Explanation of how ESG factors are reflected in the key elements of the benchmark methodology

Sociedad de Bolsas publishes this explanation about how ESG factors are reflected in the key elements of the benchmark methodology pursuant to the Commission Delegated Regulation (UE) 2020/1817 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation on how environmental, social and governance factors are reflected in the benchmark methodology.

This explanation is divided into the following sections:

A) IBEX® GENDER EQUALITY,

B) IBEX® ESG e IBEX® ESG WEIGHTED, and

C) IBEX 35® and the rest of the family of IBEX® Indices.

SECTION A) – IBEX GENDER EQUALITY

GENERAL INFORMATION	
Item 1. Name of the benchmark administrator.	SOCIEDAD DE BOLSAS, S.A.
Item 2. Type of benchmark or family of benchmarks.	EQUITY
Item 3. Name of the benchmark or family of benchmarks.	IBEX® GENDER EQUALITY
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	☒ Yes ☐ No

ESG FACTORS IN THE METHODOLOGY OF BENCHMARKS	
Item 5. Where the response to Item 4 is positive, please list below, for each family of benchmarks, 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. a) List of environmental factors: b) List of social factors: c) List of governance factors:	a) Environmental factors are not used for component selection. b) Exclusion: Companies with less than 15%/25% or more than 85%/75% of women in senior management or on the board of directors, respectively. Inclusion: Companies which meet the presence of women on the board of directors between 25% and 75% and in senior management between 15% and 85%. Weighting: Companies are equal-weighted within the benchmark.

	c) Exclusion: Companies with less than 15%/25% or more than 85%/75% of women in senior management or on the board of directors, respectively. Inclusion: Companies which meet the presence of women on the board of directors between 25% and 75% and in senior management between 15% and 85%. Weighting: Companies are equal-weighted within the benchmark.
Item 6. Where the response to Item 4 is positive, lease list below, for each benchmark, those ESG factores 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, depending on the relevant underlying asset concerned. a) List of environmental factors: b) List of social factors: c) List of governance factors:	a) Environmental factors are not used for component selection.
	b) Exclusion: Companies with less than 15%/25% or more than 85%/75% of women in senior management or on the board of directors, respectively. Inclusion: Companies which meet the presence of women on the board of directors between 25% and 75% and in senior management between 15% and 85%. Weighting: Companies are equal-weighted by their floating capitalization within the benchmark.
	c) Exclusion: Companies with less than 15%/25% or more than 85%/75% of women in senior management or on the board of directors, respectively. Inclusion: Companies which meet the presence of women on the board of directors between 25% and 75% and in senior management between 15% and 85%. Weighting: Companies are equal-weighted by their floating capitalization within the benchmark.

DATA AND STANDARDS USED	
Item 7. a) Data input.	The information is obtained from CNMV data in its report named "The presence of women in the board of directors and key executive positions in listed entities" https://www.cnmv.es/portal/Publicaciones/Consejeras_Directivas.aspx
b) Verification and quality of data.	CNMV data is public and comes from public information sources. For the CNMV report, the information is extracted from the companies' annual corporate governance reports. The process of the Spanish regulator ensures the quality and integrity of the ESG data.
c) Reference standards.	The reference standards are within the Technical Regulations for the Composition and Calculation of IBEX Indexes and Strategy Indexes on Stock administrated by Sociedad de Bolsas.

d) Date and reason for the update of the information.	30/01/2024, because initial document creation.

SECTION B) – IBEX ESG & IBEX ESG WEIGTHED

GENERAL INFORMATION	
Item 1. Name of the benchmark administrator.	SOCIEDAD DE BOLSAS, S.A.
Item 2. Type of benchmark or family of benchmarks.	EQUITY
Item 3. Name of the benchmark or family of benchmarks.	IBEX® ESG INDEX / IBEX® ESG WEIGHTED INDEX
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	☒ Yes ☐ No

ESG FACTORS IN THE METHODOLOGY OF BENCHMARKS	
Item 5 Where the response to Item 4 is positive, please list below, for each family of benchmarks, 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. a) List of environmental factors: b) Lista of social factors: c) Lista of governance factors:	a) Combined ESG factors are used for the selection of components. The IBEX® ESG Weighted benchmark index weights its components based on the ESG Impact Rating obtained by the companies. Exclusions of companies that generate nuclear energy or have minority interest in nuclear energy generation, as well as those companies that generate more than 15% of their profits in products and services for the nuclear industry or have a minority interest in products and services for the nuclear industry greater than the same percentage. Exclusions of companies that are dedicated to the oil sands or have more than 5% of income from coal.
	b) Combined ESG factors are used for the selection of components. The IBEX® ESG Weighted benchmark index weights its components based on the ESG Impact Rating obtained by the companies. Exclusions of companies that generate more than 5% of their profits in any of the following sectors: adult entertainment, alcohol, defense, gambling or tobacco. Exclusions of companies dedicated to genetic engineering.

	c) Combined ESG factors are used for the selection of components. The IBEX® ESG Weighted benchmark index weights its components based on the ESG Impact Rating obtained by the companies. Exclusions based on the United Nations Global Compact (UNGC) assessment.
Item 6. Where the response to Item 4 is positive, lease list below, for each benchmark, those ESG factores 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, depending on the relevant underlying asset concerned. a) List of environmental factors: b) List of social factores: c) Listo f governance factors:	a) Combined ESG factors are used for the selection of components. The IBEX® ESG Weighted benchmark index weights its components based on the ESG Impact Rating obtained by the companies. Exclusions of companies that generate nuclear energy or have minority interest in nuclear energy generation, as well as those companies that generate more than 15% of their profits in products and services for the nuclear industry or have a minority interest in products and services for the nuclear industry greater than the same percentage. Exclusions of companies that are dedicated to the oil sands or have more than 5% of income from the coal.
	b) Combined ESG factors are used for the selection of components. The IBEX® ESG Weighted benchmark index weights its components based on the ESG Impact Rating obtained by the companies. Exclusions of companies that generate more than 5% of their profits in any of the following sectors: adult entertainment, alcohol, defense, gambling or tobacco. Exclusions of companies dedicated to genetic engineering.
	c) Combined ESG factors are used for the selection of components. The IBEX® ESG Weighted benchmark index weights its components based on the ESG Impact Rating obtained by the companies. Exclusions based on the United Nations Global Compact (UNGC) assessment.

DATA AND STANDARDS USED	
Item 7. a) Data input.	The ESG ratings are collected from Inrate, a sustainability data provider. https://inrate.com/. The relevant factors of the Inrate metric are: The ESG rating consists of 12 levels ranging from D- to A+, the latter being the best score that can be obtained by a company; limits on income earned in critical sectors are considered; exclusions based on the United Nations Global Compact (UNGC) assessment.
b) Verification and quality of data.	The data provider has public and transparent processes in accordance with market standards which guarantee the quality and integrity of the ESG data.
c) Reference standards.	The reference standards are within the Technical Regulations for the Composition and Calculation of IBEX Indexes and Strategy Indexes on Stock administrated by Sociedad de Bolsas.
d) Date and reason for the update of the information.	30/01/2024, because initial document creation.

SECTION C) – IBEX 35 & REST OF THE FAMILY OF IBEX® INDICES

GENERAL INFORMATION	
Item 1. Name of the benchmark administrator.	SOCIEDAD DE BOLSAS, S.A.
Item 2. Type of benchmark or family of benchmarks.	EQUITY
Item 3. Name of the benchmark or family of benchmarks.	IBEX 35® / REST OF THE FAMILY OF IBEX® INDICES
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	☐ Yes ☒ No

The explanation will be updated whenever the benchmark index methodology is modified, and in any case, on an annual basis.

BME
Plaza de la Lealtad,1
Palacio de la Bolsa
28014 Madrid

www.bolsasymercados.es