

Market Consultation SSPAB Series

20 January 2025

**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 ISS ESG Screened Paris Aligned Developed Markets Index NTR | .SSPABDMN | DE000SL0JZF1 |
| Solactive ISS ESG Screened Paris Aligned Developed Markets Index PR | .SSPABDMP | DE000SL0JZE4 |
| Solactive ISS ESG Screened Paris Aligned Developed Markets Index TR | .SSPABDMT | DE000SL0JZG9 |
| Solactive ISS ESG Screened Paris Aligned Developed Markets Small Cap Index NTR | .SSPABDSN | DE000SL0C1W3 |
| Solactive ISS ESG Screened Paris Aligned Developed Markets Small Cap Index PR | .SSPABDSP | DE000SL0C1V5 |
| Solactive ISS ESG Screened Paris Aligned Developed Markets Small Cap Index TR | .SSPABDST | DE000SL0C1X1 |
| Solactive ISS ESG Screened Paris Aligned Emerging Markets Index NTR | .SSPABEMN | DE000SL0C1Q5 |
| Solactive ISS ESG Screened Paris Aligned Emerging Markets Index PR | .SSPABEMP | DE000SL0C1P7 |
| Solactive ISS ESG Screened Paris Aligned Emerging Markets Index TR | .SSPABEMT | DE000SL0C1R3 |
| Solactive ISS ESG Screened Paris Aligned Europe Index NTR | .SSPABEUN | DE000SL0C1M4 |
| Solactive ISS ESG Screened Paris Aligned Europe Index PR | .SSPABEUP | DE000SL0C1L6 |
| Solactive ISS ESG Screened Paris Aligned Europe Index TR | .SSPABEUT | DE000SL0C1N2 |
| Solactive ISS ESG Screened Paris Aligned Global Markets DM Index NTR | .SSPABGDM | DE000SL0LJ42 |
| Solactive ISS ESG Screened Paris Aligned Global Markets EM Index NTR | .SSPABGEM | DE000SL0LJ59 |
| Solactive ISS ESG Screened Paris Aligned Global Markets GM Index NTR | .SSPABGGM | DE000SL0LJ34 |
| Solactive ISS ESG Screened Paris Aligned Global Markets Index NTR | .SSPABGMN | DE000SL0C1J0 |
| Solactive ISS ESG Screened Paris Aligned Global Markets Index PR | .SSPABGMP | DE000SL0C1H4 |
| Solactive ISS ESG Screened Paris Aligned Global Markets Index TR | .SSPABGMT | DE000SL0C1K8 |
| Solactive ISS ESG Screened Paris Aligned Global Markets NOK Index NTR | .SSPABGNN | DE000SL0HYW3 |
| Solactive ISS ESG Screened Paris Aligned Global Markets NOK Index PR | .SSPABGNP | DE000SL0HYV5 |
| Solactive ISS ESG Screened Paris Aligned Global Markets NOK Index TR | .SSPABGNT | DE000SL0HYX1 |
| Solactive ISS ESG Screened Paris Aligned Global Markets SEK Index NTR | .SSPABGSN | DE000SL0HYT9 |
| Solactive ISS ESG Screened Paris Aligned Global Markets SEK Index PR | .SSPABGSP | DE000SL0HYS1 |
| Solactive ISS ESG Screened Paris Aligned Global Markets SEK Index TR | .SSPABGST | DE000SL0HYU7 |
| Solactive ISS ESG Screened Paris Aligned Global Markets USD Index NTR | .SSPABGUN | DE000SL0HYQ5 |
| Solactive ISS ESG Screened Paris Aligned Global Markets USD Index PR | .SSPABGUP | DE000SL0HYP7 |
| Solactive ISS ESG Screened Paris Aligned Global Markets USD Index TR | .SSPABGUT | DE000SL0HYR3 |
| Solactive ISS ESG Screened Paris Aligned Nordic Index NTR | .SSPABNON | DE000SL0DXX2 |
| Solactive ISS ESG Screened Paris Aligned Nordic Index PR | .SSPABNOP | DE000SL0DXW4 |
| Solactive ISS ESG Screened Paris Aligned Nordic Index TR | .SSPABNOT | DE000SL0DXY0 |
| Solactive ISS ESG Screened Paris Aligned Norway Index NTR | .SSPABNWN | DE000SL0DX02 |
| Solactive ISS ESG Screened Paris Aligned Norway Index PR | .SSPABNWP | DE000SL0DXZ7 |
| Solactive ISS ESG Screened Paris Aligned Norway Index TR | .SSPABNWT | DE000SL0DX10 |
| Solactive ISS ESG Screened Paris Aligned USA Index NTR | .SSPABUSN | DE000SL0C1T9 |
| Solactive ISS ESG Screened Paris Aligned USA Index PR | .SSPABUSP | DE000SL0C1S1 |
| Solactive ISS ESG Screened Paris Aligned USA Index TR | .SSPABUST | DE000SL0C1U7 |

**Rationale for the Market Consultation**

The following indices are constructed to operate in line with the regulations laid out for the EU Paris- Aligned Benchmarks. Solactive proposes to include a new data point published by the Data Provider of the indices which goes along with Article 12 (g) of the EU Paris-Aligned Benchmark Regulation.

In addition, Solactive proposes to adjust the threshold for decarbonization trajectory compared to the Parent Indices from 55% to 50% to bring them closer in line with other EU Paris-Aligned Benchmark regulated indices as well as the EU Paris-Aligned Benchmark Regulation themselves. For the sake of clarity, it should be noted that this will have no impact on the threshold of the continuous annual carbon reduction of 7%.

The proposed changes are used to facilitate a more congruent selection practice to the EU Paris-Aligned Benchmark Regulation which fits the overall theme of the indices.

**Proposed Changes to the Index Guideline**

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

* *2.2 Selection of the Index Components*

*From:*

|  |  |  |
| --- | --- | --- |
| Activity-Based Screening | Coal | 1% Production & Refining |
| Fossil Fuel | Generally:  5% Production, Distribution & Exploration  Exception 1:  Max 10% Production, Distribution & Exploration <AND> min 10% Revenues from Renewable Energies Power Generation <AND> max 5% Revenues from Coal Power Generation <AND> Concrete science-based target  Exception 2:  0% Oil Extraction, Oil Refinement & Fossil Fuel Exploration <AND> max 10% Oil distribution <AND> max 50% Gas Extraction, Gas Refinement & Fossil Fuel Distribution <AND> Concrete science-based target <AND> min 10% Revenues from Renewable Energies Power Generation <AND> max 5% Revenues from Coal Power Generation <AND> company sector “Utilities” according to the FactSet sector classification system. |
| Fossil Fuel | 50% Overall |
| Oil Sands | 0% Production & Exploration |
| Military Equipment | 5% Production <OR> 5% Distribution <OR> 50% Services |
| Pornography | 0% Production <OR> 5% overall |
| Tobacco | 0% Production <OR> 5% Distribution <OR> 50% Services |
| Gambling | 5% Production & Distribution <OR> 50% Services |
| Alcohol | 5% Production & Distribution <OR> 50% Services |
| Non-pharmaceutical Cannabis | 5% Production & Distribution <OR> 50% Services |

To:

|  |  |  |
| --- | --- | --- |
| Activity-Based Screening | Coal | 1% Production & Refining |
| Fossil Fuel | Generally:  5% Production, Distribution & Exploration  Exception 1:  Max 10% Production, Distribution & Exploration <AND> min 10% Revenues from Renewable Energies Power Generation <AND> max 5% Revenues from Coal Power Generation <AND> Concrete science-based target  Exception 2:  0% Oil Extraction, Oil Refinement & Fossil Fuel Exploration <AND> max 10% Oil distribution <AND> max 50% Gas Extraction, Gas Refinement & Fossil Fuel Distribution <AND> Concrete science-based target <AND> min 10% Revenues from Renewable Energies Power Generation <AND> max 5% Revenues from Coal Power Generation <AND> company sector “Utilities” according to the FactSet sector classification system. |
| Fossil Fuel | 50% Overall |
| **Electric power generation from fossil fuel sources and biomass** | **≥ 50%** |
| Oil Sands | 0% Production & Exploration |
| Military Equipment | 5% Production <OR> 5% Distribution <OR> 50% Services |
| Pornography | 0% Production <OR> 5% overall |
| Tobacco | 0% Production <OR> 5% Distribution <OR> 50% Services |
| Gambling | 5% Production & Distribution <OR> 50% Services |
| Alcohol | 5% Production & Distribution <OR> 50% Services |
| Non-pharmaceutical Cannabis | 5% Production & Distribution <OR> 50% Services |

* 2.3 Weighting

From: The decarbonization trajectory is defined by an annual minimum Carbon Intensity reduction of 7% compared to the CARBON INTENSITY of the INDEX on the BASE DAY in a geometric progression. The CARBON INTENSITY of the INDEX is capped at the minimum of the CARBON INTENSITY of the decarbonization trajectory on the SELECTION DAY and 55% of PARENT INDEX CARBON INTENSITY on the SELECTION DAY.

To: The decarbonization trajectory is defined by an annual minimum Carbon Intensity reduction of 7% compared to the CARBON INTENSITY of the INDEX on the BASE DAY in a geometric progression. The CARBON INTENSITY of the INDEX is capped at the minimum of the CARBON INTENSITY of the decarbonization trajectory on the SELECTION DAY and **50%** of PARENT INDEX CARBON INTENSITY on the SELECTION DAY.

**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 SSPAB Series 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 *2025-02-03*

[Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on  *2025-02-17.*

Please send your feedback via email to [marketconsultation@solactive.com](mailto:marketconsultation@solactive.com), specifying “**Market Consultation SSPAB- Series**” 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