ECPI GLOBAL SCIENCE FOR LIFE INDEX

RULE BOOK

June 2023
Version 3.0.1

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MARKET REALTY

The ECPI Global Science For Life Equity Index is an equally weighted equity index designed to offer investors exposure to companies active in the fields of oncology, neuroscience, cardiology, science and education, healthy nutrition and longevity.

INDEX FAMILY IDENTIFIERS

BLOOMBERG TICKER	REFINITIV RIC	INDEX NAME
GALPHSLP Index	.GALHSLP	ECPI Global Science For Life Price Index
GALPHSLR Index	.GALHSLR	ECPI Global Science For Life Total Return Index
GALPHSLN Index	.GALHSLN	ECPI Global Science For Life Net Return Index

INDEX REBALANCING

Semi-Annually, on the Selection Date immediately preceding the relevant Effective Rebalance Date, index constituents are selected in accordance with the index eligibility criteria as new constituents of the index in order to ensure market representation.
If the review day falls on a holiday, the subsequent working day will be considered.

REBALANCING TIMETABLE		
TIME REFERENCE	**ACTION**	**WHEN**
T_0	Selection Date of the new constituents	1st Friday of Jan, Jul
T_1	Equal Weight Reference Date	3rd Monday of Jan, Jul
T_2	Proforma Period	4 days of Proforma, starting 3rd Monday of Jan, Jul
T_3	Effective Rebalance Date: the new index is effective	3rd Friday (closing) of Jan, Jul

EQUITY UNIVERSE

Every six months ECPI reviews the index constituents in order to ensure market representation.

The Index selects companies best placed to seize the opportunities arising from the growing need for and importance of:

- Early diagnosis and treatment of oncological, neurological and cardiovascular diseases
- Healthy nutrition for disease prevention
- Scientific communication and education
- Facilities and services for an aging population

To be eligible for inclusion in the ECPI Global Science For Life Equity Index, a stock must satisfy the following criteria (in which case, it will be an "eligible stock"):

1. It belongs to one of the following GICS sectors

CODE	INDUSTRY GROUP	CODE	INDUSTRY GROUP
25	Consumer Discretionary	20	Industrials
30	Consumer Staples	15	Materials
35	Health Care	60	Real Estate

with a specific involvement in the themes listed below:

- Biotechnology & Pharmaceuticals
- Contract Research
- Health Care Testing Services
- Radiation Therapy
- Imaging Equipment
- Radiology & Diagnostic Imaging
- Education
- Medical, Health & Fitness Websites
- Software and services
- Organic & Natural Food
Manufacturing
- Fruit, vegetables, grain, oil,
- Non-alcoholic beverages,
- Dairy products
- Poultry
- Fish
- Seeds & Agriculture Biotechnology
- Health Care Facilities
- Managed Care
- Medical Equipment/Devices

2. It is listed on a Global Developed Market

COUNTRY TABLE		
Australia	Hong Kong	Portugal
Austria	Ireland	Singapore
Belgium	Israel	Spain
Canada	Italy	Sweden
Denmark	Japan	Switzerland
Finland	Luxembourg	United Kingdom
France	Netherlands	United States
Germany	New Zealand	
Greece	Norway	

3. It has a positive ECPI ESG Rating (from E- to EEE). Companies involved in systematic violations of the UN Global Compact attain a negative ESG rating (F).

4. It is not involved in the following industries: tobacco, alcoholic beverages, animal slaughtering, junk food, soft drinks, armaments production

5. The issuer of the stock must have a minimum market capitalization of € 3 billion

6. The average daily traded value of the stock over the last 6 months shall be equivalent to a minimum of € 5 million

INDEX SELECTION

The index selects the first 100 highest capitalization stocks under the diversification constraint specified below:

a. **Stock Exposure Criteria** – at least 20% of corporate revenues are generated in the businesses previously defined.

b. **Sector Diversification Criteria** – constituents shall be classified by sector in accordance with the GICS classification. Maximum sector concentration is 75%.

BUFFER RULE

For all current constituents, a tolerance of 20% is applied to the market capitalization and 6-months daily average value traded limits. Therefore, a constituent will be allowed to remain in the index if it has a minimum market cap of € 2.4 billion and a minimum liquidity of € 4 million.

Versions

VERSION	EFFECTIVE DATE	CHANGES
3.0.1	01 May 2023	Ungrouping Index Family

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY	
Item 1. Name of the benchmark administrator.	StatPro
Item 2. Type of benchmark or family of benchmarks.	Equity
Item 3. Name of the benchmark or family of benchmarks.	ECPI Global Science For Life Equity
Item 4. Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	☑ YES ☐ NO
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. 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 the level of the family of benchmarks.	
(a) List of environmental factors considered:	**Selection:** • Overall ECPI ESG Rating must be E- or higher **Exclusion:** • Companies involved in systematic violations of the UN Global Compact are excluded (ESG Rating = F)
(b) List of social factors considered:	**Selection:** • Overall ECPI ESG Rating must be E- or higher **Exclusion:** • Companies involved in systematic violations of the UN Global Compact are excluded (ESG Rating = F) • Alcohol • Military • Nuclear & Biological Weapons, Cluster Bombs & Antipersonnel Landmines • Tobacco • Animal slaughtering • Junk food • Soft drinks
(c) List of governance factors considered:	**Selection:** • Overall ECPI ESG Rating must be E- or higher **Exclusion:** • Companies involved in systematic violations of the UN Global Compact are excluded (ESG Rating = F)
Hyperlink to the information on ESG factors for each benchmark:	https://ecpigroup.com/wp-content/uploads/rules/GALPHSLP_Benchmark_Statement.pdf
Item 7. Data and standards used	

(a) Data input. *(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.*	Company analyses draw on a range of reliable and publicly available sources to create a transferable, equitable and auditable approach. Where possible, ECPI aims to use objective information that is easily measured and quantified and less subject to bias and opinion. In cases where an indicator is important to capture, but not easily quantifiable, ECPI process works to reduce bias, by identifying clear and unambiguous rules for assigning scores. Sources include: • Company annual reports • Company sustainability reports, environmental reports, CSR reports or similar • Company websites • Regulatory data (from the regulators in the country/countries where the company is incorporated and/or listed) • Information providers and search engines • Media and news services (including newsletters from local and international institutions and NGOs). • Screening of company's participation in international institutions • Screening of company's certifications • Screening of company's awards • Thematic websites promoted by international non-profit organizations • Company Investor Relations departments, when necessary. In such cases, we try to obtain written answers in order to be able to store them in the company's records
(b) Verification and quality of data. *Describe how data are verified and how the quality of those data is ensured.*	The ECPI ESG methodology combines an academic and scientific approach to appraise and monitor a company's long-term strategic position, operational management and actual behavior when it comes to society, the environment and markets. ECPI analysis based on non-traditional, quantitative and qualitative non-financial indicators has the goal to develop a synthetic measure of the non-financial risk-opportunity profile of a company: the ECPI ESG Rating Assessments are based on the review of a broad range of publicly available sources including sustainability reports, annual reports and company websites. The ESG Evaluation covers eight categories, each one addressing a number of different aspects: 1. Environmental Strategy and Policy 2. Environmental Management System 3. Products (industry specific) 4. Production Process (industry specific) 5. Community Relations 6. Employees 7. Markets 8. Corporate Governance A company must be assessed against all the ESG categories and aspects in order to achieve the final ESG score and rating. Quality of the assessment is ensured by a rule-based approach, where each indicator has a multiple-choice answer with a pre-defined set of scores that can be positive or negative depending on the aspect under scrutiny, thereby reducing analyst's discretionary reading of the assessed dimension. The quality of the assessment is also insured by a two-tier validation mechanism (*maker-checker*).
(c) Reference standards *Describe the international standards used in the benchmark methodology.*	The rating criteria have been developed in accordance with ICCR's "Principles for Global Corporate Responsibility: Benchmarks for Measuring Business Performance" and is inspired by the principles developed by International Bodies dedicated to Responsible Investment such as UN Global Compact (www.unglobalcompact.org), the Global Reporting Initiative (www.globalreporting.org) and UN PRI (www.unpri.org).
Date on which information has been last updated and reason for the update:	31 April 2023

CONTACTS

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