

Changes to legislation: There are outstanding changes not yet made to Commission Delegated Regulation (EU) 2020/1816. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

ANNEX I

TEMPLATE FOR EXPLAINING HOW ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE BENCHMARK STATEMENT

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE BENCHMARK STATEMENT

SECTION 1 – CONSIDERATION OF ESG FACTORS

Item 1. Name of the benchmark administrator.	
Item 2. Type of benchmark or family of benchmarks. <i>Choose the relevant underlying asset from the list provided in Annex II.</i>	
Item 3. Name of the benchmark or family of benchmarks.	
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?	# Yes # No
Item 5. Does the benchmark or family of benchmarks pursue ESG objectives?	# Yes # 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 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.	
(a) List of combined ESG factors:	Details on each factor:
(b) List of environmental factors:	Details on each factor:
(c) List of social factors:	Details on each factor:
(d) List of governance factors:	Details on each factor:
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, 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.	

a Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (See page 17 of this Official Journal).

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(a)	List of combined ESG factors:	Details on each factor:
(b)	List of environmental factors:	Details on each factor:
(c)	List of social factors:	Details on each factor:
(d)	List of governance factors:	Details on each factor:
Hyperlink to the information on ESG factors for each benchmark:		

Item 8. Data and standards used

(a)	Description of data sources used to provide information on the ESG factors in the benchmark statement. <i>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.</i>	
(b)	Reference standards. <i>List the supporting standards used for the reporting under item 6 and/ or item 7.</i>	

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;	
(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;	
(c)	overlap between those benchmarks and their investable universe, as defined in Article 1, point (e), of Commission Delegated Regulation (EU) 2020/1818 ^a , using the active share at asset level.	

SECTION 3 – DISCLOSURE OF THE ALIGNMENT WITH THE OBJECTIVES OF THE PARIS AGREEMENT

^a Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (See page 17 of this Official Journal).

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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;	# Yes # 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;	
(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;	
(d) the methodology used for the measurement of the alignment with the temperature scenario;	
(e) the hyperlink to the website of the temperature scenario used.	
Date on which information has last been updated and reason for the update:	
a Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (See page 17 of this Official Journal).	

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ANNEX II

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) FACTORS
TO BE CONSIDERED BY UNDELYING ASSETS OF THE BENCHMARK**

Section 1

EQUITY

ESG FACTORS	DISCLOSURES
Combined ESG factors	Weighted average ESG rating of the benchmark (voluntary).
	Overall ESG rating of top ten benchmark constituents by weighting in the benchmark (voluntary).
Environmental	<p>Weighted average environmental rating of the benchmark (voluntary).</p> <p>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).</p> <p>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).</p> <p>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^a as a percentage of the total weight in the portfolio.</p> <p>Greenhouse gas (GHG) intensity of the benchmark.</p> <p>Percentage of GHG emissions reported versus estimated.</p> <p>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.</p> <p>Exposure of the benchmark portfolio to activities included in the environmental goods and services sector, as defined in</p>

a Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

b Regulation (EU) No 691/2011 of the European Parliament and of the Council of 6 July 2011 on European environmental economic accounts (OJ L 192, 22.7.2011, p. 1).

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	<p>Article 2, point (5) of Regulation (EU) No 691/2011 of the European Parliament and of the Council^b.</p>
<p>Social</p>	<p>Weighted average social rating of the benchmark (voluntary). International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a ‘controversial weapon’. Weighted average percentage of benchmark constituents in the controversial weapons sector. Weighted average percentage of benchmark constituents in the tobacco sector. 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. Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8. Weighted average gender pay gap. Weighted average ratio of female to male board members. Weighted average ratio of accidents, injuries, fatalities. Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws.</p>
<p>Governance</p>	<p>Weighted average governance rating of the benchmark (voluntary). Weighted average percentage of board members who are independent. Weighted average percentage of female board members.</p>
<p>a</p>	<p>Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).</p>
<p>b</p>	<p>Regulation (EU) No 691/2011 of the European Parliament and of the Council of 6 July 2011 on European environmental economic accounts (OJ L 192, 22.7.2011, p. 1).</p>

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Section 2

FIXED INCOME

ESG FACTORS	DISCLOSURES
Combined ESG factors	<p>Weighted average ESG rating of the benchmark (voluntary).</p> <p>Overall ESG rating of top ten benchmark constituents by weighting in the benchmark (voluntary).</p>
Environmental	<p>Weighted average environmental rating of the benchmark (voluntary).</p> <p>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).</p> <p>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).</p> <p>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 as a percentage of the total weight in the portfolio.</p> <p>GHG intensity of the benchmark.</p> <p>Percentage of reported versus estimated emissions.</p> <p>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.</p> <p>Percentage of green bonds in the benchmark portfolio.</p>
Social	<p>Weighted average social rating of the benchmark (voluntary).</p> <p>International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a 'controversial weapon'.</p> <p>Weighted average percentage of benchmark constituents in the controversial weapons sector.</p> <p>Weighted average percentage of benchmark constituents in the tobacco sector.</p> <p>Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark</p>

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	<p>constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law.</p> <p>Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by Conventions 1 to 8 of the International Labour Organisation.</p> <p>Weighted average gender pay gap.</p> <p>Weighted average ratio of female to male board members.</p> <p>Weighted average ratio of accidents, injuries, fatalities.</p> <p>Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws.</p>
Governance	Weighted average governance rating of the benchmark (voluntary).

Section 3

SOVEREIGN DEBT

ESG FACTORS	DISCLOSURES
Combined ESG factors	<p>Weighted average ESG rating of the benchmark (voluntary).</p> <p>Overall ESG rating of top ten benchmark constituents by weighting in the benchmark (voluntary).</p> <p>The percentage of underlying fund management companies signed up to international standards.</p>
Environmental	<p>Weighted average environmental rating of the benchmark (voluntary).</p> <p>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).</p> <p>Top ten and bottom ten constituents by exposure to climate-related physical risks (voluntary).</p> <p>GHG intensity of the benchmark.</p> <p>Percentage of reported versus estimated emissions.</p> <p>Percentage of green bonds in the benchmark portfolio.</p>
Social	Weighted average social rating of the benchmark (voluntary).

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	<p>Number of benchmark constituents subject to social violations (absolute number and relative number divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.</p> <p>Average human rights performance of the issuers (including a quantitative indicator and the methodology used to calculate it).</p> <p>Average income inequality score, measuring the distribution of income and economic inequality among the participants in a particular economy (including a quantitative indicator and the methodology used to calculate it).</p> <p>Average freedom of expression score measuring the extent to which political and civil society organizations can operate freely (including a quantitative indicator and the methodology used to calculate it).</p>
<p>Governance</p>	<p>Weighted average governance rating of the benchmark (voluntary).</p> <p>Average corruption score measuring the perceived level of public sector corruption (including a quantitative indicator and the methodology used to calculate it).</p> <p>Average political stability score, measuring the likelihood that the current regime will be overthrown by the use of force (including a quantitative indicator and the methodology used to calculate it).</p> <p>Average rule of law score, based on the absence of corruption, respect for fundamental rights, and the state of civil and criminal justice (including a quantitative indicator and the methodology used to calculate it).</p>

Section 4

COMMODITY

ESG FACTORS	DISCLOSURES
<p>Environmental</p>	<p>Degree of exposure of the underlying commodities to climate-related physical risks, measuring the effects of extreme weather events on companies' operation and production or on the different stages of the supply chain (low, moderate or high) (voluntary).</p>

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	The methodology used to calculate the climate-related physical risks (voluntary). Degree of exposure of the underlying commodities to climate-transition risks, measuring the financial impacts resulting from the effects of the implementation of a low-carbon strategies (low, moderate or high)
Social	Degree of exposure of the underlying commodities to social risks (low, moderate or high).
Governance	Degree of exposure of the underlying commodities to governance risks (low, moderate or high). Average rule of law score, based on the absence of corruption, respect for fundamental rights and the state of civil and criminal justice (including a quantitative indicator and the methodology used to calculate it).

Section 5

OTHER

ESG FACTORS	DISCLOSURES
Combined ESG factors	Weighted average ESG rating of the benchmark (voluntary).
Environmental	Weighted average environmental rating of the benchmark (voluntary). Degree of exposure of the portfolio to climate-related opportunities, measuring investment opportunities related to climate change, innovating new investment solutions, as percentage of total weight in portfolio (voluntary). GHG intensity of the benchmark. 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 as percentage of total weight in the portfolio.
Social	Weighted average social rating for the benchmark (voluntary). International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a ‘controversial weapon’.

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	<p>Weighted average percentage of benchmark constituents in the controversial weapons sector.</p> <p>Weighted average percentage of benchmark constituents in the tobacco sector.</p>
Governance	<p>Weighted average governance rating of the benchmark (voluntary).</p> <p>Percentage of underlying funds with stewardship policies in place, including measures for the planning and management of resources.</p>

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Changes and effects yet to be applied to :

- Regulation power to modify conferred by 2023 c. 29 s. 3 Sch. 1 Pt. 13
- Regulation revoked by 2023 c. 29 Sch. 1 Pt. 13
- Annex 1 words substituted by S.I. 2021/1074 reg. 5(3)(a)
- Annex 1 words substituted by S.I. 2021/1074 reg. 5(3)(b)
- Annex 1 Item 9 words substituted by S.I. 2021/1074 reg. 5(3)(d)(i)(aa)
- Annex 1 Item 9 words substituted by S.I. 2021/1074 reg. 5(3)(d)(i)(bb)
- Annex 1 Item 9(c) Footnote words substituted by S.I. 2021/1074 reg. 5(3)(d)(ii)
- Annex 2 s. 1 word substituted by S.I. 2021/1074 reg. 5(4)(a)
- Annex 2 s. 2 word substituted by S.I. 2021/1074 reg. 5(4)(a)
- Annex 2 s. 3 word substituted by S.I. 2021/1074 reg. 5(4)(a)
- Annex 2 s. 5 word substituted by S.I. 2021/1074 reg. 5(4)(a)
- Annex 2 s. 1 word substituted by S.I. 2021/1074 reg. 5(4)(b)
- Annex 2 s. 2 word substituted by S.I. 2021/1074 reg. 5(4)(b)
- Annex 2 s. 3 word substituted by S.I. 2021/1074 reg. 5(4)(b)
- Annex 2 s. 5 word substituted by S.I. 2021/1074 reg. 5(4)(b)
- Annex 2 s. 1 words omitted by S.I. 2021/1074 reg. 5(4)(c)
- Annex 2 s. 2 words omitted by S.I. 2021/1074 reg. 5(4)(c)
- Annex 2 s. 3 words omitted by S.I. 2021/1074 reg. 5(4)(c)
- Annex 2 s. 5 words omitted by S.I. 2021/1074 reg. 5(4)(c)
- Annex 2 s. 1 words substituted by S.I. 2021/1074 reg. 5(4)(d)
- Annex 2 s. 2 words substituted by S.I. 2021/1074 reg. 5(4)(d)
- Annex 2 s. 3 words substituted by S.I. 2021/1074 reg. 5(4)(d)
- Annex 2 s. 5 words substituted by S.I. 2021/1074 reg. 5(4)(d)

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Annex 1 s. 2 heading words substituted by S.I. 2021/1074 reg. 5(3)(c)
- Art. 1(ba)(bb) inserted by S.I. 2021/1074 reg. 5(2)(b)
- Art. 1(za)-(zc) inserted by S.I. 2021/1074 reg. 5(2)(a)