

MARKET CONSULTATION SOLACTIVE INNOVATIVE TECHNOLOGIES INDEX CHANGE OF METHODOLOGY

15 October 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 Innovative Technologies Index PR	.SOLITEKP	DE000SLA5ZW3
Solactive Innovative Technologies Index NTR	.SOLITEK	DE000SLA5ZX1
Solactive Innovative Technologies Index GTR	.SOLITEKT	DE000SLA5ZY9

Rationale for Market Consultation

Since the implementation of SFDR in March 2021, European investors' demand for products with standard ESG criteria or sustainability as part of the investment objective/strategy increased. Additionally to SFDR, local fund and derivatives associations (BVI Bundesverband Investment und Asset Management e.V. and Deutscher Derivate Verband e.V.) published standards for ESG investments. These standards apply additional criteria above those required under SFDR. Many investors are now following these stricter standards for selection of funds and ETFs. In order to react to those market movements and maintain the competitiveness of our indices and the products of our customers, Solactive wants to incorporate BVI compliant ESG criteria in the index selection process.

Proposed Change[s] to the Index Guideline

The following Methodology changes are proposed in the following point[s] of the Index Guideline (ordered in accordance with the numbering of the affected sections):

1. Section: 2.1 Selection of the Index Components

Adding:

"(...)

The companies selected after completion of the above steps will be evaluated on the criteria outlined below. The evaluation is based on data provided by the DATA PROVIDER.

- UN Global Compact
 - o Companies not in compliance with UN Global Compact principles
- Controversial Weapons



- Companies involved in the production development or maintenance of Anti-personnel Mines, Biological or Chemical weapons, Cluster munitions, Depleted uranium, Nuclear Weapons, or any other weapon that violate humanitarian principles through normal use.
- Companies that produce or develop key and dedicated components for controversial weapons.
- Companies involved in the production and/or services tailor made for the defense industry or the military.
- Companies that hold $\geq 20\%$ stake in a company that is involved in controversial weapons.
- Companies currently $\geq 50\%$ owned by a company that is involved in controversial weapons.
- Conventional Weapons
 - $>10\%$ revenue from the production or distribution of arms, both public and private
- Tobacco
 - $>5\%$ revenues from tobacco manufacturing.
 - $>5\%$ revenue from tobacco distribution and/or sale of tobacco products.
- Thermal Coal
 - $>10\%$ revenues from the exploration mining or refining of thermal coal.
 - Companies that base 30% or more of their operations on thermal coal.
 - Companies that produce >20 million tons of thermal coal annually and are actively expanding.

All companies violating any of the exclusion criteria above are excluded. All companies for which an evaluation of these exclusion criteria is not possible due to insufficient and/or missing information or data are excluded.”

2. Section: 4 Definitions

Adding:

“**DATA PROVIDER**” is Minerva Analytics Ltd. For more information, please visit: www.minerva.info.”

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 Solactive Innovative Technologies 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 2021-10-21.

Please send your feedback via email to compliance@solactive.com, specifying "Market Consultation Solactive Innovative Technologies Index Change of Methodology" as the subject of the email, or

via postal mail to: Solactive AG
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 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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