

MARKET CONSULTATION  
SOLACTIVE ISS EMERGING  
MARKETS CARBON REDUCTION  
& CLIMATE IMPROVERS INDEX

30 November 2021



## Content of the Market Consultation

Solactive AG has decided to conduct a Market Consultation with regard to changing the Index Methodology of the following Indices (the 'Indices'):

NAME	RIC	ISIN
Solactive ISS Emerging Markets Carbon Reduction & Climate Improvers Index PR	.SEMCRICIP	DE000SLODEF9
Solactive ISS Emerging Markets Carbon Reduction & Climate Improvers Index NTR	.SEMCRICIN	DE000SLODEG7
Solactive ISS Emerging Markets Carbon Reduction & Climate Improvers Index TR	.SEMCRICIT	DE000SLODEH5

## Rationale for Market Consultation

The Indices aim to track the performance of Emerging Markets Large & Mid Cap securities, including only companies operating in accordance with market standards on ESG controversy screens. Those standards are based on established norms such as the United Nations Global Compact and the exclusion of significant involvement in 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. The underlying assets are selected and weighted in such a manner that the resulting benchmark portfolio's GHG emissions are aligned with the long-term global warming target of the Paris Climate Agreement.

The Data Provider, ISS (<https://www.issgovernance.com/>), will update the Scope 3 emission methodology starting with 2020 data that will be released in January 2022. The improvements in methodology of the Data Provider encompass usage of reported data and enhanced Scope 3 model.

Solactive proposes to change the Base Day for the Indices due to a significant change in the calculation methodology in Scope 3 emissions provided by the Data Provider.

The changes are assessed to be significant due to the significant adjustment to the methodology to define Scope 3 emissions as well as due to the extent of changes in Scope 3 emissions values. As the index methodology is inspired by the Commission Delegated Regulation (EU) 2020/1818, the proposed changes follow the same methodology as described in Article 8 (2) of this regulation. Hence, a new Base Day will be set in order to account for the changes in the underlying data. For the sake of clarity, there will neither be index level Restatement nor change in historical values.

## Proposed Change to the Index Guideline

To ensure alignment of the Base Day of the decarbonization trajectory with the updated emissions methodology, the following Methodology change is proposed in section 1.3 of the Index Guideline:

### Section 1.3. INITIAL LEVEL OF THE INDEX

From:

The initial level of the INDEX on the 06/02/2019, the START DATE, is 1000. Historical values from the 17/06/2021, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR. Levels of the INDEX published for a period prior to the LIVE DATE have been back-tested. The INDEX follows a decarbonization trajectory that is based on the 06/01/2021, the BASE DAY.

To:

The initial level of the INDEX on the 06/02/2019, the START DATE, is 1000. Historical values from the 17/06/2021, the LIVE DATE, will be recorded in accordance with Article 8 of the BMR. Levels of the INDEX published for a period prior to the LIVE DATE have been back-tested. The INDEX follows a decarbonization trajectory that was initially, as of the LIVE DATE, based on the 06/01/2021. Due to substantial changes in the methodology of the input data provided by the DATA PROVIDER, the decarbonization is re-based to 05/01/2022, the BASE DAY.

## Feedback on the proposed change

If you would like to share your thoughts with Solactive, please use this consultation form and provide us with your personal details and those of your organization.

Name	
Function	
Organization	
Email	
Phone	
Confidentiality (Y/N)	

Solactive is inviting all stakeholders and interested third parties to evaluate the proposed change to the Methodology for the Solactive ISS Emerging Markets Carbon Reduction & Climate Improvers Index and welcomes any feedback on how this may affect and/or improve their use of Solactive indices.

### Consultation Procedure

Stakeholders and third parties who are interested in participating in this Market Consultation, are invited to respond until 14/12/2021 (cob).

Subject to feedback received on this Market Consultation, the change mentioned above is intended to become effective on 03/01/2022.

Please send your feedback via email to [marketconsultation@solactive.com](mailto:marketconsultation@solactive.com), specifying "Market Consultation Solactive ISS Emerging Markets Carbon Reduction & Climate Improvers Index" as the subject of the email, or

via postal mail to: Solactive AG  
Platz der Einheit 1  
60327 Frankfurt am Main  
Germany



Should you have any additional questions regarding the consultative question in particular, please do not hesitate to contact us via above email address.

# CONTACT

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