

Disclosure of Environmental, social, and governance factors reflected in the benchmark methodology as stipulated by Commission Delegated Regulation (EU) 2020/1817

Administrator: Nikkei Inc.

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Last updated: May 31, 2024

A: Items as stipulated in ANNEX I to the Delegated Regulation (ESG Benchmark)

Item	Contents	Nikkei Response
1	Item 1	Name of the benchmark administrator.
		Nikkei Inc.
2	Item 2	Type of benchmark or family of benchmarks.
		Equity, following the EU Paris-Aligned Benchmark standard
3	Item 3	Name of the benchmark or family of benchmarks.
		Nikkei 225 Climate Change 1.5°C Target Index
4	Item 4	Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?
		Yes
5	Item 5	Details in relation to the ESG factors for the Nikkei 225 Climate Change 1.5°C Target Index.
	(a) Environmental Factors	
	Business Involvement - Coal	Exclusion based on ISS ESG Total Average Percentage of Revenues from Thermal Coal Mining exceeding one percent threshold
	Business Involvement - Oil	Exclusion based on ISS ESG Total Average Percentage of Revenues from Oil exceeding ten percent threshold

Business Involvement - Natural Gas	Exclusion based on ISS ESG Total Average Percentage of Revenues from Natural Gas exceeding fifty percent threshold
Business Involvement - Thermal Power Generation	Exclusion based on ISS ESG Average Percentage of Revenues from Thermal Power Generation exceeding fifty percent threshold
Controversies - Violation of UNGC Principles and OECD Guidelines	Exclusion based on ISS ESG overall "Red" flag for Norm-Based Research
Controversies – Significant Harm to Environment	Exclusion based on ISS ESG Impact Rating for "Climate Action", "Life On Land", "Life Below Water" and "Responsible Consumption and Production" SDG
GHG emissions	Weighting based on GHG emission intensity defined as the ratio of the sum of Scope 1, Scope 2 and phased-in Scope 3 GHG emissions, in metric tons of CO <sub>2</sub> e, to enterprise value including cash (EVIC), in millions of USD.
High Climate Impact Sector	Weighting based on the NACE definition of high climate impact sectors
Reference	<a href="#">FT-Wilshire Climate Change Index Series Methodology</a>
(b) Social Factors	
Business Involvement - Controversial Weapons	Exclusion based on ISS ESG overall "Red" flag for Biological Weapons, Chemical Weapons, Nuclear Weapons, Nuclear Weapons Outside NPT, Cluster Munitions, Depleted Uranium, Anti-personnel Mines

	Business Involvement - Tobacco	Exclusion based on ISS ESG Average Percentage of Revenues from Tobacco Production exceeding zero percent threshold
	(c) Governance Factors	
	Controversies - Violations of UNGC Principles and OECD Guidelines	Exclusion based on ISS ESG overall "Red" flag for Norm-Based Research
6	Item 6	Data and standards used
	(a) Data input	
	(i) Describe whether the data are reported, modelled or sourced internally or externally.	Data for exclusion lists are sourced externally. <a href="#">Exclusion Criteria</a> Company reported GHG emissions are sourced externally and complemented by modelled GHG emissions using the Wilshire's proprietary Carbon Emission model for scope 1, scope 2 and scope 3 GHG emissions. <a href="#">Carbon Emission Model</a>
	(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.	ISS ESG is the main source for ESG exclusions and reported GHG emission data. The Exiobase v.3 dataset is used for modelling scope 1, scope 2 and scope 3 GHG emissions.
	(b) Verification and quality of data	
	Describe how data are verified and how the quality of those data is ensured.	Various quality checks are conducted on the modelled data to detect abnormal variations and their causes. Outliers in the input data (reported GHG emissions, company revenues and Exiobase dataset) are identified. The effect of outliers is limited through the application of a winsorisation procedure.

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(c) Reference standards

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Describe the international standards used in the benchmark methodology.

[UN Global Compact](#)  
[OECD Guidelines for Multinational Enterprises](#)  
[Sustainable Development Goals \(SDGs\)](#)  
[International Labor Organization Conventions](#)  
[GHG Protocol](#)

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Date on which information has last been updated and reason for the update:

First version: April 28, 2023  
Last updated: May 31, 2024 (update of URLs)

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B: Items as stipulated in ANNEX I to the Delegated Regulation (Non-ESG Benchmarks)

Item	Contents	Nikkei Response
1	Item 1 Name of the benchmark administrator.	Nikkei Inc.
2	Item 2 Type of benchmark or family of benchmarks.	Equity
3	Item 3 Name of the benchmark or family of benchmarks.	Nikkei Stock Average (Nikkei Average, Nikkei 225) Nikkei 225 Total Return Index Nikkei 225 Net Total Return Index Nikkei 225 USD Hedged Index <sup>(1)</sup> Nikkei 225 EUR Hedged Index <sup>(1)</sup> Nikkei 225 Covered Call Index Nikkei 225 Risk Control Index Nikkei 225 Leveraged Index Nikkei 225 Inverse Index Nikkei 225 Double Inverse Index Nikkei Stock Average Volatility Index Nikkei 225 VI Futures Index Nikkei 225 High Dividend Yield Stock 50 Index <sup>(2)</sup> Nikkei 225 Dividend Point Index (DPI) Nikkei Asia300 Investable Index (JPY) <sup>(2)</sup> Nikkei Asia300 Investable Index (USD) <sup>(2)</sup>

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4	Item 4	Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	No
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Note: Item 5 to 7 are omitted since the answer to Item 4 is "No" for all the benchmarks on the ESMA Register.

(1) This family includes total return version of the benchmark

(2) This family includes total return and net total return version of the benchmark