

EXPLANATION OF HOW KEY ELEMENTS OF THE BENCHMARK METHODOLOGY REFLECT ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS

NYLI Candriam U.S. Mid Cap Equity Index-Total Return



This document provides an explanation of how the key elements of the benchmark methodology reflect ESG factors. It is compiled in accordance with the requirements of point (d) of Article 13 (1) of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 (the "Benchmarks Regulation") and of the Commission Delegated Regulation (EU) 2020/1817.

General Information

Name of the benchmark administrator	Solactive AG
Type of benchmark or family of benchmarks	Equity
Name of the benchmark or family of benchmarks	NYLI Candriam U.S. Mid Cap Equity Index-Total Return (DE000SLOGM28)
Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	Yes

ESG Factors Applied in the Benchmark Methodology

List of environmental factors considered	> Companies are assessed based on the following environmental macro factors, measuring exposure to global sustainability trends: Climate Change (renewable energy producers are enjoying growing markets); Resource Depletion (as rational resource use becomes inevitable, companies offering efficient resource utilization technologies stand to benefit) > Companies are assessed based on the the following environmental micro factors, measuring their stakeholder management: Environment (new environmental legislation may require a significant investment for some companies while others that already observe higher standards can focus on increasing market share.) > Exclusion of companies generating revenues >30% from nuclear power. > Exclusion of companies generating revenues >10% from thermal coal. > Exclusion of companies generating revenues >10% from unconventional oil and gas. > Exclusion of companies generating revenues <40% from natural gas or renewable energy (area of conventional oil and gas). > Exclusion of companies of the area of electricity generation with a Carbon Intensity >393 (gCO₂/kWh). If data is not available then the compaies are excluded if their power production based on coal > 10%; their power production based on oil and gas > 30% or their power production based on nuclear sources > 30%
List of social factors considered	> Companies are assessed based on the the following social macro factors: Developing Economies (companies providing infrastructure services will benefit from growing and developing populations); Demographic Evolutions (as people grow older, the need for tailor made service and products will be in string demand); Health & Wellness (healthy products offered by companies have a beneficial effect on health.); Interconnectivity (as people interact across borders, companies offering videoconferencing tools address a genuine need.)



	> Companies are assessed based on the the following social micro factors: Suppliers (abuse of labor rights in the supply chain has a considerable impact on reputation and brand image of companies.); Society (in developing countries, integrating the expectations of the local population with the company's activities is a real asset.) > Exclusion of companies violating the Principles of the UN Global Compact > Exclusion of companies without a responsible policy of no legal requirement or breaches to legislation for animal testing. > Exclusion of companies involved in the production / sale of controversial weapons (including anti- personnel landmines, cluster bombs, depleted uranium, and/or chemical/nuclear/biological weapons). > Exclusion of companies generating turnover >3% from the production / sale of conventional weapons and / or revenues >5% from the production / manufacturing / trade / testing / maintenance of white phosphorous. > Exclusion of companies generating revenues >1% in highly oppressive regimes > Exclusion of companies generating revenues >5% from adult content. > Exclusion of companies generating revenues >10% from alcohol without having any responsible policy. > Exclusion of companies generating revenues >5% from gambling. > Exclusion of companies generating revenues >10% from genetic modification. > Exclusion of companies generating revenues >5% from tobacco.
List of governance factors considered	> Companies are assessed based on the the following governance micro factors: Customers (after sales services impact customer loyalty); Employees (the quality of employee contracts, training and career management are all positive factors in attracting, developing and retaining talent); Investors (the effective management of corporate governance issues is vital to maintain investor's confidence in a company.)

Data and Standards used

Data Input	The data used to construct the index is sourced externally from ISS ESG
Verification and quality of data	The provider of ESG-related data input is selected by the Administrator based on an assessment of its existing processes in order 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.
Reference standards	International standards referenced by the index methodology are listed in the respective section above.
Information updated on	29/06/2026
Reason for update:	Initial document creation.

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