UNICREDIT BANK GMBH

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

UC Equity ESG III 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 III 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.

Original document date: 2 May 2025

Version date: 2 May 2025

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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 III 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	
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.	
a) List of environmental factors considered	Stocks issued by companies that meet at least one of the following Exclusion Criteria will not be selected: 1) Companies involved in thermal coal production or production of energy from thermal coal which derive from these businesses more than 10% of their consolidated revenues (0% from 2029). 2) Companies involved in hydrocarbons extraction with controversial techniques or in areas with high environmental impact, such as Artic Region which derive from these businesses more than 10% of their consolidated revenues. 3) Companies involved in active controversial mining which derive from these businesses more than 10% of their consolidated revenues. 4) Companies in very severe violation of the United Nations Global Compact (UNGC) principles or the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
b) List of social factors considered	Stocks issued by companies that meet at least one of the following Exclusion Criteria will not be selected: 1) Companies involved in the cultivation and production of tobacco. 2) Companies involved in activities related to controversial weapons. 3) Companies involved in manufacturing military weapons which derive from these businesses more than 10% of their consolidated revenues. 4) Companies in very severe violation of the United Nations Global Compact (UNGC) principles or the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.
c) List of governance factors considered	Stocks issued by companies that meet at least one of the following Exclusion Criteria will not be selected: 1) Companies in very severe violation of the United Nations Global Compact (UNGC) principles or the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.

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	The "UC Capture-the-Change (Net Return) Index" selects stocks of companies based on the following environmental factors: (1) Scope 1+2 GHG emissions intensity (EUR) (2) Scope 3 GHG emissions intensity (EUR) (3) EU taxonomy-aligned capital expenditures, and (4) EU taxonomy-aligned revenues. Additionally, a quality factor (5) is taken into consideration. The weights of the factors in the selection of companies change over time to promote a story where high emission companies are accompanied in their transition from high emissions to low emissions.
b) List of social factors considered	- 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	- 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 III 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, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, and the EU Taxonomy Regulation.
Date on which information has been last updated	2 May 2025
Reason for the update	Launch of UC Equity ESG III Benchmark Family