

## Press Release

### Solactive releases new index family tracking only companies with the highest cybersecurity ratings from BitSight

06 October 2020

The topic of ESG has solidified itself as a household name in the financial industry. With a massive tilt towards social and environmental concerns, the market lacks dedicated G-benchmarks that, for example, take into account a company's exposure to certain contemporary risks. With Solactive's new Solactive BitSight Cyber Risk Indices, the German index provider reinterpreted the Governance factor by including in one index family only those companies that exhibit comparably good cyber risk management systems and strategies. Backtests reveal a sizable outperformance of the Solactive BitSight Cyber Risk Indices compared to its benchmarks, potentially adding some G-Force into investors' portfolios.

The protection against cyber risks is essential for every organization that relies on information technology, and investors are increasingly concerned about cyber risks to their investments. The resilience towards cybersecurity risks is, by far, not standardized throughout the industry and bears large gaps between companies in all sectors. Yet, not all companies keep abreast, which goes to the disadvantage of investors as **research shows an average share-prices fall of 7.27% in a two-week period after a company disclosed a data breach to the public<sup>1</sup>**. Consequently, **superior cybersecurity management** is a necessary foundation to assure an invulnerable production and service offering and, potentially, **according to BitSight**, serves as an **additional sustainability-factor alongside the current ESG nomenclature**.

To identify the constituents for the **Solactive BitSight Cyber Risk Indices**, Solactive allied with BitSight, the market's leading provider of objective Security Ratings. BitSight's approach extends **beyond the analysis of ordinary companies' self-disclosure** of their cybersecurity defense by continuously **collecting externally observable** security performance information and applying **sophisticated algorithms** to build a cohesive and reliable cybersecurity risk profile. For the Solactive BitSight Cyber Risk Indices, only the top 25% of companies according to BitSight's ranking per sector, as defined by FactSet, will be included in the indices.

Stephen Harvey, Chief Executive Officer at BitSight, comments: *"BitSight is powering a new era, where cyber risk is integrated into every market decision and strong, measurable cybersecurity performance is a market differentiator. This unprecedented research will not only affect investors' views on cybersecurity, but also the*

---

<sup>1</sup> [https://www.comparitech.com/blog/information-security/data-breach-share-price-analysis/#NASDAQ\\_benchmark\\_validation](https://www.comparitech.com/blog/information-security/data-breach-share-price-analysis/#NASDAQ_benchmark_validation)

**Solactive AG**  
**German Index Engineering**  
Platz der Einheit 1  
60327 Frankfurt am Main  
Germany

**Timo Pfeiffer**  
**CMO**  
+49 (69) 719 160-320  
[timo.pfeiffer@solactive.com](mailto:timo.pfeiffer@solactive.com)

**Fabian Colin**  
**Head of Sales**  
+49 (69) 719 160-220  
[fabian.colin@solactive.com](mailto:fabian.colin@solactive.com)

**Phil Wiedbrauck**  
**PR & Communications**  
+49 (69) 719 160-311  
[phil.wiedbrauck@solactive.com](mailto:phil.wiedbrauck@solactive.com)

*way that C-suite and security professionals manage and measure cybersecurity performance inside of their organizations. For BitSight, this is another independent, statistical validation of our market-leading Security Ratings, further cementing the reason why the global marketplace -- investors, insurers, governments, and businesses -- trust and use the BitSight platform."*

The Solactive BitSight Cyber Risk Index family helps investors factor cyber risk into their investment decision-making, serving as a leading benchmark for only the best cyber-secure companies. The indices can serve as the underlying for index-linked products such as ETFs or structured products.

*"Solactive's approach has always been, and will always be, to identify quality data sources that enable us to provide our clients with a superior indexing strategy and experience. With BitSight, we found a data provider sharing with us the same approach towards the predominance of big data,"* comments Timo Pfeiffer, Chief Markets Officer at Solactive. *"The importance of effective cybersecurity management is a crucial factor in a company's long-term success as it is an unquestionable minimum requirement in today's interconnected economy. We're very proud to release an index family with BitSight that reflects the utter importance for this still understated sustainability aspect."*

**The first Solactive BitSight Cyber Risk Indices went live on the 6<sup>th</sup> of October.**

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

**Solactive AG**  
**German Index Engineering**  
Platz der Einheit 1  
60327 Frankfurt am Main  
Germany

**Timo Pfeiffer**  
**CMO**  
+49 (69) 719 160-320  
[timo.pfeiffer@solactive.com](mailto:timo.pfeiffer@solactive.com)

**Fabian Colin**  
**Head of Sales**  
+49 (69) 719 160-220  
[fabian.colin@solactive.com](mailto:fabian.colin@solactive.com)

**Phil Wiedbrauck**  
**PR & Communications**  
+49 (69) 719 160-311  
[phil.wiedbrauck@solactive.com](mailto:phil.wiedbrauck@solactive.com)

## 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.

### Disclaimer

The information in this document does not constitute tax, legal or investment advice and is not intended as a recommendation for buying or selling securities. Solactive AG and all other companies mentioned in this document are not responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

Solactive AG, Platz der Einheit 1, 60327 Frankfurt am Main, Germany. Registered Office: Frankfurt am Main, Registration Court: Amtsgericht Frankfurt am Main, HRB: 79986, USt-IdNr.: DE 255 598 976. Management Board: Steffen Scheuble, Christian Vollmuth, Timo Pfeiffer, and Dirk Urmoneit, Head of Supervisory Board: Dr Felix Mühlhäuser.

**Solactive AG**  
**German Index Engineering**  
Platz der Einheit 1  
60327 Frankfurt am Main  
Germany

**Timo Pfeiffer**  
**CMO**  
+49 (69) 719 160-320  
[timo.pfeiffer@solactive.com](mailto:timo.pfeiffer@solactive.com)

**Fabian Colin**  
**Head of Sales**  
+49 (69) 719 160-220  
[fabian.colin@solactive.com](mailto:fabian.colin@solactive.com)

**Phil Wiedbrauck**  
**PR & Communications**  
+49 (69) 719 160-311  
[phil.wiedbrauck@solactive.com](mailto:phil.wiedbrauck@solactive.com)