

Market Consultation SOLACTIVE EQUILEAP GENDER EQUALITY INDEX family

20 May 2022

**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 Equileap Global Gender Equality Price Return Index | .EQUALP | DE000SLA3KE8 |
| Solactive Equileap Global Gender Equality Net Total Return Index | .EQUALN | DE000SLA3KF5 |
| Solactive Equileap Global Gender Equality Gross Total Return Index | .EQUALG | DE000SLA3KG3 |
| Solactive Equileap Europe Gender Equality Price Return Index | .EQUALEP | DE000SLA3KL3 |
| Solactive Equileap Europe Gender Equality Net Total Return Index | .EQUALEN | DE000SLA3KM1 |
| Solactive Equileap Europe Gender Equality Gross Total Return Index | .EQUALEG | DE000SLA3KN9 |
| Solactive Equileap US Gender Equality Price Return Index | .EQUALUP | DE000SLA3KH1 |
| Solactive Equileap US Gender Equality Net Total Return Index | .EQUALUN | DE000SLA3KJ7 |
| Solactive Equileap US Gender Equality Gross Total Return Index | .EQUALUG | DE000SLA3KK5 |

**Rationale for the Market Consultation**

The Indices provide exposure to companies which have demonstrated a commitment to gender diversity as part of their corporate responsibility strategy. Given the gender equality theme is part of the Governance pillar of the ESG score, which is already strong in the Indices, a slightly stricter controversial activity screening is suggested to strengthen the “E” and “S” pillars of the ESG score. This would make these Indices a better alternative for clients targeting comprehensive ESG products.

**Proposed Changes to the Index Guideline**

The following Methodology changes are proposed in Section 2.1 of the Index Guideline, “**Selection of the Index Components”**:

**From (old version):**

“[…]

The following steps are then applied by Solactive:

1. All stocks with a 3-month Average Daily Value Traded below USD 5 million are removed.
2. All securities are then screened for involvement in the certain controversial activities as provided by the ESG Data Provider.

* Unconventional Fossil Fuels: exclude companies with more than 5% revenue exposure to Coal Mining and Power Generation, Hydraulic Fracturing, Oil & Sands as well as any involvement in Deep Water Drilling.
* Nuclear Energy: exclude companies with more than 10% of revenues derived from production, distribution or supports of products related to Nuclear Energy.
* Controversial Businesses: exclude companies with more than 10% revenue exposure to Gambling, Adult Entertainment, Alcoholic Beverages and Tobacco Products or Military Equipment.
* Controversial Weapons: exclude companies with any exposure to Anti-personnel mines, Biological and Chemical Weapons, Cluster Munitions, Depleted Uranium as well as Nuclear Weapons.
* Norms Based Research: exclude companies with verified infringement of established international initiatives and guidelines (such as UN Principles and OECD Guidelines).

[…].”

**To (new version):**

“[…]

The following steps are then applied by Solactive:

1. All stocks with a 3-month Average Daily Value Traded below USD 5 million are removed.
2. All securities are then screened for involvement in the certain controversial activities as provided by the ESG Data Provider.

* Unconventional Fossil Fuels: exclude companies with more than 5% revenue exposure to Coal Mining and Power Generation, Hydraulic Fracturing, Oil & Sands as well as any involvement in Deep Water Drilling, Shale Oil & Gas or Arctic Oil & Gas Involvement.
  + Additionally exclude companies which are expected to have any involvement in Coal Mining or Coal Power Generation.
* Nuclear Energy: exclude companies with more than 10% of revenues derived from production, distribution or supports of products related to Nuclear Energy.
* Controversial Businesses:
  + Exclude companies with more than 10% revenue exposure to Gambling, Adult Entertainment or Alcoholic Beverages.
  + Exclude companies with more than 5% revenue exposure to Tobacco distribution or any involvement in Tobacco production.
  + Exclude companies with more than 5% revenues exposure to Military Services or Equipment.
  + Excluding companies with more than 5% revenue exposure to production and distribution of Civilian Firearms.
* Controversial Weapons: exclude companies with any exposure to Anti-personnel mines, Biological and Chemical Weapons, Cluster Munitions, Depleted Uranium as well as Nuclear Weapons.
* Norms Based Research: exclude companies with verified infringement of established international initiatives and guidelines (such as UN Principles and OECD Guidelines).

[…].”

**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 Equileap Gender Equality Index Family 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 2nd June 2022 (cob).

Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on 15th June 2022.

Please send your feedback via email to [marketconsultation@solactive.com](mailto:marketconsultation@solactive.com), specifying “**Market Consultation** **Solactive Equileap Gender Equality Index Family** 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

Solactive AG

German Index Engineering

Platz der Einheit 1

60327 Frankfurt am Main

Germany

Tel.: +49 (0) 69 719 160 00

Fax: +49 (0) 69 719 160 25

Email: [info@solactive.com](mailto:info@solactive.com)

Website: [www.solactive.com](http://www.solactive.com)

© Solactive AG