Swiss Bond Index ESG - Family

The Sustainable Counterpart to SBI, the Swiss Benchmark Index for CHF Bonds

The SBI ESG indices are based on the Swiss Bond Index (SBI). The issuers of the SBI are also selected on the basis of sustainability criteria. For the calculation of the indices, SIX draws on the experience of the independent Swiss sustainability rating agency Inrate.

The Swiss Bond Index (SBI) and its sub-indices serve as the basis for the SBI ESG indices. They reflect the price performance of bonds denominated in Swiss francs (CHF) that are listed on the SIX Swiss Exchange. Strict inclusion criteria apply to the SBI. Each bond must have a residual term of at least one year and an issue volume of at least CHF 100 million. Furthermore, only bonds with a fixed interest rate are considered. And finally, each bond must have a credit rating of BBB or higher. SIX calculates a so-called “SBI Composite Rating”, which is composed of the ratings of the agencies Standard & Poor’s, Moody’s and Fitch as well as the ratings of three major Swiss banks and the Swiss rating agency Fedafin.

For the SBI ESG indices, the issuers of the SBI are also selected on the basis of sustainability criteria. In doing so, SIX draws on the experience and data of the independent Swiss sustainability rating agency Inrate. Inrate’s ESG impact rating measures the positive and negative effects - or impacts - of issuers on the environment and society.

Market Overview
Swiss franc bonds from a wide range of issuers are listed on SIX Swiss Exchange. Issuers can be companies, but also states, institutions or public corporations. Swiss franc bonds are issued by both domestic and foreign issuers.

Your Benefits at a Glance:
- Sustainable investment is more than just a trend
- SBI ESG Indices are sustainable benchmarks for the Swiss bond market
- SIX and Inrate work together as strong partners
- Independent and transparent index calculation
- High confidence in the benchmark

Index Methodology
Issuers of the Swiss Bond Index are selected based on three criteria sourced from Inrate.

ESG Rating:
The ESG rating for corporate issuers corresponds to Inrate’s ESG impact rating. The rating is a measure of the environmental and social impact that a company participates in through its products and practices. The rating also assesses a company’s willingness and ability to effectively address the issues it is involved in. The ESG rating for sovereign or quasi-government issuers is equivalent to the ESG country ratings of Inrate. The rating is based on an in-depth analysis of what a country needs to achieve in order to contribute to sustainable development both nationally and internationally. Inrate’s ESG ratings run over twelve levels from A+, A, A-, etc. to D-, whereas A+ represents the best rating and D- the worst rating.
Revenues in critical sectors:
Inrate's product screening identifies the percentage of a company's revenue that comes from products or services in a critical sector, such as adult entertainment, alcohol, armaments, gambling, genetic engineering, nuclear energy, oil sands, coal or tobacco.

SVVK-ASIR's recommendations for exclusion:
The Swiss Association for Responsible Investment (SVVK-ASIR) compiles a recommendation list for the exclusion of companies. This list is currently made publicly available on their website and lists companies with involvement in anti-personnel mines, cluster munitions or nuclear weapons. It also includes a category of "Conduct-based exclusions", which covers violations of applicable laws/standards, human rights, labour rights, etc. are taken into account. Such an exclusion recommendation is considered by SVVK-ASIR as a last resort, and accordingly only implemented if direct engagement with the company has not been successful.

SBI ESG Selection Process:
For the SBI ESG indices, issuers with an ESG impact rating of C or worse and those with 5% or more in the sectors of adult entertainment, alcohol, armaments, gambling, genetic engineering, nuclear energy, coal or tobacco are excluded. Issuers that generate revenue with oil sand or are on the exclusion list of SVVK-ASIR are also excluded.

Licensing
The SBI ESG Indices are part of an index data package comprising ESG bond indices calculated by SIX. The index data can be obtained from the SIX website and via data providers such as SIX, Bloomberg or Refinitiv. No licence is required for historical data, which is publicly available.

Governance and Regulation
Since 1998, SIX has set up an Index Commission for Swiss Bond Indices, which advises SIX on all index-related issues. SIX is committed to the IOSCO Principles for Financial Benchmarks. The administration of the Swiss bond indices is carried out in accordance with the recommendations and requirements of the EU Benchmark Regulation. This also ensures the possibility of use for international clients and financial service providers. For a list of benchmarks that are endorsed under the EU Benchmark Regulation, please visit the benchmark statement.

Index Information (excerpt of indices; data as of 31 May 2021)

<table>
<thead>
<tr>
<th>Name</th>
<th>ISIN</th>
<th>Symbol</th>
<th>Refinitiv RIC</th>
<th>Perf. 1yr</th>
<th>Perf. 3yrs</th>
<th>Yield</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI ESG AAA-BBB Total Return</td>
<td>CH0543852013</td>
<td>SBESGT</td>
<td>.SBESGT</td>
<td>-0.25%</td>
<td>2.89%</td>
<td>0.03%</td>
<td>7.74</td>
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<tr>
<td>SBI ESG AAA-BBB Price</td>
<td>CH0543852021</td>
<td>SBESGP</td>
<td>.SBESGP</td>
<td>-1.18%</td>
<td>-0.40%</td>
<td>0.03%</td>
<td>7.74</td>
</tr>
<tr>
<td>SBI ESG Foreign AAA-BBB 1-5 Total Return</td>
<td>CH0543852252</td>
<td>SESFST</td>
<td>.SESFST</td>
<td>1.84%</td>
<td>0.71%</td>
<td>-0.23%</td>
<td>2.87</td>
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<tr>
<td>SBI ESG Foreign AAA-BBB 1-5 Price</td>
<td>CH0543852260</td>
<td>SESFP</td>
<td>.SESFSP</td>
<td>0.91%</td>
<td>-2.71%</td>
<td>-0.23%</td>
<td>2.87</td>
</tr>
<tr>
<td>SBI ESG Foreign AAA-BBB 5-10 Total Return</td>
<td>CH1116877684</td>
<td>SEFS1T</td>
<td>-</td>
<td>1.88%</td>
<td>2.86%</td>
<td>0.03%</td>
<td>7.02</td>
</tr>
<tr>
<td>SBI ESG Foreign AAA-BBB 5-10 Price</td>
<td>CH1116877718</td>
<td>SEFS1P</td>
<td>-</td>
<td>1.07%</td>
<td>0.15%</td>
<td>0.03%</td>
<td>7.02</td>
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</tbody>
</table>

In addition to the SBI ESG indices mentioned above, subindices for several maturity buckets, issuer domiciles, as well as credit ratings are calculated.

For further information, please visit our Website: www.six-group.com/indices

For Index Based Products, please consider the SIX Index Disclaimer