



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 2023-11-27.

1 Description of the Market or Economic Reality

1.1 Description economic reality and geographical boundaries

SIX Sweden ESG Selection Index GI (SIXSEESGSGI) index is constructed to reflect the market progress of 70 Nasdaq Stockholm Stock 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 SIXSEESGSGI. ISS-ESG 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 the ESG Corporate Ratings methodology from ISS ESG can be considered as market models with regards 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 follows 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/other/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 Stock 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 SIXSEESGSI.

5.5 Procedures for rebalancing

To be eligible for inclusion in SIXSEESGSI, a share must be listed on the Nasdaq Stockholm Stock 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 SIXSEESGSI 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.

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

ISS ESG examines the remaining companies in the index selection and defines eligibility from an ESG perspective. The 70 highest ESG rated shares are selected for the index.

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 exclusion criteria listed below within 3 months of each of the rebalance periods. During this rebalance any companies in breach of the exclusion criteria below will be removed from the population of the index no later than 10 trading days after the last trading day in February and August.

Exclusions:

SIX excludes, based on ISS ESG's examination of the companies listed on the Nasdaq Stockholm Stock Exchange, any company of that fails to meet the requirement for sustainable and responsible investment according to the below criteria:

- Companies that are non-compliant based on ISS ESG's Norm-Based Research. Norm-Based Research identifies companies that violate or are at risk of violation commonly accepted international norms and standards, enshrined in the United Nations Global Compact (UNGC) Principles, the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights (UNGPs), and their underlying conventions
- Companies that ISS ESG identifies to be involved with controversial weapons in accordance with the relevant UN-Conventions
- 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

In addition to verified violation of international standards monitoring, 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 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.

Selection:

ISS ESG examines the remaining companies in the index selection and defines eligibility from an 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 ESG Corporate Ratings methodology from ISS ESG. 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 ESG 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 in Appendix II.

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 I

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 |

Appendix II

| Explanation of how ESG Factors are Reflected in the Benchmark Statement for SIX Sweden ESG Selection Gross Index (SIXSEESGSGI) |
|---|
| SECTION 1 – CONSIDERATION OF ESG FACTORS |
| Item 1. Name of the benchmark administrator. |
| SIX Financial Information Nordic AB |
| Item 2. Type of benchmark or family of benchmarks. Choose the relevant underlying asset from the list provided in Annex II to Commission Delegated Regulation (EU)2020/1816. |
| Equity |
| Item 3. Name of the benchmark or family of benchmarks. |
| SIX Sweden ESG Selection Gross Index (SIXSEESGSGI) |
| Item 4. Are there in the portfolio of the benchmark administrator any EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks, benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Item 5. Does the benchmark or family of benchmarks pursue ESG objectives? |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Item 6. Where the response to Item 5 is positive, provide below the details (score) in relation to the ESG factors listed in Annex II to Delegated Regulation (EU)2020/1816 for each family of benchmarks at aggregated level. The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks. |
| N/A as no benchmark families are defined. |
| Item 7. Where the response to Item 5 is positive, provide below the details (score) for each benchmark, in relation to the ESG factors listed in Annex II to Delegated Regulation (EU)2020/1816, depending on the relevant underlying asset concerned. Alternatively, all of this information may be provided in the form of a hyperlink to a website of the benchmark administrator included in the benchmark statement. The information on the website shall be easily available and accessible. Benchmark administrators shall ensure that information published on their website remains available for five years. The score of the ESG factors shall not be disclosed for each constituent of the benchmark, but shall be disclosed at an aggregated weighted average value of the benchmark. |

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| a) List of combined ESG factors: | Details on each factor: |
| 1. Weighted average ESG rating of the benchmark (voluntary) | 1. 2,44 |
| 2. Overall ESG rating of top ten benchmark constituents by weighting in the benchmark (voluntary) | 2. 2,47 |
| b) List of environmental factors: | Details on each factor: |
| 1. Weighted average environmental rating of the benchmark (voluntary). | 1. 2,43 |
| 2. Exposure of the benchmark portfolio to renewable energy as measured by capital expenditures (CapEx) in those activities (as a share of total CapEx by energy companies included in the portfolio) (voluntary). | 2. No longer required by EU regulation (voluntary) |
| 3. Exposure of the benchmark portfolio to climate-related physical risks, measuring the effects of extreme weather events on companies' operations and production or on the different stages of the supply chain (based on issuer exposure) (voluntary). | 3. 66,97 |
| 4. Degree of exposure of the portfolio to the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council (2) as a percentage of the total weight in the portfolio. | 4. 43,16% |
| 5. Greenhouse gas (GHG) intensity of the benchmark | 5. 33,47 (calculation based on EUR) |
| 6. Percentage of GHG emissions reported versus estimated | 6. Reported: 97,70%; Estimated: 2,30% |
| 7. Exposure of the benchmark portfolio to companies the activities of which fall under Divisions 05 to 09, 19 and 20 of Annex I to Regulation (EC) No 1893/2006. | 7. 0,10% |
| 8. Exposure of the benchmark portfolio to activities included in the environmental goods and services sector, as defined in Article 2, point (5) of Regulation (EU) No 691/2011 of the European Parliament and of the Council. | 8. 1,12% |
| c) List of social factors: | Details on each factor: |
| 1. Weighted average social rating of the benchmark (voluntary). | 1. 2,40 |
| 2. International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a 'controversial weapon'. | 2. Please refer to ESG Factor Descriptions document: https://www.six-group.com/dam/download/financial-information/indices/descriptions/esg-factor-descriptions.pdf |
| 3. Weighted average percentage of benchmark constituents in the controversial weapons sector. | 3. 0,00% |
| 4. Weighted average percentage of benchmark constituents in the tobacco sector. | 4. 1,65% |
| 5. Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international | 5. Absolute: 0; Relative: 0,00% |

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| treaties and conventions, United Nations principles and, where applicable, national law. | 6. 0,00% |
| 6. Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8. | 7. 6,18% |
| 7. Weighted average gender pay gap. | 8. 0,60 |
| 8. Weighted average ratio of female to male board members. | 9. 0,90 |
| 9. Weighted average ratio of accidents, injuries, fatalities. | 10. |
| 10. Numbers of convictions and amount of fines for violations of anti-corruption and antibribery laws. | Number of convictions: Data not available Amount of fines (USD): 325 000 000,00 |
| d) List of governance factors: | Details on each factor: |
| 1. Weighted average governance rating of the benchmark (voluntary). | 1. 2,63 |
| 2. Weighted average percentage of board members who are independent. | 2. 51,48% |
| 3. Weighted average percentage of female board members. | 3. 37,50% |
| Item 8. Data and standards used | |
| a) Description of data sources used to provide information on the ESG factors in the benchmark statement. Describe how the data used to provide information on the ESG factors in the benchmark statement are sourced and whether, and to what extent, data are estimated or reported. | |
| Please refer to ESG Factor Descriptions document: https://www.six-group.com/dam/download/financial-information/indices/descriptions/esg-factor-descriptions.pdf | |
| b) Reference standards. List the supporting standards used for the reporting under item 6 and/or item 7. | |
| Please refer to ESG Factor Descriptions document: https://www.six-group.com/dam/download/financial-information/indices/descriptions/esg-factor-descriptions.pdf | |
| SECTION 2 – ADDITIONAL DISCLOSURE REQUIREMENTS FOR EU CLIMATE TRANSITION AND EU PARIS-ALIGNED BENCHMARKS | |
| Item 9. Where a benchmark is labelled as ‘EU Climate Transition Benchmark’ or ‘EU Paris-aligned Benchmark’, benchmark administrators shall also disclose the following information: | |
| a) forward-looking year-on-year decarbonisation trajectory; | N/A, no EU Climate Transition or Paris-aligned Benchmarks in the SIX Nordics Benchmark Universe. |
| b) degree to which the IPCC decarbonisation trajectory (1,5 °C with no or limited overshoot) has been achieved on average per year since creation; | See item 9a) above. |
| c) overlap between those benchmarks and their investable universe, as defined in Article 1, point (e), of Commission Delegated Regulation (EU) 2020/1818 (1), using the active share at asset level. | See item 9a) above. |

| SECTION 3 – DISCLOSURE OF THE ALIGNMENT WITH THE OBJECTIVES OF THE PARIS AGREEMENT | |
|---|--|
| Item 10. By the date of application of this Regulation, for significant equity and bond benchmarks, EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks, benchmark administrators shall also disclose the following information. By 31 December 2021, benchmark administrators shall, for each benchmark or, where applicable, each family of benchmarks, disclose the following information: | |
| a) Does the benchmark align with the target of reducing carbon emissions or the attainment of the objectives of the Paris Agreement; | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| b) the temperature scenario, in accordance with international standards, used for the alignment with the target of reducing GHG emissions or attaining of the objectives of the Paris Agreement; | The benchmark does not use any temperature scenario for the alignment with the target of reducing greenhouse gas emissions or attaining the objectives of the Paris Agreement. |
| c) The name of the provider of the temperature scenario used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement; | See item 10b) above. |
| d) The methodology used for the measurement of the alignment with the temperature scenario; | See item 10b) above. |
| e) The hyperlink to the website of the temperature scenario used. | See item 10b) above. |
| | |
| Date on which information has last been updated and reason for the update: | 2023-11-27: Yearly update of ESG factors. |

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