

# **Press Release**

Expanding access to 2°C-aligned investment opportunities: Solactive and right. based on science broaden set of options available to the investment community with triple launch 10 March 2021

As time to meet the international community's goal of limiting global temperature rise to 'well below 2°C' is running out, the sense of urgency to address the issue is growing across the domains of public policy, regulation, and international financial market participants. In recognition of this development, Solactive and right. based on science ("right.") are expanding the toolset available to investors with a triple launch of 2°C-aligned index solutions, complementing their existing line-up to now cover key regional investment universes: Developed Markets, Developed Markets ex US, US (new launches), and Europe (existing solution). All indices are powered by right.'s economic climate impact data.

right.'s X-Degree Compatibility (XDC) Model calculates the contribution of an economic entity to climate change until 2050 under various scenarios. Results are expressed as a tangible °C value allowing for simple portfolio construction based on a single, forward-looking metric.

Employing this data, the four Solactive right. 2 Degree-Aligned Indices select sector-leading companies in terms of alignment with a 2°C global warming scenario through 2050. All resulting portfolios are aligned with the International Energy Agency's (IEA) 2DS and B2DS scenarios, translating to 2°C as well as 1.75°C alignments.

Index	# Constituents 2°C-aligned Index	# Constituents Parent Index
Solactive right. 2 Degree-Aligned Developed Markets Index	390	1588
Solactive right. 2 Degree-Aligned Developed Markets ex United States Index	282	1076
Solactive right. 2 Degree-Aligned United States Index	108	512
Solactive right. 2 Degree-Aligned Europe Index	244	600

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The reduced constituent count of the indices – in comparison to their respective parent index – highlights the current lack of 2°C-aligned business practice on a global scale, corroborating the sense of urgency expressed by public policy, regulators, and market participants alike.

Thus, the indices serve as monitoring tools to track the progress of the global community towards the 'well below 2°C' goal. Furthermore, they provide instruments for investors to focus on those companies already operating in line with this ambitious goal serving as potential underlyings for ETFs and structured products.

<u>Timo Pfeiffer, Chief Markets Officer at Solactive, said:</u> "Our expanded collaboration with right. does not only broaden the set of options available to our clients looking to build forward-looking, climate-aware investment strategies but also provides critical insight into global progress towards achieving our mutual goal of a 'well below 2°C' increase in global temperature."

<u>Dr. Sebastian Müller, Co-Founder of right. based on science, commented:</u> "Our mission in creating the X-Degree Compatibility Model was to bring greater transparency to the market – not just on climate-related risks, but also opportunities. In partnering with Solactive to create these indices, we are achieving both, while also helping to direct capital flows towards the transition to decarbonizing the economy."

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

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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 February 2021, 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.

### About right. based on science

right. based on science GmbH (right.) is a provider of climate metrics and software. Founded in Frankfurt in 2016, right. developed the X-Degree Compatibility (XDC) Model to calculate the impact a company, a portfolio or any other economic entity has on global warming ("temperature alignment"). The results are expressed as tangible degree Celsius values. The aim: to bring maximum transparency on climate-related risks and opportunities to the market.

#### Disclaimer

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