



Explanation of how key elements of the benchmark methodology reflect environmental, social and governance (ESG) factors

relating to the

Venn Collective Alpha US Index

ISIN: FR0013434362

**EXPLANATION OF HOW KEY ELEMENTS OF THE BENCHMARK
METHODOLOGY REFLECT ENVIRONMENTAL, SOCIAL AND
GOVERNANCE (ESG) FACTORS**
Venn Collective Alpha US Index

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| Name of the benchmark administrator | <i>LIXX GmbH</i> |
| Type of benchmark or family of benchmarks. | <i>Equity</i> |
| Name of the benchmark or family of benchmarks. | <i>Venn Collective Alpha US Index</i> |
| Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors? | <i>Yes</i> |
| <p>ESG Factors Applied in the Benchmark Methodology</p> <p>Where the response to the previous question is “Yes”, please list below, for each benchmark, those ESG factors that are taken into account in the benchmark methodology, taking into account the ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816.</p> <p>Please explain how those ESG factors are used for the selection, weighting or exclusion of underlying assets. The ESG factors shall be disclosed at an aggregated weighted average value at of the benchmark.</p> | |
| List of environmental factors considered | <p>Global ESG Risk Scores (using a combined ESG risk score from an external data provider) are considered. The weighted average ESG risk score of the index must be lower than the weighted ESG risk score of an ESG Adjusted Reference Portfolio. Individual index components may be excluded if this condition is not met. Please refer to the Index Guidelines for further details.</p> <p>The ESG risk score takes into account various environmental factors in the form of (i) material manageable issues that are focused on a topic, or set of related topics, that require a common set of management initiatives or a similar type of oversight, and (ii) idiosyncratic (unexpected) issues.</p> |
| List of social factors considered | Global ESG Risk Scores (using a combined ESG risk score from an external data provider) are |

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| | <p>considered. The weighted average ESG risk score of the index must be lower than the weighted ESG risk score of an ESG Adjusted Reference Portfolio. Individual index components may be excluded if this condition is not met. Please refer to the Index Guidelines for further details.</p> <p>The ESG risk score takes into account various social factors such as Human Capital (including among others employee recruitment, development, diversity, engagement and labour relations) and Occupational Health and Safety (which aims to ensure the health and safety of employees at their workplace) in the form of (i) material manageable issues that are focused on a topic, or set of related topics, that require a common set of management initiatives or a similar type of oversight, and (ii) idiosyncratic (unexpected) issues.</p> |
| List of governance factors considered | <p>Global ESG Risk Scores (using a combined ESG risk score from an external data provider) are considered. The weighted average ESG risk score of the index must be lower than the weighted ESG risk score of an ESG Adjusted Reference Portfolio. Individual index components may be excluded if this condition is not met. Please refer to the Index Guidelines for further details.</p> <p>Corporate Governance is a foundational element in the ESG Risk Score and reflects the conviction that poor Corporate Governance poses material risks for companies. It applies to all companies in the risk score universe, irrespective of the subindustry they are in.</p> |
| Data and standards used | |

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| <p>Data Input</p> <p><i>((i) Describe whether the data are reported, modelled or sourced internally or externally. (ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.)</i></p> | <p>ESG data are sourced as a combined ESG score externally from Sustainalytics using the Sustainalytics ESG Risk Score. The ESG Risk Score measures the magnitude of a company’s unmanaged ESG risks.</p> |
| <p>Verification and quality of data</p> <p><i>(Describe how data are verified and how the quality of those data is ensured.)</i></p> | <p>The provider of ESG-related data input is selected based on an assessment of its existing processes in order to ensure the reliability and representativeness of the ESG-related data. The data provider has established processes in accordance with accepted and established market standards that ensure the permanent quality and reliability of the ESG-data provided.</p> <p>At the company level, the data provider has an annual update cycle. For each company in its Risk Score universe, it runs through a comprehensive research process and completes a full update of the company’s ESG Risk Scores report. The update comprises company-specific exposure and management assessments.</p> <p>Event assessments are done continuously by the data provider throughout the year, driven by the relevant daily news-flow. Any assessment related severe events goes through a robust quality control process with special safeguards.</p> <p>A draft report is sent to every company in the Risk Score universe for feedback.</p> |

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| Reference standards <i>(Describe the international standards used in the benchmark methodology.)</i> | Any standards used in the benchmark methodology are listed above. |
| Last update | 31.01.2024 |
| Reason for update | Change of index name and annual update |