

# INDEX GUIDELINE

**Solactive ISS ESG Screened Euro IG Corporate Bond TR Index**

**Version 1.2**

**27 March 2024**



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## INTRODUCTION

This document (the “GUIDELINE”) is to be used as a guideline with regard to the composition, calculation and maintenance of the Solactive ISS ESG Screened Euro IG Corporate Bond TR Index (the “INDEX”). Any amendments to the rules made to the GUIDELINE are approved by the OVERSIGHT COMMITTEE as specified in the Bond Index Methodology. The INDEX is owned, calculated, administered and published by Solactive AG (“SOLACTIVE”) assuming the role as administrator (the “INDEX ADMINISTRATOR”) under the Regulation (EU) 2016/1011 (the “BENCHMARK REGULATION” or “BMR”). The name “Solactive” is trademarked.

The GUIDELINE and the policies and methodology documents referenced herein contain the underlying principles and rules regarding the structure and operation of the INDEX. SOLACTIVE does not offer any explicit or tacit guarantee or assurance, neither pertaining to the results from the use of the INDEX nor the level of the INDEX at any certain point in time nor in any other respect. SOLACTIVE strives to the best of its ability to ensure the correctness of the calculation. There is no obligation for SOLACTIVE – irrespective of possible obligations to issuers of financial instruments or investment funds referencing the INDEX under a valid license – to advise third parties, including investors and/or financial intermediaries, of any errors in the INDEX. The publication of the INDEX by SOLACTIVE does not constitute a recommendation for capital investment and does not contain any assurance or opinion of SOLACTIVE regarding a possible investment in a financial instrument based on this INDEX.

## 1. INDEX SPECIFICATIONS

### 1.1. SCOPE OF THE INDEX

The index is designed to track the EUR denominated corporate bond market with eligible issuers operating in accordance with market standards on ESG controversy screens.

The ESG screen is based on data from ISS-ESG. The screens are based on established norms such as the United Nations Global Compact and the significant involvement in pre-defined sectors. The Indices aim to cover current and future regulation on ESG investments and also include a focus on issues related to climate change.

If the issuer crosses the threshold on any single criterion, then bonds from that issuer will not be eligible for the index. The details of the screening are given in Section 2.2. The indices are rebalanced once a month and the bond issuer screens are updated on a quarterly basis.



## 1.2. IDENTIFIERS AND PUBLICATION

The INDEX is published under the following identifiers:

Name	ISIN	Currency	Type	Calculation Formula*	RIC	BBG ticker
Solactive ISS ESG Screened Euro IG Corporate Bond TR Index	DE000SLA7S63	EUR	TR	Periodic	.SOLEUSRC	SOLEUSRC

\*The calculation formula refers to the index calculation's dependency on cash reinvestment, based on whether the cash reinvestment occurs on a daily/direct basis or periodically.

\*TR means that the INDEX is calculated as a TOTAL RETURN index as described in the Bond Index Methodology, which is available on the SOLACTIVE website: <https://www.solactive.com/documents/bond-index-methodology/>

The INDEX is published on the website of the INDEX ADMINISTRATOR ([www.solactive.com](http://www.solactive.com)) and is, in addition, available via the price marketing services of Boerse Stuttgart AG and may be distributed to all of its affiliated vendors. Each vendor decides on an individual basis as to whether it will distribute or display the INDEX via its information systems.

Any publication in relation to the INDEX (e.g. notices, amendments to the GUIDELINE) will be available at the website of the INDEX ADMINISTRATOR: <https://www.solactive.com/news/announcements/>.

## 1.3. INITIAL LEVEL OF THE INDEX

The initial level of the INDEX on the 27 December 2018 is 1000. Levels of the INDEX published for a period prior to this date have been back-tested. Historical values from the 27 December 2018 will be recorded in accordance with Article 8 of the BMR.

## 1.4. PRICES AND CALCULATION FREQUENCY

The INDEX is calculated and distributed once every BUSINESS DAY based on the Evaluated Bid Prices of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included the INDEX at the Evaluated Ask Price on the relevant REBALANCE DAY. INDEX analytical values are calculated each BUSINESS DAY using the Last Evaluated Price based on FIXING TIME.

## 2. INDEX SELECTION

The INDEX is calculated and distributed once every BUSINESS DAY based on the Evaluated Bid Prices of the INDEX COMPONENTS. Bonds added in a rebalancing (see Section 3) are included the INDEX at the Evaluated Ask Price on the relevant REBALANCE DAY. Bonds which are excluded from the INDEX in a rebalance are reflected in the calculation of the level of the INDEX for the REBALANCE DAY at the Evaluated Ask Price on the relevant REBALANCE DAY. INDEX analytical values are calculated each BUSINESS DAY using the Evaluated Price based on FIXING TIME.



## 2.1. SELECTION OF THE INDEX COMPONENTS

On each monthly Selection Date, the potential constituents are drawn from the Solactive Euro IG Corporate BENCHMARK INDEX.

The potential constituents must pass the Issuer-based screening using data from ISS-ESG, as described in Section 2.2. This data is updated once a quarter in December, March, June and September. The updated screening will then be incorporated in the next monthly Selection Date. If a new issuer is not assessed by ISS-ESG, it will not be eligible for the index until the next quarterly update. Issuers will continue to remain ineligible if there is insufficient or missing information in order to perform the ESG assessment.

The table below lists the exclusion criteria for potential issuers. If an issuer breaches any single criterion, or has insufficient available data in order to perform an assessment, it is ineligible for the index.

Theme	Exclusion criterion
Norm-Based Research	Environment
	Human Rights
	Corruption
	Labour Rights
Controversial Weapons Research	Chemical weapons
	Biological weapons
	Nuclear weapons
	Depleted Uranium
	Nuclear weapons outside the NPT
	Cluster munitions
	Anti-personnel mines
Sector-Based Screening	Fossil Fuel
	Oil sands
	Military
	Pornography
	Tobacco
	Gambling
	Alcohol
	Cannabis

Explanation: % figures refer to revenue threshold (for degree of involvement) above which criterion is breached



## 2.2. WEIGHTING OF THE INDEX COMPONENTS

On each SELECTION DAY each INDEX COMPONENT is weighted using the market value based on the Evaluated Bid Prices and accrued interest as on the SELECTION DAY in order to achieve the aim of the INDEX.

## 3. ORDINARY REBALANCE

In order to reflect the new selection of the INDEX COMPONENTS determined on the SELECTION DAY (in accordance with Section 2.1) the INDEX is adjusted on the REBALANCE DAY after CLOSE OF BUSINESS.

For more information on the rebalance procedure please refer to the Bond Index Methodology, which is incorporated by reference and available on the SOLACTIVE website: <https://www.solactive.com/documents/bond-index-methodology/>.

SOLACTIVE will publish any changes made to the INDEX COMPONENTS with sufficient notice before the REBALANCE DAY on the SOLACTIVE webpage.

## 4. CORPORATE ACTIONS

As part of the INDEX maintenance SOLACTIVE will consider various events – also referred to as corporate actions – which result in an adjustment to the INDEX between two regular REBALANCE DAYS. Such events have a material impact on the price, weighting or overall integrity of INDEX COMPONENTS. Therefore, they need to be accounted for in the calculation of the INDEX. Adjustments to the INDEX to account for corporate actions will be made in compliance with the Bond Index Methodology.

## 5. DEFINITIONS

**“BENCHMARK INDEX”** is Solactive Euro IG Corporate Index.

**“BENCHMARK REGULATION”** shall have the meaning as defined in Section “Introduction”.

**“BMR”** shall have the meaning as defined in Section “Introduction”.

**“BUSINESS DAY”** is with respect to the INDEX each day Monday to Friday except the common European banking holidays. Common European banking holidays are Good Friday, Easter Monday, Christmas Day, Boxing Day and New Year’s Day.

**“CLOSE OF BUSINESS”** is a time stamp when an INDEX is calculated.

**“CLOSING PRICE”** in respect of an INDEX COMPONENT and a TRADING DAY is a security's final regular-hours TRADING PRICE published by the EXCHANGE and determined in accordance with the EXCHANGE regulations. If the EXCHANGE has no or has not published a CLOSING PRICE in accordance with the EXCHANGE rules for an INDEX COMPONENT, the last TRADING PRICE will be used.



“**CURRENCY HEDGE INDEX**” represent the return resulting from the sum of an underlying index performance and the performance of the hedge of this index using currency forward contracts.

“**GUIDELINE**” shall have the meaning as defined in Section “Introduction”.

“**INDEX**” shall have the meaning as defined in Section “Introduction”.

“**INDEX ADMINISTRATOR**” shall have the meaning as defined in Section “Introduction”.

“**INDEX CALCULATOR**” is SOLACTIVE or any other appropriately appointed successor in this function.

“**INDEX COMPONENT**” is each bond reflected in the INDEX.

“**INDEX COMPONENT REQUIREMENTS**” shall have the meaning as defined in Section 2.1.

“**ISSUER**” is the issuing entity of the respective bond.

“**OVERSIGHT COMMITTEE**” shall have the meaning as defined in the Bond Index Methodology.

“**PRICING PROVIDER**” is Intercontinental Exchange Inc (ICE)

“**REBALANCE DAY**” is the last Business Day of each month.

“**SELECTION DAY**” is 2 BUSINESS DAYS before the scheduled REBALANCE DAY, disregarding any potential change of the REBALANCE DAY

“**SOLACTIVE**” shall have the meaning as defined in Section “Introduction”.

“**UNDERLYING INDEX COMPONENTS**” is each security reflected in the composition of the UNDERLYING INDEX.

**Please note that the definitions included in the Bond Index Methodology apply to this guideline. In case of a discrepancy, the definition presented in the guidelines should prevail.**

## 6. HISTORY OF INDEX CHANGES

Version	Date	Description
1.2	25 March 2024	Format Update
1.1	07 February 2019	Index Guideline creation (initial version)

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