

S&P Dow Jones Indices

A Division of **S&P Global**

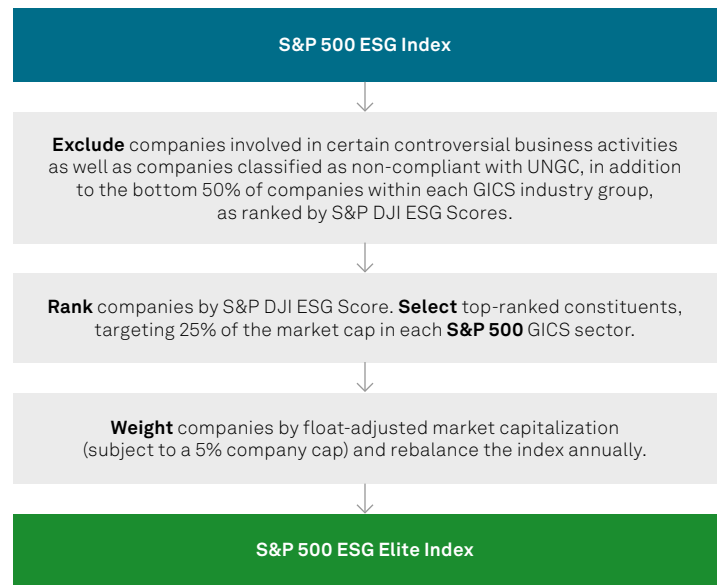
S&P 500[®] ESG Elite Index

Integrating ESG Criteria into the Core with Greater Conviction

The S&P 500 ESG Elite Index measures the S&P 500 with an ESG lens of the highest conviction.

The index applies a broad range of sustainability exclusions, which include extensive fossil fuel screens.

In alignment with S&P DJI's ESG indices, the S&P 500 ESG Elite Index uses S&P Global ESG Scores to rank and select eligible constituents. It targets 25% of the market capitalization in each S&P 500 GICS[®] industry group and utilizes ongoing controversy monitoring via the S&P Global Media & Stakeholder Analysis (MSA).



Index Characteristics

Metric	S&P 500	S&P 500 ESG Index	S&P 500 ESG Elite Index
Number of Constituents	503	324	101
Absolute ESG Score Improvement (%)	-	4.60	10.91
Carbon Efficiency (tCO ₂ e/ USD Million) *	154.85	131.38	84.04

*Index-level direct + 1st tier indirect emissions/USD 1 million in revenue.

Five-Year Historical Performance versus the S&P 500 (USD)

Metric	S&P 500	S&P 500 ESG Index	S&P 500 ESG Elite Index
Annualized Returns (%) (TR)	13.19	14.75	14.38
Standard Deviation (%)	18.48	18.58	18.83
Risk-Adjusted Return	0.71	0.79	0.76
Tracking Error (%)	-	1.34	2.93

Source: S&P Dow Jones Indices LLC. Data as of May 1, 2024, adjusted market close. The S&P 500 ESG Index was launched Jan. 28, 2019. The S&P 500 ESG Elite Index was launched Dec. 21, 2020. All data prior to index launch date is back-tested hypothetical data. Past performance is no guarantee of future results. Tables are provided for illustrative purposes and reflect hypothetical historical performance. Please see the Performance Disclosure linked at the end of this document for more information regarding the inherent limitations associated with back-tested performance.

Please note that carbon reduction is not an index objective.

Some Examples of S&P 500 ESG Elite Index Benefits



Environmental

17%

Higher exposure to companies that have a strong climate strategy in place such as having climate-related issues integrated into overall risk management, identifying climate change risks and opportunities, or reporting on emission reduction activities.

11%

Higher exposure to companies that have a publicly available commitment to maintain, enhance or conserve biodiversity/ecosystems on the land that is under their responsibility.

10%

Higher exposure to companies that have a strategy in place to address waste disposal and have group-wide commitment and associated programs to monitor and reduce waste volumes as well as companies that publicly report their MSA waste and hazardous waste data.



Social

20%

Higher exposure to companies that have a policy in place that states their commitment to respect human rights in accordance with the UN Guiding Principles on Business and Human Rights or other internationally accepted standards; have assessed the potential human rights issues in its business activities; have developed a due diligence process to proactively identify and assess potential impacts and risks relating to respecting human rights; and that publicly report on human rights mitigation and remediation actions.

16%

Higher exposure to companies that set, monitor and disclose quantitative targets to improve customer satisfaction and that have a system to ensure that external product/service distribution networks comply with defined customer service quality standards.

16%

Higher exposure to companies that track Human Capital Return on Investment metrics serving as a global measure of the return on Human Capital programs.



Governance and Economics

19%

Higher exposure to companies that promote and enhance an effective risk culture throughout their organizations, have identified long-term emerging risks that could have a significant impact on business in the future and have taken mitigating actions in light of these risks.

18%

Higher exposure to companies that focus on MSA transparency & reporting and publicly reported quantitative sustainability indicators covering the last fiscal year and have received an external assurance in relation to their sustainability reporting.

18%

Higher exposure to companies that have a publicly available group-wide code of conduct, anti-corruption and bribery policy and have not been involved in any investigations related to anti-competitive practices, corruption & bribery cases during the past four fiscal years.

These are just a few examples of the numerous ways in which the S&P 500 ESG Elite Index offers enhanced ESG representation. Increased index exposure to each ESG theme in the metrics above are calculated using the question-level data in S&P Global's Corporate Sustainability Assessments (2023 methodology year). These metrics are calculated using index data prior to the open on May 1, 2024 as the percentage difference between the performance of the S&P 500 ESG Elite Index and the S&P 500 constituents across these metrics, on a weighted average basis.

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