

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).

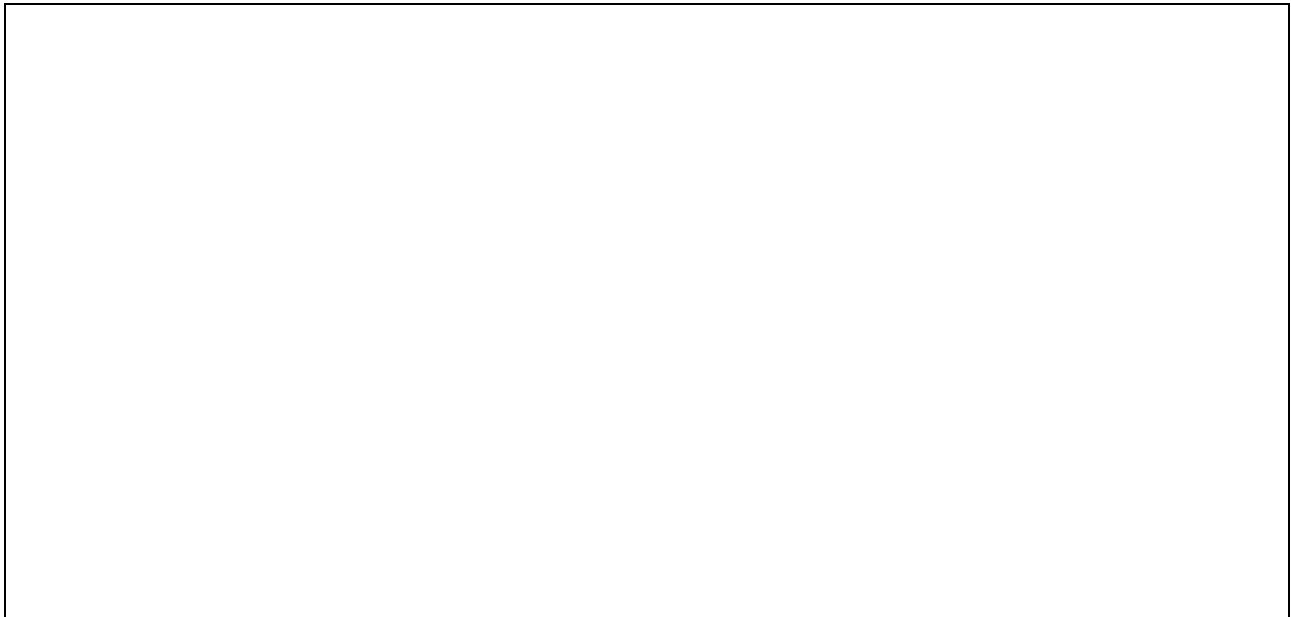
[...].”

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, 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

Website: www.solactive.com

© Solactive AG