue from the production or sale of healthy and nutritious foods, with a particular focus on plant-based foods - Companies that earn 50% or more of revenue from activities associated with sustainable agriculture, sustainable aquaculture, reduced food waste and other activities identified by Project Drawdown, a non-profit organization which conducts rigorous review and assessment of climate solutions, as Food, Agriculture and Land Use Sector solutions
Improved industrial processes, improved materials and pollution reduction	<ul style="list-style-type: none"> - Companies that earn 50% or more of revenue from pollution reduction technologies - Companies that earn 50% or more of revenue from wastewater treatment - Companies that earn 50% or more of revenue from activities associated with waste remediation, recycling, recycled materials, alternative refrigerants, plastic reduction, waste to energy and other activities identified by Project Drawdown® as Industry Sector solutions - Companies employing circular economy strategies as critical elements in their operations
Healthcare	<ul style="list-style-type: none"> - Companies that earn 50% or more of revenue from hospital treatment, medical services or personal health insurance - Companies that earn 50% or more of revenue from activities associated with reproductive and maternal health - Companies that earn 50% or more of revenue from activities which have a specific focus on vaccine development or the treatment of communicable diseases



	- Companies that earn 50% or more of revenue from activities which have a specific focus on the treatment of non-communicable diseases
Transportation solutions	- Companies that earn 50% or more of revenue from activities associated with traffic safety systems, autonomous vehicles (excluding military applications), electric vehicles, public transit, high speed rail, energy efficient transportation solutions, telepresence and other activities identified by Project Drawdown® as Transportation Sector solutions
Education	- Companies that earn 50% or more of revenue from early childhood education, vocational education, tertiary education or providing other educational services
Water efficiency	- Companies that earn 50% or more of revenue from the manufacture or sale of water efficiency technology
Renewable energy and energy efficiency	- Companies that earn 50% or more of revenue from activities associated with renewable energy and energy efficiency, including building automation, building technologies, lighting solutions, energy storage, improved electrical grids and other activities identified by Project Drawdown® as Electricity Sector solutions
Green buildings	- Companies/REITS that have either: (i) a 6-Star Green Star Portfolio Performance assessment; or (ii) have been designated as Global Leaders in the annual GRESB Real Estate Benchmark Assessment
Sustainable tourism	- Companies that earn 50% or more of revenue from sustainable tourism
Sustainable and regional infrastructure	- Companies that earn 50% or more of revenue from sustainable infrastructure or alternative cement - Telecom companies that provide communication infrastructure that benefits rural and regional communities
Social and community housing	- Companies that earn 50% or more of revenue from social and community housing
Worker and consumer protection	- Companies that earn 50% or more of revenue from legal activities focused on workers' rights, consumer rights or otherwise protecting vulnerable people



Regional and community banking	<ul style="list-style-type: none"> - Companies with 20% or more of revenue from regional and community banking - Companies with 50% or more of revenue from the provision of microfinance
Relevant certification	<ul style="list-style-type: none"> - Certified B Corporations - Supply Nation registered businesses - Companies with 50% or more of revenue from the sale or manufacture of Fairtrade certified products

8. HISTORY OF INDEX CHANGES

Version	Date	Description
1.0	07 October 2024	Index Guideline creation (<i>initial version</i>)

CONTACT

Solactive AG
German Index Engineering
Platz der Einheit 1
60327 Frankfurt am Main
Germany

Tel.: +49 (0) 69 719 160 00

Fax: +49 (0) 69 719 160 25

Email: info@solactive.com

Website: www.solactive.com

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