

MARKET CONSULTATION - SOLACTIVE ISS ESG SCREENED PARIS ALIGNED INDEX SERIES

05 April 2024

**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’):

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| **Name** | **RIC** | **ISIN** |
| Solactive ISS ESG Screened Paris Aligned Emerging Markets Index PR | .SSPABEMP | DE000SL0C1P7 |
| Solactive ISS ESG Screened Paris Aligned Emerging Markets Index NTR | .SSPABEMN | DE000SL0C1Q5 |
| Solactive ISS ESG Screened Paris Aligned Emerging Markets Index TR | .SSPABEMT | DE000SL0C1R3 |
| Solactive ISS ESG Screened Paris Aligned Developed Markets Index PR | .SSPABDMP | DE000SL0JZE4 |
| Solactive ISS ESG Screened Paris Aligned Developed Markets Index NTR | .SSPABDMN | DE000SL0JZF1 |
| Solactive ISS ESG Screened Paris Aligned Developed Markets Index TR | .SSPABDMT | DE000SL0JZG9 |
| Solactive ISS ESG Screened Paris Aligned Global Markets Index PR | .SSPABGMP | DE000SL0C1H4 |
| Solactive ISS ESG Screened Paris Aligned Global Markets Index NTR | .SSPABGMN | DE000SL0C1J0 |
| Solactive ISS ESG Screened Paris Aligned Global Markets Index TR | .SSPABGMT | DE000SL0C1K8 |
| Solactive ISS ESG Screened Paris Aligned US Index PR | .SSPABUSP | DE000SL0C1S1 |
| Solactive ISS ESG Screened Paris Aligned US Index NTR | .SSPABUSN | DE000SL0C1T9 |
| Solactive ISS ESG Screened Paris Aligned US Index TR | .SSPABUST | DE000SL0C1U7 |
| Solactive ISS ESG Screened Paris Aligned Europe Index PR | .SSPABEUP | DE000SL0C1L6 |
| Solactive ISS ESG Screened Paris Aligned Europe Index NTR | .SSPABEUN | DE000SL0C1M4 |
| Solactive ISS ESG Screened Paris Aligned Europe Index TR | .SSPABEUT | DE000SL0C1N2 |
| Solactive ISS ESG Screened Paris Aligned Nordic Index PR | .SSPABNOP | DE000SL0DXW4 |
| Solactive ISS ESG Screened Paris Aligned Nordic Index NTR | .SSPABNON | DE000SL0DXX2 |
| Solactive ISS ESG Screened Paris Aligned Nordic Index TR | .SSPABNOT | DE000SL0DXY0 |
| Solactive ISS ESG Screened Paris Aligned Norway Index PR | .SSPABNWP | DE000SL0DXZ7 |
| Solactive ISS ESG Screened Paris Aligned Norway Index NTR | .SSPABNWN | DE000SL0DX02 |
| Solactive ISS ESG Screened Paris Aligned Norway Index TR | .SSPABNWT | DE000SL0DX10 |

**Rationale for the Market Consultation**

The underlying assets of the ISS ESG Screened Paris Aligned Index Series are selected 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, including only companies operating in accordance with market standards for responsible business conduct (Norms-Based Research) and controversial weapons. Those standards are based on established norms such as the United Nations Global Compact and the exclusion of significant involvement in defined sectors.

In order to reflect the latest market standards and requirements for sustainable investments and to strengthen the ESG focus of the index, Solactive intends to adjust the maximum revenue from coal-fired power generation in the fossil fuel exclusions filter in section 2.2 of the guidelines from 10% to 5%.

**Proposed Change to the Index Guideline**

The following Methodology changes are proposed in the following point of the Index Guideline:

Section 2.2. “SELECTION OF THE INDEX COMPONENTS”

Exclusion Criterion: Fossil Fuel

**From:**

Exception 1:

Max 10% Production, Distribution & Exploration, min 10% Revenues from Renewable Energies Power Generation, **max 10% Revenues from Coal Power Gener**ation, Concrete science-based target

Exception 2:

0% Oil Extraction, Oil Refinement & Fossil Fuel Exploration, max 10% Oil distribution max 50% Gas Extraction, Gas Refinement & Fossil Fuel Distribution Concrete science-based target, min 10% Revenues from Renewable Energies Power Generation, **max 10% Revenues from Coal Power Generation**, company sector “Utilities” according to the FactSet sector classification system.

**To:**

Exception 2:

Max 10% Production, Distribution & Exploration, min 10% Revenues from Renewable Energies Power Generation, **max 5% Revenues from Coal Power Generation,** Concrete science-based target

Exception 2:

0% Oil Extraction, Oil Refinement & Fossil Fuel Exploration, max 10% Oil distribution, max 50% Gas Extraction, Gas Refinement & Fossil Fuel Distribution Concrete science-based target, min 10% Revenues from Renewable Energies Power Generation, **max 5% Revenues from Coal Power Generation**, company sector “Utilities” according to the FactSet sector classification system.

**Feedback on the proposed changes**

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 changes to the Methodology for the ISS ESG Screened Paris Aligned Index Series and welcomes any feedback on how this may affect and/or improve their use of Solactive indices.

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**Consultation Procedure**

Stakeholders and third parties who are interested in participating in this Market Consultation, are invited to respond until 2024-04-19.

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective at the next rebalancing for the series with selection date 2024-04-04.

Please send your feedback via email to [marketconsultation@solactive.com](mailto:marketconsultation@solactive.com), specifying “**SOLACTIVE ISS ESG SCREENED PARIS ALIGNED INDEX SERIES”** as the subject of the email, or

via postal mail to: **Solactive AG**

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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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