

Press Release

Solactive, ISS ESG, and Morgan Stanley Partner to Create Innovative Future of Plastic Index

08 February 2021

FRANKFURT AM MAIN – Today Solactive, ISS ESG, and Morgan Stanley announced the launch of the **Solactive ISS ESG Future of Plastic Index** – a publically listed index consisting of global companies with leading performance in innovation and implementation of plastic waste solutions and efficient material use. The Solactive ISS ESG Future of Plastic Index responds to the growing focus by society to help address the plastic waste issue affecting the planet, and by investors as plastic waste becomes a growing investment theme. The Future of Plastic Index methodology draws on Morgan Stanley's and Solactive's expertise in sustainability and institutional equities to equip investors with a benchmark index of companies with leading practices and solutions addressing the plastic waste issue.

The Index

Morgan Stanley developed the underlying methodology for the index using data from ISS ESG. Starting with the **Solactive GBS Developed Markets Large & Mid Cap Index** universe, the **Solactive ISS ESG Future of Plastic Index** avoids companies with low liquidity, major environmental, social, or governance (ESG) risks, and companies with ties to products contributing to marine ecosystem degradation, such as microbeads or significant single-use plastic packaging.

The remaining companies are then ranked using a proprietary plastic waste solutions score, reflecting corporate involvement in recycling solutions and practices, use of recycled content, efficient use of raw materials, extension of useful product life, and/or developing alternatives to single-use and micro-plastics. The index is constructed by investing in the equally weighted basket of the 50 "leaders" stocks ranked at the top of the proprietary scoring methodology.

The ESG Screening

In addition to the thematic tilt towards companies with plastic waste solutions, the index features an ESG screening assessment based on data from ISS ESG. The assessment includes a norms-based analysis excluding companies with verified ongoing failure to comply with established norms related to gender or racial

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discrimination or subject to global sanctions. Furthermore, companies with involvement in the research and development of controversial weapons, or which are active in business activities linked to significant environmental harm, such as coal mining, are excluded from the benchmark. Lastly, all eligible companies must demonstrate a robust plan to avoid substantial negative impacts on marine ecosystems.

"The comprehensive scope of the Future of Plastic Index will empower investors with a means to identify and track companies that are leading the development of innovative plastic waste solutions and practices to combat the growing issue of plastic pollution in the environment," said Audrey Choi, Morgan Stanley's Chief Sustainability Officer and CEO of the Institute for Sustainable Investing. "Building on the [Morgan Stanley Plastic Waste Resolution](#) and our Global Sustainable Finance team's leadership in sustainability data and analytics, the Index selects companies successfully demonstrating the capacity to facilitate a shift toward circular plastic lifecycles, and overall a more sustainable future."

"Plastic waste has become one of humanity's greatest challenges. According to the WWF, individuals could consume 5 grams of microplastic per week, on a global average - the equivalent of one credit card," comments Dr. Axel Haus, Team Head Qualitative Research at Solactive. "Together with Morgan Stanley, we have found a methodology to identify pioneering companies actively developing better solutions to produce, recycle, and reuse plastics. We are very happy that Morgan Stanley has chosen Solactive as the index provider addressing this utterly important matter."

For more information please visit: <http://www.solactive.com>

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at April 2020, Solactive served approximately 450 clients across the world, with approximately US\$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

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