



# RI TRANSPARENCY REPORT

2019

Solactive AG

## About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2019 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	✓	Public
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	✓	Public
SG 05	Outsourcing of services	✓	Private
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	🔒	n/a
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

# Solactive AG

## Reported Information

### Public version

### Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

OO 01

Mandatory

Public

Descriptive

OO 01.1

Select the location of your organisation's headquarters.

Germany

OO 01.2

Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3

Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4

Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

175

## Reporting Year

OO 02

Mandatory

Public

Descriptive

OO 02.1

Indicate the year end date for your reporting year.

31/12/2018

## Signatory category and services

OO 03

Mandatory

Public

Gateway

OO 03.1

Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)  
**Index Provider**
- Other, specify(2)

OO 03.2

Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data provision
- Other, specify (3)
- Other, specify (4)
- None of the above

OO 04

Mandatory

Public

Descriptive

OO 04.1

Please describe your core offering or main business activity.

Solactive AG is based in Frankfurt and known for its IT-driven approach to index calculation - German Index Engineering.

Covering all common asset classes like equities, fixed income and commodities, we have globally more than 400 clients and calculate around 6,500 indices.

Offices in Frankfurt, Toronto and Hong Kong make us one of the few providers with global reach.

# Solactive AG

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

Solactive's company philosophy has always been to challenge the status quo, and this spirit is what has led us to become one of the market leaders in the indexing industry. Since our inception in 2007, we did not have a brand value to attract clients with, so our purpose was to sit down and listen to every client's requirements resulting in positioning ourselves as the index provider who provides a timely execution, high customization of our services. This mental disposition fuels each of our employees' engines and is reflected in our activities offside our core business activities:

Picking up that spirit, Solactive initiated its Tackle Days in 2018, where employees were able to vocal proposals for improvement. This action encouraged our staff to launch a company-wide initiative to make a positive social impact. Solactive now supports three organizations, which are dependent on voluntary work. Furthermore, we established social days where employees are able to take a day off work to perform volunteer tasks in one of the chosen organizations. The activities range from food donations to handing out the said food at dedicated outlets, to janitorial services for associations which provide pediatric hospice care and support for cancer battling children and their families.

To further reduce our ecological footprints, we encourage our staff to take public transportation instead of taking the car to work. Furthermore, Solactive hands out bamboo cups which our employees ought to use in order to cut down on plastic cups.

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

### Policy components/types

- Policy setting out your overall ESG/RI approach
- Formalised guidelines on environmental factors
- Formalised guidelines on social factors
- Formalised guidelines on corporate governance factors
- Formalised guidelines on engagement approach
- Formalised guidelines on (proxy) voting approach
- Other, specify (1)

We integrate the possibility of ESG screening in our customized client offerings.

Public availability

URL



URL

{hyperlink:https://www.solactive.com/indices/esg}

- Attachment
- Not publicly available
- Other, specify (2)
- None of the above

**SG 01.4** Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
- Regular RI/ESG policy awareness building for employees
- Establishment of policy review committee/team
- Remuneration linked to achieving ESG objectives
- Annual performance incentives
- Other, specify (1)

We encourage our staff to volunteer in social activities such as the support of social organizations as well as food donations for local nonprofit agencies.

- Other, specify (2)
- Other, specify (3)

No

**SG 01.5** Additional information [OPTIONAL]

More than 90 percent of our employees walk, cycle, or use public transportation to get to their workplace. We encourage sustainable behavior in our employees through initiatives like reusable coffee cups, "Think before you print" campaigns, and prompt the separation of waste and reduced usage of packaged food. We represent over 15 different nationalities in five different business locations, and promote the balanced recruitment and career advancement of men and women.

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>
--------------	------------------	---------------	--------------------

**SG 02.1**

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

**SG 03****Mandatory****Public****Descriptive****SG 03.1**

Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.

	Off the shelf	Tailored
Asset class-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Multi-year RI implementation project plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Conflict of interest management policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SG 03.2**

Provide a brief description of the key elements, any variations, or exceptions applying to these policies.

ESG data is often included in creating tailor-made indices for which the different policies and methodologies do vary, depending on the client's needs and ESG specific goals.

**SG 04**

**Mandatory**

**Public**

**Descriptive**

**SG 04.1**

Briefly describe how you include ESG/RI factors as part of your business offerings.

**Business area**

Other, specify (1)

We engage with third party ESG data providers and include their ESG data in the development of customised indices.

How you include ESG/RI factors

Based on third party ESG data.

**SG 04.2**

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.

Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Directors	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other chief-level staff	<input type="checkbox"/>	<input type="checkbox"/>
Other heads of department	<input checked="" type="checkbox"/> <div style="background-color: #0070C0; color: white; padding: 2px; text-align: center;">Please specify</div> Head of Research & Business Development	<input type="checkbox"/>
Dedicated ESG/RI staff	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SG 04.3**

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- Staff training on ESG/RI incorporation
- Including ESG/RI knowledge factors in personal development goals
- Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- Including ESG in selection requirements when hiring new employees
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)

**SG 04.4**

Indicate whether your organisation has any ESG/RI linked incentives for its employees.

- Yes

**SG 04.5**

Describe the ESG/RI linked incentives.

Social Days initiatives as part of Tackle Days.

- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

**SG 06****Mandatory****Public****Descriptive****SG 06.1**

Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

**SG 07****Mandatory****Public****Descriptive**

**SG 07.1**

Describe how your organisation applies, advances and promotes the PRI Principles.

Solactive picked up the increase in demand for ESG indices and built itself an immense competence in this very substantial area. To maintain our thought-leadership, we've published blogs circulating around the ESG topic and not only promote its proven outperformance of the benchmarks but also highlight the social and ethical impact, which ESG investment ultimately implies.

Accessing the raw data allows us to credibly tell the facts. To promote ESG indexing, our Head of Research, Timo Pfeiffer, regularly speaks at panel discussions concerning ESG topics, allowing us to promote ESG towards a dedicated target group.

We stand by the claim that ESG should be an imperative for any long-term investor, and we reflect this attitude in every ESG related press release, which we send to clients and journalists.

**SG 07.2**

Highlight whether there are any ways that your organisation would like to engage further with the PRI. [OPTIONAL]

Host annual ESG workshops for staff. Strategically, we are looking to build a dedicated ESG team.

**SG 08****Mandatory****Public****SG 8.1**

Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify  
In-house activities such as support of non-profit organizations.
- None of the above

**SG 09****Mandatory****Public****Descriptive****SG 09.1**

Indicate which of the following long-term trends are addressed in your product outputs.

- Changing demographics
- Climate change

**SG 09.2**

Explain how this long-term trend affects your product outputs.

We frequently issue indices, which concern with climate change, allowing investors a facilitated exposure to companies that operate in line with set standards and principles.

Resource scarcity

**SG 09.2**

Explain how this long-term trend affects your product outputs.

Our in-house research team identifies various thematic trends, which circle around Resource scarcity. We regularly present those ideas in meetings with clients.

Technology developments

Other, specify (1)

Other, specify (2)

None of the above

**SG 11**

**Mandatory**

**Public**

**Descriptive**

**SG 11.1**

Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.

Describe

Implementation and ESG criteria used in index construction are typically decided by our clients, as they have different needs and often also regulatory requirements.

This is not relevant for my organisation

**SG 12**

**Mandatory**

**Public**

**Descriptive**

**SG 12.1**

Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.

Describe

This is not relevant for my organisation

**SG 13**

**Mandatory**

**Public**

**Descriptive**

**SG 13.1**

Indicate whether you seek feedback from clients on your RI/ESG services and product offerings

Yes

**SG 13.2**

Describe how you use this feedback in your RI/ESG services and product offerings.

In every meeting, we raise the topic of ESG, and in over 50% of times, clients themselves even address the matter. We encourage clients appropriately to include ESG screening if we think that the final product would benefit from it. Of course, we never reject clients' request to include ESG screening. If a client states that they need specific requirements for ESG screening, we do everything in our power to fulfill those demands.

No

**SG 14****Mandatory****Public****Descriptive****SG 14.1**

Indicate whether your organisation has a policy for managing potential conflicts of interest.

Yes

**SG 14.2**

Describe how you manage potential conflicts of interest.

When it comes to indexing, working with independent ESG providers is the sole reason to avoid potential conflicts of interest.

**SG 14.3**

Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

Compliance and Information Security Process re-launched in 2018. Also, Solactive just recently gained an ISO 270001 registration.

No