

## Press Release

### Solactive releases new issuer-level screened Green Bond Index and partners with Lyxor for the launch of a new Green Bond ETF

11 October 2019

The green bond market has grown massively, and green bond investors' needs are evolving all the time. Back in 2014, when Solactive established its first Green Bond Index, only 14 bonds were eligible for inclusion. Today, it includes 319 bonds (as at 02/10/2019). This index now also serves as the basis of Solactive's first ESG-screened green bond Index – **Solactive Green ESG Bond EUR USD IG TR Index**. Both indices place a unique emphasis on projects and assets seeking to make the greatest contributions to reducing CO2 emissions. The new index adds an **issuer-level screen** meaning it expands its focus beyond the bonds' use-of-proceeds to include the issuer's current exposure to fossil fuel-based power generation or nuclear.

*"There is a fundamental misconception between ESG and the term 'green'," says Timo Pfeiffer, Head of Research at Solactive. "Both classifications overlap in certain regions, but fundamentally, they are entirely independent of each other. With our new **Solactive Green ESG Bond EUR USD IG TR Index** investors who, for various reasons, are unable to engage with pure green bonds can now diversify their portfolio with ESG-compliant green bonds."*

Green bonds are fixed-income instruments, issued by companies to finance projects which aim to improve the environment and reduce carbon emissions. Although many classifications exist, Solactive follows the high standards required by the Climate Bonds Initiative to identify green issuances.

While some – or most – green bonds are currently geared towards assisting the transition to a low-carbon economy, some investors facing extra regulatory, or mandate-driven constraints, which require investment vehicles incorporating additional ESG criteria. Out of the starting universe of more than 300 bonds, 243 green bonds (as at 02/10/2019) make up the new index after the ESG screening. All the bonds included in the two indices are rated investment-grade and denominated in EUR and USD.

Lyxor Asset Management uses the **Solactive Green ESG Bond EUR USD IG TR Index** as the underlying for its new **Lyxor Green Bonds ESG Screened UCITS ETF (XC02)**, which started trading on Deutsche Börse Xetra on October 1<sup>st</sup>, 2019.

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François Millet, Head of ETF Strategy, ESG & Innovation at Lyxor, commented: "Lyxor is committed to providing investment solutions to aid climate transition, including offering ETF access to the booming green bond market. Having pioneered green bond ETFs, we are delighted to be able to expand our range and offer investors a choice of green bond solutions to meet their ever-evolving ESG needs."

For further information, please visit: [www.solactive.com](http://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.

### Disclaimer

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