UNICREDIT BANK GMBH

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY

UC Equity ESG II Benchmark Family

Introduction:

This document provides the explanation of how ESG Factors are reflected in the key elements of the Benchmark Methodology for the members of the UC Equity ESG II Benchmark Family. These are benchmarks for the purpose of the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "**Benchmarks Regulation**" or "**BMR**").

Nothing contained in this document should be construed as an offer or solicitation of any transaction.

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Explanation of how ESG Factors are reflected in the key elements of the Benchmark Methodology

1. Name of the benchmark administrator	UniCredit Bank GmbH
2. Type of family of benchmarks	Equity
3. Name of the family of benchmarks	UC Equity ESG II Benchmark Family
4. Does the benchmark methodology for the family of benchmarks take into account ESG factors?	Yes
5. For the benchmark family, the ESG factors that are taken into account in the benchmark methodology	

<table>
<tr><td>Explanation how those ESG factors are used for the selection, weighting or exclusion of underlying assets.

The ESG factors are disclosed at an aggregated weighted average value at the level of the family of benchmarks.</td><td>Companies possessing an ESG Rating lower than C- or that are not classified as “Best in Class” by the ESG Service Provider are excluded.</td></tr>
<tr><td>a) List of environmental factors considered</td><td>Exclusion based on Controversial Business Practices: Severe controversial environmental practices and minimum revenue thresholds as listed below.
<table>
<tr><th>Controversial Business Area</th><th>Level 1</th><th>Level 2</th><th>Revenue Threshold</th></tr>
<tr><td>Fossil Fuels</td><td>Coal</td><td>Extractives production</td><td>5%</td></tr>
<tr><td></td><td></td><td>Energy and production</td><td>5%</td></tr>
<tr><td></td><td>Arctic drilling</td><td>Production</td><td>0%</td></tr>
<tr><td></td><td></td><td>Exploration</td><td>0%</td></tr>
<tr><td></td><td>Hydraulic Fracturing</td><td>Total Volume</td><td>0%</td></tr>
<tr><td></td><td></td><td>High Volume Involvement</td><td>0%</td></tr>
<tr><td></td><td>Oil sands</td><td>Production</td><td>0%</td></tr>
<tr><td></td><td></td><td>Exploration</td><td>0%</td></tr>
<tr><td>Green genetic engineering</td><td>Production</td><td></td><td>0%</td></tr>
<tr><td>Nuclear Power</td><td>Total Volume</td><td></td><td>5%</td></tr>
<tr><td></td><td>Power Generation</td><td></td><td>0%</td></tr>
<tr><td></td><td>Uranium Production</td><td></td><td>0%</td></tr>
</table></td></tr>
</table>

	Service 5%
b) List of social factors considered	Exclusion based on Controversial Business Practices: Severe violations of human rights and minimum revenue thresholds as listed below.

Controversial Business Area	Level 1	Level 2	Revenue Threshold
Alcohol	Production	Total Volume	5%
		Beer and Wine	5%
		Spirits	5%
Animal Testing	Non pharmaceutical beyond legal requirements		0%
Civilian Firearms	Production & Service		5%
	Distribution		5%
Gambling	Production		0%
	Distribution		10%
	Service		10%
Military equipment and services	Production & Service	Total Volume	5%
		Combat involvement	0%
		Non-combat involvement	5%

		Distribution	Total	5%
			Combat involvement	5%
			Non-combat involvement	5%
		Controversial Weapons		0%
	Pornography	Total Volume		10%
		Production		0%
		Distribution		10%
	Tobacco	Production		5%
		Service		5%
c) List of governance factors considered	Exclusion based on Controversial Business Practices: Severe violations of labour rights (forced labour, child labour, discrimination, freedom of association, other areas) and severe forms of corruption and business malpractices.			

6. For each benchmark, the ESG factors that are taken into account in the benchmark methodology depending on the relevant underlying asset concerned.

   Explanation how those ESG factors are used for the selection, weighting or exclusion of underlying assets.

   The ESG factors are not disclosed for each constituent of the benchmark, but are disclosed at an aggregated weighted average value of the benchmark.

a) List of environmental factors considered	UC ESG Global Renewable Energies Index - In addition to the exclusion as outlined above there is no ESG-data based selection applied. - In addition to the exclusion as outlined above there is no ESG-data based weighting applied.

	UC ESG European Women Leadership Index - In addition to the exclusion as outlined above there is no environmental factor based selection applied. - In addition to the exclusion as outlined above there is no ESG-data based weighting applied. UC ESG European Biodiversity Leaders Index - In addition to the ESG exclusion as described above, the selection is also based on the SDG Rating: Each potential constituent must possess an "SDG Single Rating" greater than -5 for each SDG and an "SDG Overall Impact Rating" greater than 0. Furthermore, each potential constituent must possess a "SDG Single Rating" for SDG14 (Life below Water) and SDG15 (Life on Land) greater than or equal to 0. - In addition to the exclusions as outlined above the following selection scheme is applied: For each industry sector those stocks are selected that have not been excluded and show the highest Biodiversity Score (limited to 3 per sector). The Biodiversity Score of a potential constituent is calculated as its' average SDG14 and SDG15 rating. - In addition to the exclusion as outlined above there is no ESG-data based weighting applied.
b) List of social factors considered	UC ESG Global Renewable Energies Index - In addition to the exclusion as outlined above there is no ESG-data based selection applied. - In addition to the exclusion as outlined above there is no ESG-data based weighting applied. UC ESG European Women Leadership Index - In addition to the exclusion as outlined above, the selection is also based on the Percentage of Women in Executive and Senior

	Management: All stocks which have a Percentage of Women in Executive and Senior Management less than 25% or larger than 75% are not selected. - In addition to the exclusions outlined above the following selection scheme is applied: For each industry sector those stocks are selected that have not been excluded and show the highest Percentage of Women in Executive and Senior Management (limited to 3 per sector). - In addition to the exclusion as outlined above there is no ESG-data based weighting applied. UC ESG European Biodiversity Leaders Index - In addition to the exclusion as outlined above there is no ESG-data based selection applied. - In addition to the exclusion as outlined above there is no ESG-data based weighting applied.
c) List of governance factors considered	UC ESG Global Renewable Energies Index - In addition to the exclusion as outlined above there is no ESG-data based selection applied. - In addition to the exclusion as outlined above there is no ESG-data based weighting applied. UC ESG European Women Leadership Index - In addition to the exclusion as outlined above there is no governance factor based selection applied. - In addition to the exclusion as outlined above there is no ESG-data based weighting applied. UC ESG European Biodiversity Leaders Index

	- In addition to the exclusion as outlined above there is no ESG-data based selection applied. - In addition to the exclusion as outlined above there is no ESG-data based weighting applied.
7. Data and standards used	
a) Data input i) Description whether the data are reported, modelled or sourced internally or externally. ii) Where the data are reported, modelled or sourced externally, name of the third party data provider.	i) The data used to construct the index series of the UC Equity ESG Benchmark Family II is sourced externally. ii) Institutional Shareholder Services Inc.
b) Verification and quality of data Description how data are verified and how the quality of those data is ensured.	The external provider of ESG data input is chosen by the Benchmark Administrator based on an evaluation of its processes in order to ensure the reliability and quality of the ESG data input.
c) Reference standards Description of the international standards used in the benchmark methodology.	Orientation on the ten principles of the United Nations Global Compact, a worldwide initiative for responsible corporate governance.
Date on which information has been last updated	29 August 2023
Reason for the update	New index added to the UC Equity ESG II Benchmark Family