SOLACTIVE
German Index Engineering

MARKET CONSULTATION SOLACTIVE ISS ESG FILTERED INDICES

09 December 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 Filtered Developed Markets PAB SEK Index	.SFDPABSP	DE000SL0J5E5
Solactive ISS ESG Filtered Developed Markets PAB SEK Index NTR	.SFDPABSN	DE000SL0J5F2
Solactive ISS ESG Filtered Developed Markets PAB SEK Index TR	.SFDPABST	DE000SL0J5G0
Solactive ISS ESG Filtered Sweden PAB SEK Index PR	.SFSPABSP	DE000SL0J5H8
Solactive ISS ESG Filtered Sweden PAB SEK Index NTR	.SFSPABSN	DE000SL0J5J4
Solactive ISS ESG Filtered Sweden PAB SEK Index TR	.SFSPABST	DE000SL0J5K2

Rationale for the Market Consultation

Solactive proposes methodology enhancements for the indices, which aim to track the Swedish and Developed equity markets while maintaining alignment with the Paris Climate Agreement's long-term global warming targets. The indices apply ESG exclusion criteria and use an optimization-based approach to achieve their decarbonization objectives.

Solactive proposes these adjustments to address current market conditions, improve replicability for index-linked products, and strengthen the methodology's robustness, without altering the indices' core climate objectives.

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):

For the Solactive ISS ESG Filtered Developed Markets PAB SEK Index and the Solactive ISS ESG Filtered Sweden PAB SEK Index:

2.2. SELECTION OF THE INDEX COMPONENTS

Old:

Gambling	>5% Production <OR> Distribution

New:

Gambling	>5% Production <OR> Distribution <OR> Services

For the Solactive ISS ESG Filtered Sweden PAB SEK Index PR:

2.3. WEIGHTING OF THE INDEX COMPONENTS

Old:

$$\max weight_i = \frac{ADVT_i}{x}, where\ x = 100mn$$

2. Each INDEX COMPONENT is assigned a weight in line with the requirements for EU Paris-aligned

Benchmarks. I.e., an optimization is applied that minimizes the cumulative squared weight

deviation from the PARENT INDEX,

subject to the following constraints:

a. 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.

b. Maximum absolute weight deviation from the weight in the PARENT INDEX of 3%. Individual and issuer Weights are capped at a maximum of 9%and floored at 0.001%. In addition, INDEX COMPONENTS are capped based on the minimum AVERAGE DAILY VALUE TRADED (ADVT) in USD over the past 1 month and 6 months before, and including, the SELECTION DAY. In detail, weights in the INDEX are capped according to the formula below:

$$\max weight_i = \frac{ADVT_i}{x}, where\ x = 100mn$$

3. If no solution can be found, the constraints are relaxed in the following order:

a. Single weight constraint: x is lowered to 50mn.

b. Single weight constraint: Maximum absolute deviation from the weight in the PARENT INDEX is iteratively increased by 0.25% until a solution is found.

New:

$$\max weight_i = \frac{ADVT_i}{x}, where\ x = 150mn$$

1. Each INDEX COMPONENT is assigned a weight in line with the requirements for EU Paris-aligned Benchmarks. I.e., an optimization is applied with a combined objective to minimize turnover and to minimize the cumulative squared weight deviation from the PARENT INDEX,

subject to the below constraints. The optimization is run in two steps. The first iteration is run without applying the weight floor in constraint b. For the second iteration, all securities with an optimized weight below 0.001% are excluded from the optimization. The second optimization is run with all constraints listed below.

a. 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.

b. Maximum absolute weight deviation from the weight in the PARENT INDEX of 3%. The maximum absolute weight deviation of securities contributing more than 20% to the maximum CARBON INTENSITY of the INDEX as defined in constraint a., is increased so that the minimum allowed weight implies a 20% contribution to that target. Individual and issuer weights are capped at a maximum of 9% and floored at 0.001%. In addition, INDEX COMPONENTS are capped based on the minimum AVERAGE DAILY VALUE TRADED (ADVT) in USD over the past 1 month and 6 months before, and including, the SELECTION DAY. In detail, weights in the INDEX are capped according to the formula below:

$$\max weight_i = \frac{ADVT_i}{x}, where\ x = 100mn$$

c. Single security turnover is capped based on the minimum AVERAGE DAILY VALUE TRADED in USD over the past 1 month and 6 months before, and including the SELECTION DAY, according to below formula:

$$\max weight\ change_i = \frac{Share * ADVT_i}{x}$$

Where:

x: 100mn

Share: 50%

Newly excluded securities are exempted from this constraint.

3. If no solution can be found, the constraints are relaxed in the following order:

a. Single weight constraint: Maximum absolute deviation from the weight in the PARENT INDEX is iteratively increased by 0.25% until a solution is found.

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 ISS ESG Filtered Indices 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 *23/12/2025 COB.*

[Subject to feedback received on this Market Consultation, the changes mentioned above are intended to become effective on 06/01/2026.

Please send your feedback via email to marketconsultation@solactive.com, specifying "Market Consultation Solactive ISS ESG Filtered Indices" as the subject of the email, or

via postal mail to: Solactive AG

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Should you have any additional questions regarding the consultative question in particular, please do not hesitate to contact us via above email address.

SOLACTIVE

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