

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

Solactive Ultrashort GBP IG Liquid ESG Bond Index



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	Fixed Income – Corporate
Name of the benchmark or family of benchmarks	Solactive Ultrashort GBP IG Liquid ESG Bond Index (DE000SLOPQC4)
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	<ul style="list-style-type: none">> GMO/genetic engineering: We exclude instruments if GMO/genetic-engineering related revenue is higher than 5%.> Nuclear power (electricity share): If the share of electricity generated from nuclear is higher than 5%, the instrument is excluded.> Nuclear power (capacity/output share): If the nuclear share of installed/output capacity is higher than 5%, the instrument is excluded.> Nuclear power (revenue): If nuclear power-related revenue is higher than 15%, the instrument is excluded.> Thermal coal (mining): Any thermal-coal mining revenue above 0% is excluded.> Thermal coal (power generation): Thermal-coal power-generation revenue higher than 5% triggers exclusion.> Unconventional oil & gas (combined check): Instruments are excluded if oil-sands revenue is higher than 0% and shale oil & gas involvement data is missing.> Reserves/potential emissions proxy: Instruments are excluded if the proxy value is higher than 0.
List of social factors considered	<ul style="list-style-type: none">> Adult entertainment (production): We exclude instruments if adult-entertainment revenue from production is higher than 5%.> Adult entertainment (production/distribution/retail): We exclude instruments if adult-entertainment revenue from production, distribution, and retail is higher than 15%.> Alcohol (production): Instruments are filtered out when alcohol-related production revenue is higher than 5%.> Alcohol (full value chain): Instruments are filtered out when alcohol-related revenue from production, distribution, retail, and supply is higher than 15%.



	<ul style="list-style-type: none"> > Civilian firearms (manufacturing): Anything with civilian-firearms manufacturing revenue above 0% is excluded. > Civilian firearms (production/distribution): We exclude instruments if civilian-firearms production/distribution revenue is higher than 5%. > Gambling (facilities): Instruments are excluded when gambling-facility ownership/operation revenue is higher than 5%. > Gambling (related activities): Instruments are excluded when gambling-related business revenue is higher than 15%. > Tobacco (production): Any tobacco-production revenue above 0% leads to exclusion. > Tobacco (full value chain): Instruments are excluded if tobacco-related revenue from manufacturing, distribution, retailing, licensing, and supply is higher than 5%.
List of governance factors considered	<ul style="list-style-type: none"> > Controversial weapons: If the controversial-weapons involvement indicator is true, the instrument is excluded. > Nuclear weapons (inside NPT): Instruments are excluded unless the status is Green or Amber. > Nuclear weapons (outside NPT): Instruments are excluded unless the status is Green or Amber. > Weapons (production): We exclude instruments if conventional-weapons production revenue is higher than 5%. > Weapons (systems/support/services): We exclude instruments if weapons systems/components/support/services revenue is higher than 10%. > International norms / UN Global Compact proxy: Instruments are excluded unless the compliance status is Green or Amber. > ESG rating: Instruments are excluded if the overall ESG rating falls outside the allowed band (A+ down to C-).

Data and Standards used

Data Input	The data used to construct the index is sourced externally from Institutional Shareholder Services Inc.
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	13/04/2026
Reason for update:	Initial Setup

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

© Solactive AG