



Benchmark Statement

Nordic Index Family - SIX Sweden ESG Selection Index GI
(SIXSEESGSGI)

The SIX Sweden ESG Selection Index GI (SIXSEESGSGI) was published on 2019-06-25 and the last update took place on 2020-12-11.

1 Description of the Market or Economic Reality

1.1 Description economic reality and geographical boundaries

The SIXSEESGSGI index is constructed to reflect the market progress of 70 Nasdaq Stockholm Exchange listed companies that withhold strong ESG practices. At least 50% of SIXSEESGSGI constituent companies must be considered leaders in sustainability living and ESG practices. Only ordinary shares can be included in the index.

No Index Company may weight over 20 percent of the total market cap of the index.

SIX Financial Information (SIX) is the owner and Index Provider of the "SIX Sweden ESG Selection Index" (SIXSEESGSGI). ISS-ESG (ISS-ethix and ISS-oekom) is responsible for the screening process of the companies.

Gross dividends are reinvested.

The start value for SIXSEESGSGI is 100 with base date, 30 December 2016.

SIXSEESGSGI is calculated in SEK.

1.2 Any other information deemed relevant by administrator for clients to understand features of the market

Strong ESG Practices:

Companies that show strong ESG practices in their ISS-oekom corporate rating can be considered as market models with regard to environmental, social and governance performance. They perform high above average and generally show comprehensive measurements to manage sustainability risks and benefit from sustainability opportunities.

1.3 Derived indices

There are no derived indices.

2 Potential Limitations of the Benchmark Family

2.1 Circumstances where lack of sufficient input data leads to unreliable benchmark

If data which is necessary to determine the price or weight of an index component is not available to SIX due to trade suspensions or market distortions the latest available data is used. Such cases may lead to a deviation from the general principles of the indices defined in the respective methodology rulebooks.

Where SIX considers that the input data does not represent the market or economic reality that a benchmark is intended to measure, SIX will, within a reasonable time period, either change the input data or the methodology in order that the input data does represent such market or economic reality, or else cease to provide that benchmark.

2.2 Circumstances when accuracy and reliability of methodology can no longer be ensured

In case of structural changes of the market or economic reality or in cases where the interest in a market has diminished or is non-functioning, the reliability of a methodology can no longer be ensured. SIX reviews the methodology rulebooks at least annually to anticipate any such changes and mitigate its consequences by adjusting the methodology accordingly.

3 Controls and Rules for the Exercise of Expert Judgement

3.1 Elements of the calculation of the benchmark in relation to which discretion may be exercised

The rules for SIXSEESGGI have been designed to eliminate discretion or expert judgement for the benchmark calculation to the greatest extent possible. However, there might be unexpected events, such as complex corporate actions, structural changes to the markets, or operational issues at Nasdaq Stockholm Stock Exchange, which require actions that are not described in the methodology rulebooks.

In such (unexpected) cases, a pre-defined Expert Judgement process has been established. SIX will evaluate and document the use of discretion as part of the Expert Judgement process. The goal will always be to update the respective methodology rulebook to capture these unexpected cases with a new transparent rule. In addition, any feedback from market participants about the use of discretion will usually be discussed in the upcoming Index Management and LLT meetings.

SIX ensures that the rules of the benchmarks are applied correctly and fulfil the required quality standards. SIX works against structured processes to ensure compliance with a regulatory framework. Further documentation on regulation and processes can be found on the SIX website:

<https://www.six-group.com/nordic-indices>

3.2 Criteria applicable to the exercise of such discretion and the position of each function or body that may exercise discretion

See section 3 above

3.3 Steps of ex-post evaluation process on the use of discretion, and clear reference to the position of any person(s) who evaluates an exercise of discretion

See section 3 above

3.4 Controls and rules that govern any exercise of judgement

See section 3 above

4 Methodology of the Benchmark Family

4.1 Rationale for adopting a benchmark

The benchmark methodology used in SIXSEESGGI is designed to measure the market or economic reality described in section 1.1. The benchmark methodology is written using clear, transparent and concise rules, which makes it easy for the benchmark users to select the appropriate benchmark for their purpose.

4.2 Procedures for review and approval of methodology (including public consultation in case of material changes)

SIX follows a structured and detailed process for benchmark methodology changes. A revised methodology must remain executable and result in an accurate and reliable representation of the economic realities of the interest the benchmark seeks to measure. Under no circumstances will SIX retrospectively change any of its rules and/or methodologies. SIX ensures that a change of methodology does not violate any of the requirements defined for developing a benchmark methodology and does not violate the minimum disclosure requirement defined for the content of the benchmark methodology.

Where feasible, SIX aims to consult on all material methodology changes with representatives of relevant clients and other stakeholder groups. A summary of the market consultations' comments and SIX' summary response to those comments will be made accessible to clients and stakeholders after any given consultation period, except where the originator of the comments has requested confidentiality.

A material methodology change comprises a change that "significantly modifies the procedures applied to the determination of a benchmark" and, therefore, the benchmark value compared to an unchanged scenario. Examples of changes that are

considered material in their nature include changes in: Benchmark objective and the market it seeks to measure (e.g., market leader components vs. mid cap companies), benchmark component count, periodical review (determination) frequency, component universe and selection rules, weighting rules, introduction or removal of fast exit/entry rules, component replacement procedures, corporate actions treatments including merger and takeover treatments, and/or rebalancing rules.

Review and public consultation:

The validity of the index methodology is reviewed on an annual basis. SIX has a right to stipulate changes to the rules if necessary to maintain the purpose of the index or if any law, regulation or decision by an authority makes this necessary or if such a change is considered appropriate due to a change in market practice. In exceptional cases a broad market consultation can be conducted. The changes to the index methodology are publicly announced with an appropriate lead time.

4.3 Indication that factors (internal/external) may necessitate changes or cessation of BM

Input includes, but is not limited to:

- Political and economic changes in markets;
- Internal feedback from staff members;
- External feedback from clients and other stakeholders;
- Feedback from Oversight Function.

For more information:

<https://www.six-group.com/dam/download/financial-information/indices/rules-regulations/cessation-nordic-index.pdf>

5 Determination of a Benchmark

5.1 Description of input data and priority given to different types of input data

SIXSEESGSGI uses traded prices (regulated data) from regulated markets (representing observable bona fide, arms-length transactions).

SIXSEESGSGI specifies a single data input rather than a priority of inputs as no alternative source or data input is used.

5.2 Description of the input data, the source of the input data used, and the type of source of input data

Direct data feeds of Nasdaq Stockholm Exchange to obtain regulated market data from the trading systems.

5.3 Minimum data needed to determine a benchmark

In case of market distortion, updated prices for constituents corresponding to at least 30% of the benchmarks market cap value is needed to calculate a new benchmark value.

5.4 Models or methods of extrapolation

Extrapolation is not used in the calculation of SIXSEESGSGI.

5.5 Procedures for rebalancing

To be eligible for inclusion in SIXSEESGSGI, a share must be listed on the Nasdaq Stockholm Exchange. The index is reviewed semi-annually and the revision implemented on the first trading day of December and June.

The measurement periods for the revision of SIXSEESGSGI are the six-month periods beginning seven months prior to the implementation dates in December & June, i.e. November–April and May–October. Trading turnover is based on the accumulated turnover during the measurement period per share series in SEK.

If an Index Share is not included in top 120 shares in terms of trading turnover, that Index Share will be excluded from the index in the revision process.

Information regarding the new index population will be published no later than 10 trading days after the last trading day in May and November.

In addition to the semi-annual rebalance the population of the index will be reviewed for compliance with the below exclusion criteria within 3 months of each of the rebalance periods. During this rebalance any companies in breach of the below exclusion criteria will be removed from the population of the index no later than 10 trading days after the last trading day in February and August.

Exclusion criteria:

Of the remaining 120 shares, ISS-ethix exclude shares that fail to meet the requirement for sustainable and responsible investment.

Companies involved in the verified violation of international standards regarding the environment, human rights, labour relations, anti-corruption legislation or the involvement in controversial weapons are excluded. In addition to verified violation of international standards monitoring if companies facing strong unremediated allegation will also be monitored. Companies facing strong unremediated allegation will not be considered for inclusion as new constituents of the index until such time as they initiate sufficient remedial action. Should a company which is already a constituent face strong allegation they will be granted a grace period of 6-12 months (two full rebalance periods) to initiate sufficient remedial action before being flagged as being in violation.

Companies with a turnover exceeding 5% related to production or distribution, or 50% turnover related to services, for alcohol and gambling are excluded. Companies with any involvement in production, or a turnover exceeding 5% related to distribution, for tobacco or pornography are immediately excluded. Companies with a turnover exceeding 5% related to services for pornography or 50% turnover for services for tobacco are also excluded. Companies with a turnover exceeding 5% for military equipment or services are also excluded.

A general exclusion is made for companies where 5% or more of turnover relates to the production (including both power generation and extraction activities), distribution or exploration of fossil fuels, as well as companies where over 50% of turnover derives from services in or to this area. Companies with any involvement in the extraction/production of oil sands are immediately excluded, even if this amounts to less than 5% of the company's turnover. Companies with a turnover exceeding 5% for production linked to the supply of Nuclear Power (including both direct power generation and the mining of Uranium) are also excluded.

Positive rating:

ISS-oekom examines the remaining companies in the index selection and defines eligibility from an Environmental, Social and Corporate Governance (ESG) perspective. The index will only consist of companies that have passed an in-depth ESG analysis, within the last 12 months, assessing companies against peers in its industry using the ISS-oekom Corporate Ratings methodology. The 70 highest ESG rated shares are selected for the index. At minimum, 50% of the selected companies, based on the total market cap of the index, must also be considered to be leaders in sustainability living up to the highest standards of ESG practices. If the market cap for the selected companies is below the 50% limit, in meaning of strong ESG practices, companies with the lowest ISS-oekom rating will be excluded from the index population until the 50% limit is reached. This means that the index population can consist of less than 70 companies.

5.6 Procedures which govern the determination of the benchmark in periods of stress or periods where transaction data sources may be insufficient, inaccurate or unreliable

If data that is necessary to determine the price or weight of an index component is not available to SIX due to market distortions the latest available data is used.

5.7 Procedures for dealing with errors in input data including when a re-determination of the benchmark is required

At SIX, an incident is opened and an incident manager is appointed and coordinates the work within the Index Operations Team at SIX as well as with other SIX departments. The incident manager will be responsible for documenting relevant information about the incident, but is not required to do so until the issue has been resolved.

The Index Management Team of SIX is informed about incidents as soon as possible.

Clients and other stakeholders are informed in a timely manner.

The details of incidents are discussed at regular meetings within the involved SIX departments. The meeting agendas ensures that common problems and possible sources of incidents are identified and recorded.

Errors in input data affecting the benchmark which are detected the same trading day are immediately corrected. Errors in input data affecting the benchmark that are older than one trading day are corrected if technically possible and appropriate.

6 Classification of benchmark

6.1 Statement whether contributed/regulated data is used

Regulated data

6.2 Statement whether benchmark qualifies as regulated data benchmark/interest rate/ commodity benchmark

The benchmark qualifies as a regulated data benchmark.

6.3 Statement regarding non-significance of whole family (only non-significant, both significant and non-significant)

Only non-significant

7 ESG Disclosures

SIXSEESGSI takes into account environmental, social and governance (ESG) factors in the index design and pursues ESG objectives.

SIX does not administer any EU Climate Transition Benchmarks or any EU Paris-aligned Benchmarks.

The template for explaining how ESG factors are reflected in the benchmark statement for SIXSEESGSI can be found on the SIX website:

https://www.six-group.com/en/products-services/financial-information/indices/nordic-indices.html#scrollTo=rules_regulations

8 Additional Information

Any other additional Information (e.g. link to rulebook, etc.): <https://www.six-group.com/nordic-indices>.

Changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the measurement of the performance of investment funds.

Appendix

Individual benchmarks of the benchmark family

Name of Benchmark	Return Type	Currency	ISIN	Classification
SIX Sweden ESG Selection Index GI	Gross dividend reinvested	SEK	CH0448331592	Non-significant

| **SIX Financial Information Nordic AB**

Olof Palmes gata 11

10362 Stockholm

Sweden

T +46 8 58616300

© SIX May 2020

It is the responsibility of the benchmark user to familiarize itself with and assess any applicable laws, regulations and decrees. Neither the benchmark administrator nor its affiliates provide any legal, compliance, financial, investment, tax or other advice. No representation, warranty, guarantee or undertaking is given and all liability is excluded to the extent permitted by law.