

S&P Dow Jones Indices

A Division of **S&P Global**

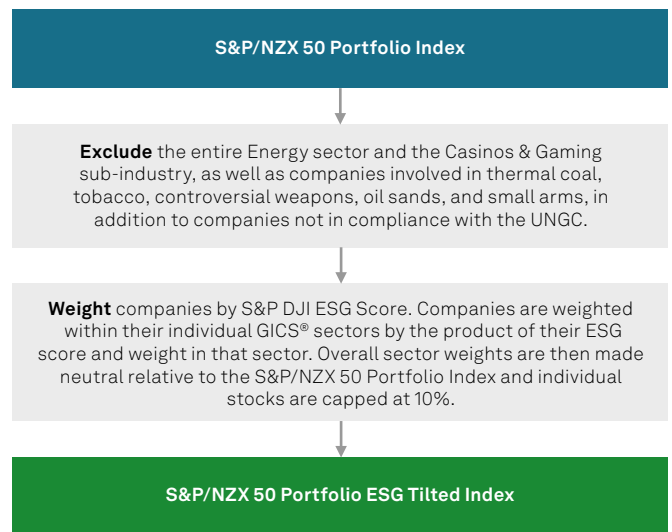
S&P/NZX 50 Portfolio ESG Tilted Index

Tilting Toward Sustainability in New Zealand

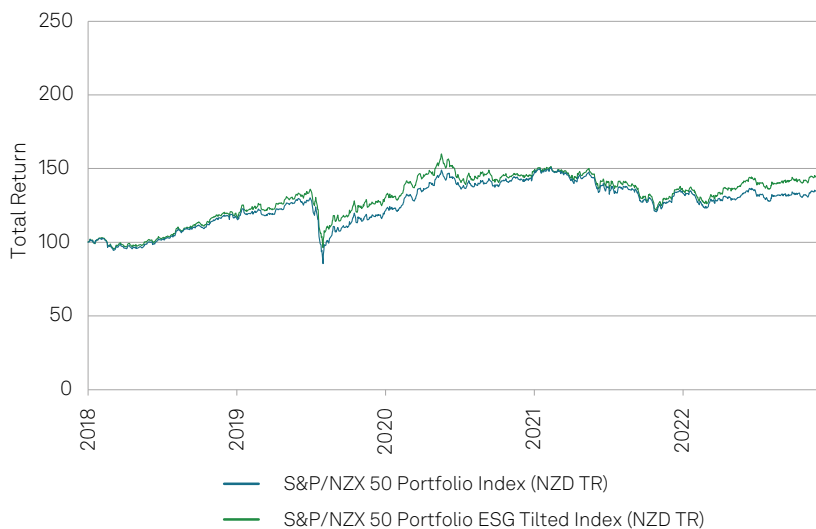
The S&P/NZX 50 Portfolio ESG Tilted Index is designed to provide greatly improved ESG representation along with sector weights that align with the S&P/NZX 50 Portfolio Index, the widely adopted gauge of the New Zealand equity market.

Using the same methodology that underlies the S&P 500® ESG Tilted Index, the S&P/NZX 50 Portfolio ESG Tilted Index is designed to improve the overall index-level S&P DJI ESG Score with respect to the S&P/NZX 50 Portfolio Index by over- and under-weighting companies based on their S&P DJI ESG Scores.

S&P DJI ESG Scores are unique in that they focus on the most financially material and relevant ESG signals within specific industries.



Source: S&P Dow Jones Indices LLC. Chart is provided for illustrative purposes.



The S&P/NZX 50 Portfolio ESG Tilted Index has achieved a

20.94%

Improvement in S&P DJI ESG Score vs. the S&P/NZX 50 Portfolio Index.

	S&P/NZX 50 Portfolio Index	S&P/NZX 50 Portfolio ESG Tilted Index
Index Constituent Count	50	46
5-Year Annual Returns	4.63%	6.33%
5-Year Standard Deviation	20.74%	19.97%
5-Year Tracking Error		3.13%
Index ESG Score Improvement		20.94%

Source: S&P Dow Jones Indices LLC. Data as of July 31, 2023. The S&P/NZX 50 Portfolio ESG Tilted Index was launched on July 12, 2021. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. Index ESG Score Improvement is calculated as the percentage difference between the index ESG scores of the S&P/NZX 50 Portfolio ESG Tilted Index and the S&P/NZX 50 Portfolio Index, relative to the index's maximum potential improvement, based on only investing in the single highest ranked ESG scoring company in the index.

Measuring the Impacts



Environmental



Social



Governance & Economics

19%

Environmental Reporting

higher exposure to companies which publicly reported quantitative Environmental indicators covering the last fiscal year and have received an external assurance in relation to their environmental reporting.

18%

Stakeholder Engagement

higher exposure to companies that have a Stakeholder Engagement policy/procedure publicly disclosed and applied at all local operations, including a grievance mechanism for local stakeholders, stakeholder profiling, mapping, and categorization to identify high-priority stakeholders.

18%

Information Security/ Cybersecurity & System Availability

higher exposure to companies that have processes in place to prevent IT system interruptions, implemented policies and procedures for all employees to ensure that they are aware of threat issues and the importance of information security/cybersecurity and have been successful in managing information security/cybersecurity risks over the last three years.

18%

Climate Strategy

higher exposure to companies that have climate-related issues integrated into over-all risk management, identified climate change risks and opportunities, report on emission reduction activities, provide low-carbon products and/or enable a third party to avoid GHG emissions (avoided emissions), targets and initiatives place to reach net-zero GHG emissions, provide incentives for achieving targets in relation to management of climate change issues.

17%

Talent Attraction & Retention

higher exposure to companies that disclose the type and coverage of the individual performance appraisals used for individual performance-related compensation, provide long-term incentives (tied to an employee's performance) for employees below the senior management level (more than two management levels away from the CEO) and have a percentage of actively DC engaged employees and have implemented a recognized and scaled approach to measuring actively engaged employees.

17%

Business Ethics

higher exposure to companies that are not involved in any ongoing investigations related to anti-competitive practices, have a publicly available group-wide anti-corruption and bribery policy including bribes in any form and publicly disclosing political and charitable contributions, as well as not being currently involved in any ongoing corruption & bribery cases and not having ongoing confirmed cases of corruption & bribery during the past 4 fiscal years.

17%

Water Related Risks

higher exposure to companies that have taken measures with regards to water-related risks, managed water-related risks in terms of regulatory changes and potential changes in price structure and quantity and quality water available for company's operations and have effectively managed stakeholder conflicts concerning water resources.

16%

Social Reporting

higher exposure to companies which publicly report on quantitative social indicators covering the last fiscal year.

16%

Materiality

higher exposure to companies that have conducted a materiality analysis to identify the most important material issues (Environmental, Social, or Governance) for their performance including business strategies, initiatives or products that address these issues and long-term targets or metrics to measure their progress on these issues in a systematic way.

Source: S&P Dow Jones Indices LLC. These are just a few examples of the numerous ways in which the S&P/NZX 50 Portfolio ESG Tilted 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 (2022 methodology year). These metrics are calculated using index data as of July 31, 2023, as the percentage difference between the performance of the S&P/NZX 50 Portfolio ESG Tilted Index and its underlying index constituents across these metrics, on a weighted average basis. Chart is provided for illustrative purposes.

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