

Press Release

Solactive releases new line of ESG benchmark indices with ESG provider ISS ESG

1 February 2019

"ESG is not just a trend. It is going to dominate contemporary investors decision on financial strategies for the future to come", outlines Timo Pfeiffer, Head of Research at Solactive on Solactive's recent index development. The German index provider released a new line of ESG screened indices in the equity and fixed income space.

The Solactive ISS ESG Screened Index Series aims to track various size and regional segments of the global capital markets, such as Japan, the United States, Europe, and Developed Markets, including only companies that have a record of low involvement in controversial areas, according to market standards on ESG controversy screens. Solactive worked with major ESG data and analytics provider ISS ESG, which is the responsible investment arm of Institutional Shareholder Services (ISS), integrating industry-leading screening, ratings, and climate solutions. ISS ESG developed the underlying framework utilised for the ESG screening. In order to identify eligible stocks for the index series, the screening reviews all companies in the Solactive Global Benchmark Series, which is the base universe for the index. Similarly, for bonds, the Solactive ISS ESG Screened Euro IG Corporate Bond TR Index tracks the EUR denominated corporate bond market, applying the same ESG criteria.

The ESG screen takes into account several factors, which are, among others, derived from the United Nations Global Compact and include a *norm-based* screening such as verified violation of human and labour rights, involvement in controversial weapons like biological and nuclear weapons as well as anti-personnel mines, and business operations in sectors including fossil fuel, military, and tobacco.

Timo Pfeiffer explains: *"Our new Benchmark series grants investors the opportunity to gain access to a broad universe of stocks or bonds without exposure to controversial business practices. Working with ISS ESG ensures credible and reputable results, which are crucial concerning the fact that a large number of investors put their trust into reliability."*

Marija Kramer, Managing Director ISS ESG, comments: *"We are pleased to contribute to the Solactive ISS ESG Screened Index Series with our comprehensive data and analytics. As a leading source for sustainable and*

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responsible investment solutions, index providers such as Solactive can develop market-leading products based on our high-quality, reliable and relevant data. Having provided customised solutions to the index market for many years, this cooperation marks a new milestone in how global investors can access our high-quality ESG insights on an even broader scale."

As of 1 February, the *Solactive ISS ESG Screened Index Series*, as well as the Solactive ISS ESG Screened Euro IG Corporate Bond TR Index, are available for licensing and can be used as the basis for ETFs and structured products, benchmarking purposes or as the starting universe for customized index strategies.

For further information, please visit: www.solactive.com

Note to editors

About Solactive

Solactive AG is an innovative index provider that focuses on the development, calculation and distribution of tailor-made indices across all asset classes. As at January 2019, Solactive AG served approximately 400 clients in Europe, America and Asia, with approximately USD 200 billion invested in products linked to indices calculated by the company globally, primarily via 380 exchange-traded funds from a number of well-known providers. Solactive AG was established in 2007 and is headquartered in Frankfurt.

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