

# S&P Dow Jones Indices

A Division of **S&P Global**

## S&P 500<sup>®</sup> ESG Index

### Integrating ESG Values into the Core

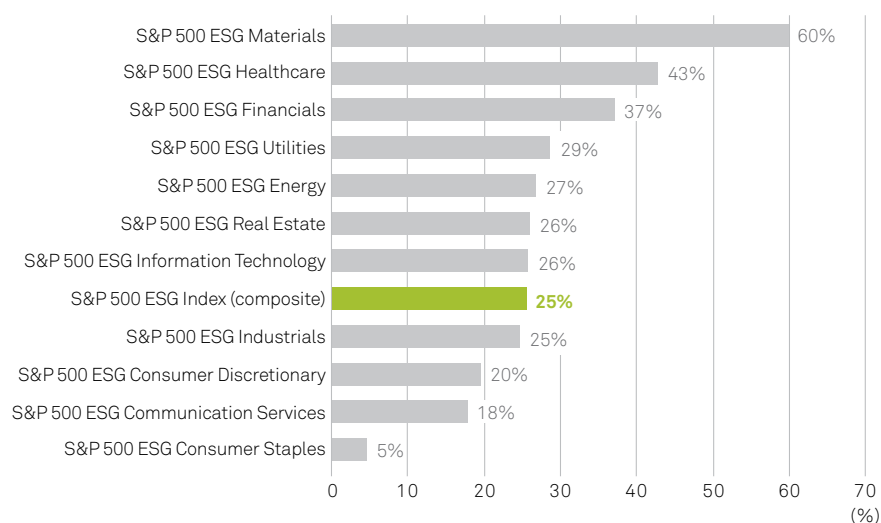
The S&P 500 ESG Index is designed to provide improved ESG representation while offering a risk and return profile similar to that of the S&P 500.

Using S&P DJI ESG Scores and various ESG exclusions, the index ranks and selects eligible companies, targeting 75% of the market capitalization in each S&P 500 GICS<sup>®</sup> industry group.

S&P DJI ESG Scores are unique in that they focus on the most financially material and relevant ESG signals within specific industries. The scores are governed by S&P DJI and calculated by SAM, a global leader in ESG data.



#### ESG Score Improvement vs. Benchmark



The S&P 500 ESG Index has achieved a **25%** improvement in S&P DJI ESG Score vs. the S&P 500.

	S&P 500	S&P 500 ESG Index
No. of Constituents	505	319
5-Year Annualized Returns (Total Return)	9.66%	9.69%
5-Year Standard Deviation	11.72%	11.67%
5-Year Tracking Error		0.74%

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2019.

The S&P 500 ESG Index was launched on Jan. 28, 2019. All data shown prior to the launch date is hypothetical back-tested performance, not actual performance. See the full disclaimer for more information. Past performance is no guarantee of future results. Chart is provided for illustrative purposes. Index and sector composite "ESG Score Improvement" are calculated as the percentage difference between the index/sector ESG scores of the S&P 500 ESG Index and the S&P 500, relative to the index/sector's maximum potential improvement, based on only investing in the single highest ranked ESG scoring company in the index/sector.

## Some Examples of S&P 500 ESG Index Benefits

Environmental



**10%**

more exposure to companies that analyze their sources of Scope 3 emissions (as categorized by the Greenhouse Gas Protocol)

**10%**

more third-party-verified emission data

**10%**

more exposure to companies with GHG emission reduction targets

Social



**12%**

more exposure to companies actively monitoring diversity-related issues

**13%**

more exposure to companies with at least 50% female representation across management positions

**8%**

more exposure to companies with employee development programs

Governance



**10%**

more exposure to companies that perform an ESG materiality analysis, rank these risks, and report them

**8%**

more exposure to companies promoting an effective risk culture that includes financial incentives and focused training throughout the organization

**7%**

more exposure to companies that allow proactive identification, reporting of potential organizational risk, and whistleblowing

These are just a few examples of the numerous ways in which the S&P 500 ESG Index offers enhanced ESG representation. Increased index exposure to each ESG theme in the metrics above are calculated using the question-level data in SAM's Corporate Sustainability Assessments (2018 methodology year). These metrics are calculated using index data as of May 31, 2019 as the percentage difference between the performance of the S&P 500 ESG Index and the S&P 500 constituents across these metric, on a weighted average basis.

### Performance disclosure and general disclaimer

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