

BENCHMARK STATEMENT

SGBVVR01 – SGI VR 10Y20Y US Index - Vol on Rates (USD - Total Return)

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Introduction

Societe Generale Index (SGI) is integrated in the Global Markets Cross-Asset Division of Societe Generale. The SGI team is in charge of developing, structuring, maintaining and marketing rules-based SG proprietary indices linked to a wide range of assets. SGI mandate is cross-asset and worldwide. SGI provides clients with investment supports or hedging solutions by offering indices included in open architectures (either internally (Research, pricing teams and Quantitative Investment Team) or externally).

SGI platform offers:

- Flagship indices that are market access or strategy indices designed for a large and syndicated use
- Bespoke indices that are dedicated to one specific client / one specific transaction. They can be systematic or advised; derived from a flagship index or *ex nihilo*.

This document constitutes the applicable Benchmark Statement under Article 27 of Regulation (EU) 2016/1011 in respect of the benchmarks referred to herein and SOCIETE GENERALE shall be considered the “administrator” of such benchmarks (as defined in Article 3(1)(6) of the Benchmark Regulation). Terms used in this document, but not defined, shall have the meaning ascribed in the Benchmark Administration - Key Terms Document (the European Regulation on Benchmarks EU) 2016/1011, “BMR”).

I. General Information

This benchmark statement was updated on 2021-07-02.

This benchmark statement relates to a specific benchmark SGI VR 10Y20Y US Index - Vol on Rates (USD - Total Return) (single identifier is the Bloomberg code SGBVVR01), where Societe Generale Index acts as the “administrator” (as defined in Article 3(1)(6) of the BMR).

The Benchmark does not use any contributed input data (as defined in Article 3(1)(8) of the BMR).

The Benchmark is classified as a non-significant benchmark (as defined in Article 3(1)(27) of the BMR).

All benchmark methodologies are assessed prior to their implementation according to SGI governance with respect to their methodological and operational complexity and risks associated with the required data inputs.

The criteria and procedures used to determine the benchmark, including a description of the input data, the priority given to different types of input data, the minimum data needed to determine a benchmark, the use of any models or methods of extrapolation and any procedure for rebalancing the constituents of a benchmark's index are described in the Index Rules which are made available to users upon request.

In some situations, errors in the calculation of the Index levels could arise. The restatement policy of Societe Generale Index governs the actions to take in such situation

II. Market or Economic reality

a. General description of the market or the economic reality geographical boundaries of the market or economic reality

The Index aims to provide a hypothetical exposure to the implied volatility of a given point of the USD swaption volatility surface

b. Geographical boundaries of the market or economic reality

This benchmark may relate to one of the following regions:

- Global.

III. Potential limitations

a. Circumstances in which administrator would lack sufficient input data

The circumstances in which administrator would lack sufficient input data are described in the index rule or the global methodology of SGI Indices, which last version is available at <https://sgi.sgmarkets.com>, and in which are described

the different disruption or extraordinary events which could affect input data sufficiency or quality and the applicable remedies. The applicable global methodology is referenced in the relevant index rule.

b. Position of each function or body that may exercise discretion

Not applicable as there is no discretionary data in this benchmark.

IV. Review of the methodology, changes to or cessation of the benchmark

Our administered benchmarks are designed to be referenced in financial instruments or products that are either commercialized or licensed by Societe Generale, therefore the index methodology is designed to ensure the replicability of this index. Modification of the methodology or cessation of a benchmark is described below.

a. Changes to a benchmark

In some exceptional circumstances the need may arise for the administrator to modify the methodology of a benchmark. Permanent modifications are aimed solely at rectifying manifest errors or enhancing the methodology to the extent necessary to continue delivering the benchmark strategy.

Depending on the materiality of the changes, the foregoing modifications may be subject to the approval of (i) an index scientific committee or (ii) an event management committee or (iii) a quarterly review committee as applicable (and in some cases, the approval of the parties holding an interest in products linked to the relevant benchmark and/or other stakeholders), in any case as relevant and proportional to the materiality of such modifications, with the key focus on the mitigation of potential conflicts of interest. Such approvals are sought depending on the provisions specified in the index rules, or the relevant global methodology, as applicable.

Such modification may be communicated directly to the users of the benchmark and to other stakeholders. Material modifications might also be notified through SGI website, <https://sgi.sgmarkets.com>.

b. Cessation of a benchmark

The cessation of a benchmark may become necessary in the case of major disruption or extraordinary events that cannot be remediated.

In such cases, the specific situation is reviewed by the administrator as well as compliance and legal teams and approved during an event management committee.

Once the termination is decided, the termination process entails at least the following:

- notification of the external providers
- notification of the users of the benchmark

The termination of the benchmark would also be notified through SGI website, <https://sgi.sgmarkets.com>.

For the avoidance of doubt, SGI may also terminate an index if such index is no longer needed or used as the underlying of a product.

Users are advised that changes to, or the cessation of, the benchmark may have an impact upon the financial contracts and financial instruments that reference the benchmark or the measurement of the performance of investment funds.

V. Update of the document

This document may be updated when necessary and notably in the following case:

- a) in case the benchmark is no longer reliable to accurately measure the underlying market or economic reality;
 - b) in case of a change in the type of the benchmark;
 - c) in case of a significant change in the benchmark or in the methodology of its calculation;
 - d) when fair and easy access to information is impaired as a consequence of a change in the information incorporated in the benchmark statement by reference.
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ANNEX I

SECTION 1 - EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE BENCHMARK STATEMENT	
Item 1. Name of the benchmark administrator.	Societe Generale Index
Item 2. Type of benchmark or family of benchmarks.	Interest Rates
Item 3. Name of the benchmark or family of benchmarks.	SGI VR 10Y20Y US Index - Vol on Rates (USD - Total Return)
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Item 5. Does the benchmark or family of benchmarks pursue ESG objectives?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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.	
a) List of combined ESG factors:	Not Applicable
b) List of environmental factors:	Not Applicable
c) List of social factors:	Not Applicable
d) List of governance factors:	Not Applicable
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.	
a) List of combined ESG factors:	Not Applicable
b) List of environmental factors:	Not Applicable

c) List of social factors:	Not Applicable
d) List of governance factors:	Not Applicable
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.	Not Applicable
b) Reference standards.	Not Applicable
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;	Not Applicable
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;	Not Applicable
c) overlap between those benchmarks and their investable universe, as defined in Article 1, point (e), of Commission Delegated Regulation (EU) 2020/1818 using the active share at asset level	Not Applicable
SECTION 3 – DISCLOSURE OF THE ALIGNMENT WITH THE OBJECTIVES OF THE PARIS AGREEMENT	
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;	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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;	Not Applicable

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;	Not Applicable
d) the methodology used for the measurement of the alignment with the temperature scenario;	Not Applicable
e) the hyperlink to the website of the temperature scenario used.	Not Applicable
Date on which information has last been updated and reason for the update:	2021-07-02 Update of ESG Annex