# SIX Sweden ESG Selection Index GI (SIXSEESGSGI)

<table>
<thead>
<tr>
<th>Publication Date</th>
<th>2019-06-25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Last Update</td>
<td>2019-08-09</td>
</tr>
</tbody>
</table>

## 1.1. Description of the market or economic reality

**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.

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, 30th of December 2016.

SIXSEESGSGI is calculated in SEK.

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.

## 1.2. Derived indices

**Derived indices**

No

## 2. Potential limitations of the benchmark family

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

N/A for non-significant benchmark

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

N/A for non-significant benchmark

## 3. Controls and rules for the exercise of expert judgement or discretion

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

N/A for non-significant benchmark
Criteria applicable to the exercise of such discretion and the position of each function or body that may exercise discretion

N/A for non-significant benchmark

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

N/A for non-significant benchmark

Controls and rules that govern any exercise of judgement

N/A for non-significant benchmark

4. Methodology of the benchmark family

Rationale for adopting a benchmark

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 SIXESGSGI constituent companies must be considered leaders in sustainability living and ESG practices.

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.

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.

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:

<table>
<thead>
<tr>
<th>5. Determination of benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description of input data and priority given to different types of input data</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>Description of the input data, the source of the input data used, and the type of source of input data</td>
</tr>
<tr>
<td>Direct data feeds of Nasdaq Stockholm Exchange to obtain regulated market data from the trading systems.</td>
</tr>
<tr>
<td>Minimum data needed to determine a benchmark</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>Models or methods of extrapolation</td>
</tr>
<tr>
<td>Extrapolation is not used in the calculation of SIXSEESGSGI</td>
</tr>
<tr>
<td>Procedures for rebalancing</td>
</tr>
</tbody>
</table>
To be eligible for inclusion in SIXSESGSI, 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 SIXSESGSI are the six-month periods beginning seven months prior to the implementation dates in December & June, ie November–April and May–October. Trading turnover is based on the accumulated turnover during the measurement period per share serie 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 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 unremidiated allegation will also be monitored. Companies facing strong unremidiated allegation will not be considered for inclusion as new constituents of the index until such time as they initiate sufficient remidal 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 remidal 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 consists of less than 70 companies.
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.

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

Statement whether contributed data is used [contributed/regulated]

Regulated data

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

The benchmark qualifies as a regulated data benchmark.

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

Only non-significant

7. Additional Information

Any other additional Information (e.g. link to rulebook, etc.)

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

Appendix

Individual benchmarks of the benchmark family

<table>
<thead>
<tr>
<th>Name of Benchmark</th>
<th>Return type</th>
<th>Currency</th>
<th>ISIN</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIX Sweden ESG Selection Index GI</td>
<td>Gross dividend reinvested</td>
<td>SEK</td>
<td>CH0448331592</td>
<td>Non-significant</td>
</tr>
</tbody>
</table>