



Nordic Index

ESG Factor Descriptions

1 Introduction

Description of sources, definitions, reference standards, and calculations of ESG factors listed in Annex II to Delegated Regulation (EU)2020/1816 regarding equities.

As no benchmark families are defined, details (scores) are only provided on a benchmark level according to item 7 in Annex II to Delegated Regulation (EU)2020/1816).

2 Descriptions for equity benchmarks

2.1 List of combined ESG factors

Item 7a)

1. Weighted average ESG rating of the benchmark (voluntary)

Source of data: ISS ESG.

Description: This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's overall rating based on an assessment of environmental, social, and governance performance.

Calculation: Weighted average ESG rating score of all benchmark constituents.

2. Overall ESG rating of top ten benchmark constituents by weighting in the benchmark (voluntary)

Source of data: ISS ESG.

Description: Weighted average ESG ratings for the ten highest weighted benchmark components.

Calculation: Weighted average ESG rating score of top the ten benchmark constituents by weighting in the benchmark.

2.2 List of environmental factors

Item 7b)

1. Weighted average environmental rating of the benchmark (voluntary)

Source of data: ISS ESG.

Description: This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Environmental rating. For funds and other aggregated issuers, the score is the weighted average of aggregated Environmental rating values from holdings. The Environmental rating is based on an assessment of performance across key environmental metrics including energy management, water risk and impact, waste management, eco-efficiency, sector specific environmental aspects along the value chain, and other issues.

Calculation: Weighted average environmental rating score of all benchmark constituents.

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)

No longer required by EU regulation.

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)

Source of data: ISS ESG.

Description: This factor measures the change in total financial risk ratio for an issuer between current and 2050 risk levels in a likely climate-change scenario, relative to the issuer's sector. The score ranks the issuer's risk exposure in its sector on a scale from 1-100 where 1 corresponds to the highest relative risk exposure.

Calculation: Weighted average climate-related physical risks score of all benchmark constituents.

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.

Source of data: SIX Financial Information AG.

Description: NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities.

Calculation: Weighted average percentage of index constituents with the below NACE sectors.

NACE sector	Description
A	AGRICULTURE, FORESTRY AND FISHING
B	MINING AND QUARRYING
C	MANUFACTURING
D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
E	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES
F	CONSTRUCTION
G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
H	TRANSPORTATION AND STORAGE
L	REAL ESTATE ACTIVITIES

5. Greenhouse gas (GHG) intensity of the benchmark

Source of data: ISS ESG.

Description: This factor identifies the issuer's total (Scope 1 + Scope 2) carbon emissions intensity. Carbon intensity is expressed as the issuer's total carbon emissions per million EUR of revenue as a proxy of the carbon efficiency per unit of output.

Calculation: Weighted average carbon intensity score of all benchmark constituents.

6. Percentage of GHG emissions reported versus estimated

Source of data: ISS ESG.

Description: This factor identifies the data resource used for the Total Emissions value. Reported data includes information derived from Sustainability or Annual Reports, CDP disclosures, or other verified resources. The "Modelled Emissions" value identifies issuers where ISS ESG has applied estimated emissions models to generate emissions data, either because the issuer does not report emissions or an issuer's reported emissions data does not meet quality standards.

Calculation: Weighted average percentage of index constituents with reported versus estimated GHG emissions.

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

Source of data: SIX Financial Information AG.

Description: NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities.

Calculation: Weighted average percentage of index constituents with the below NACE divisions.

NACE division	Description
05	Mining of coal and lignite
06	Extraction of crude petroleum and natural gas
07	Mining of metal ores
08	Other mining and quarrying
09	Mining support service activities
19	Manufacture of coke and refined petroleum products
20	Manufacture of chemicals and chemical products

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

Source of data: ISS ESG.

Description: This factor identifies the % of total revenue derived from activities included in the environmental goods and services sector.

Calculation: Weighted average of the % of total revenue derived from activities included in the environmental goods and services sector off all benchmark constituents.

2.3 List of social factors

Item 7c)

1. Weighted average social rating of the benchmark (voluntary)

Source of data: ISS ESG.

Description: This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Social rating. For funds and other aggregated issuers, the score is the weighted average of aggregated Social rating values from holdings. The Social rating is based on an assessment of performance across key social sustainability metrics, including staff and suppliers, health and safety, human rights, sector specific product responsibility, and other issues.

Calculation: Weighted average social rating score of all benchmark constituents.

2. International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a 'controversial weapon'

Source of data: ISS ESG.

Description:

- Anti-personnel mines: Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction
- Biological weapons: Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction
- Chemical weapons: Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction

- Cluster munitions: Convention on Cluster Munitions
- Nuclear weapons: Treaty on the Non-Proliferation of Nuclear Weapons and the International Court of Justice's Advisory Opinion on the Legality of the Threat or Use of Nuclear Weapons as well as the Treaty on the Prohibition of Nuclear Weapons

Calculation: No calculation needed.

3. Weighted average percentage of benchmark constituents in the controversial weapons sector

Source of data: ISS ESG.

Description: This factor provides a T/F indication of whether the issuer has verified involvement in anti-personnel mines, biological weapons, chemical weapons, cluster munitions, depleted uranium or nuclear weapons.

Calculation: Weighted average percentage of benchmark constituents with verified involvement in controversial weapons.

4. Weighted average percentage of benchmark constituents in the tobacco sector.

Source of data: ISS ESG.

Description: This factor identifies issuers engaged in the production, distribution, or provision of services related to tobacco. The "Production" value identifies issuers engaged in manufacturing and producing tobacco products, as well as companies that grow or process raw tobacco leaves, "Distribution" includes issuers engaged in the wholesale or retail distribution of tobacco products, and "Services" identifies issuers engaged in marketing and promotion of tobacco products, issuers that supply key products necessary for the production of tobacco products, as well as issuers that license a company or brand name to tobacco products.

Calculation: Weighted average percentage of benchmark constituents engaged in the production, distribution, or provision of services related to tobacco.

5. Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.

Source of data: ISS ESG.

Description: Indicates companies with a verified failure to respect established norms with regard to Human Right or Labor Rights.

Calculation: Weighted average percentage of benchmark constituents with a verified failure to respect established norms with regard to Human Right or Labor Rights.

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.

Source of data: ISS ESG.

Description: This factor provides a T/F indication of whether the issuer lacks due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8.

Calculation: Weighted average percentage of benchmark constituents whether the issuer lacks due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8.

7. Weighted average gender pay gap

Source of data: ISS ESG.

Description: This factor captures a company's global mean and unadjusted gender pay gap as a percentage. The value is the percentage by which women's salaries are lower than men's. A negative value indicates a higher female

salary. For funds and other aggregated issuers, the value is based on a weighted average of the unadjusted pay gap metric for the underlying holdings.

Calculation: Weighted average gender pay gap.

8. Weighted average ratio of female to male board members

Source of data: ISS ESG.

Description: Ratio of female to male board members.

Calculation: Weighted average ratio of female to male board members of all benchmark constituents.

9. Weighted average ratio of accidents, injuries, fatalities.

Source of data: ISS ESG.

Description: The factor evaluates the company employee's total recordable incident rate, normalized by 200,000 hours worked. 200,000 working hours correspond to 100 full time equivalents (FTE) or 100 employees working 40 hours for 50 weeks. Recordable incidents are defined as the sum of all recordable workplace injuries plus all medical treatment cases (MTC) plus all restricted work cases (RWC). For funds and other aggregated issuers, this factor provides a weighted average value for an issuer's total recordable incident rate for holdings with 80% or more coverage of relevant operations.

Calculation: Weighted average of the benchmark constituents' total recordable incident rate.

10. Numbers of convictions and amount of fines for violations of anti-corruption and antibribery laws

Source of data: ISS ESG.

Description: This factor identifies if a company discloses the monetary value of losses incurred through legal proceedings related to corruption in USD.

Data regarding the number of convictions is not yet available.

Calculation: Sum of all benchmark constituents' total monetary losses from corruption.

2.4 List of governance factors

7d)

1. Weighted average governance rating of the benchmark (voluntary)

Source of data: ISS ESG.

Description: This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Governance rating. For funds and other aggregated issuers, the score is the weighted average of aggregated Governance rating values from holdings. The Governance rating is based on an assessment of performance across key governance metrics, including business ethics, corporate governance, and other issues.

Calculation: Weighted average governance rating score of all benchmark constituents.

2. Weighted average percentage of board members who are independent

Source of data: ISS ESG.

Description: Percentage of board independence based on ISS classification of Independence.

Calculation: Weighted average percentage of board independence of all benchmark constituents.

3. Weighted average percentage of female board members

Source of data: ISS ESG.

Description: Percent of women on board.

Calculation: Weighted average percentage of women on board of all benchmark constituents.

SIX Financial Information Nordic AB

Grev Turegatan 30

Box 3117

SE 103 62 Stockholm

T +46 8 5861 6300