

Press Release

Solactive collaborates with ISS ESG to release Solactive ISS SDG Leaders Index based on the 17 United Nations' Sustainable Development Goals

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In 2015, all member states of the United Nations adopted the UN's 2030 Agenda for Sustainable Development. This proposal serves as a fundamental concept for a peaceful and prosperous society, and contains, at its core, 17 Sustainable Development Goals, including, for example, Zero Hunger, Quality Education, and Gender Equality. To enable conscious investors to leave a positive impact on the planet in accordance with the UN's Sustainable Development Goals, Solactive and ESG provider ISS ESG teamed up to develop an index containing only those companies actively engaging with the important goals.

As the basis universe for the **Solactive ISS SDG Leaders Index** serves the **Solactive GBS Global Markets All Cap USD Index**, which is a broad market benchmark including more than 11,000 stocks from 24 developed and 26 emerging markets countries. First, the index methodology intends a strict exclusion of both companies involved in the manufacture or application of controversial weapons and companies with a verified failure to respect established norms such as human or labour rights. Also, companies that fail to provide sufficient information concerning compliance with these norms and business practices are automatically excluded to ensure compliance of the remaining company pool.

After these baseline exclusions, companies are selected based on their overall and single **SDG Impact Rating**, which is a proprietary evaluation concept by ISS ESG. The **SDG Impact Rating** utilizes the United Nations' SDGs as a reference point and values both a company's negative and positive impact on the SDGs by taking into account a corporate's effort to avoid negative externalities in the whole value chain as well as the utilization of established or developing measurements to contribute to the fulfilments of the United Nations' SDGs.

Each company is evaluated with regard to its products and services, operations, and controversies for every one of the 17 SDGs. For each goal, the respective company will be ranked on a scale ranging from -10 to +10, and to qualify for inclusion in the index, a company must at least score an overall SDG Impact Rating of > 5.0. Additionally, a company is not allowed to have a negative impact on the 17 SDGs, meaning it is not allowed to have a single SDG Impact Rating of < -0.1.

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"From my point of view, the most pervasive impact of the UN's SDGs is that they provided a common and tangible framework helping to generate global awareness around ESG and sustainability among both the broader public and financial professionals," comments Timo Pfeiffer, Chief Markets Officer at Solactive. "Making those principles investible incentivizes those companies actively engaging with social responsibility while downgrading non-compliant companies, which is a beneficial effect."

"In light of the strong positive market feedback following the launch of the ISS ESG SDG Impact Rating, we are delighted to now facilitate the provision of investable indices drawing on the same unique, holistic methodology," said Hernando Cortina, Head of Index Strategy at ISS ESG.

For further information, please visit: <http://www.solactive.com>

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Note to editors

About Solactive

Solactive is a leading provider of indexing, benchmarking, and calculation solutions for the global investment and trading community. Headquartered in Frankfurt, and with offices in Hong Kong, Toronto, Berlin, and Dresden, we innovate and disrupt the status quo as the partner of choice for our clients.

The unique blend of our 250 staff's expertise in data, data science, financial markets, and technology enables our clients' continued success through the delivery of a superior experience, unique customization capabilities, and the best value for money available in the industry. With more than 14,000 indices calculated daily, we offer a full suite of solutions, including market-leading ESG and thematic indices.

As at April 2020, Solactive served approximately 450 clients across the world, with approximately US\$200 billion invested in products linked to our indices. Solactive is registered with ESMA as a benchmark administrator and is supervised by the BaFin.

About ISS ESG

ISS ESG solutions enable investors to develop and integrate responsible investing policies and practices, engage on responsible investment issues, and monitor portfolio company practices through screening solutions. It also provides climate data, analytics, and advisory services to help financial market participants understand, measure, and act on climate-related risks across all asset classes. In addition, ESG solutions cover corporate and country ESG research and ratings enabling its clients to identify material social and environmental risks and opportunities. For more information, please visit us at: www.iss-esg.com

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