

S&P PACT™ Indices

S&P Paris-Aligned & Climate Transition Indices



The S&P PACT Indices offer an indexed-based solution to investors who are looking to mitigate the impacts of climate change by aligning with a 1.5°C scenario, incorporating the European Union's requirements for Low Carbon Benchmarks and utilizing science-based assessments of companies' climate risks and opportunities.

**S&P Dow Jones
Indices**

A Division of **S&P Global**

Key Benefits

Aligns with Paris Agreement

Exceeds the requirements of the Paris Agreement and aligns with a 1.5°C trajectory enabling the achievement of net zero emissions by 2050.

Aligns with EU Low Carbon Benchmarks

In line with the European Union Low Carbon Benchmark requirements and the recommendations of the Task Force on Climate-related Financial Disclosures.

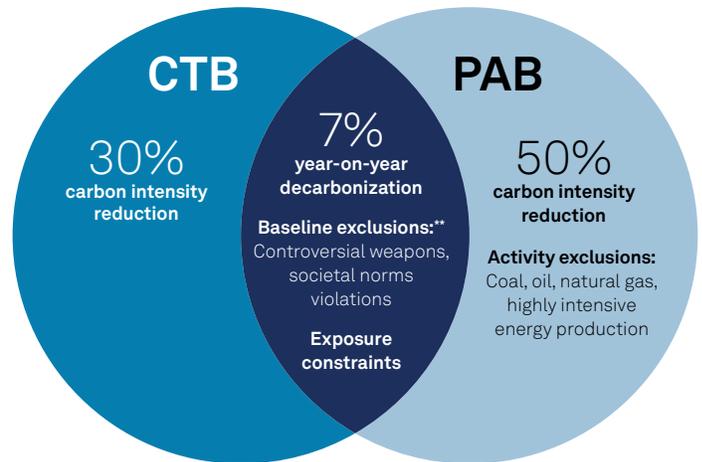
Offers Broad Exposure

Addresses numerous climate objectives efficiently, whilst staying as close to the benchmark index as possible with broad, diversified exposure.

What It Means to Be Aligned with the EU Low Carbon Benchmarks*

The EU Low Carbon Benchmark regulation covers two benchmarks — the Paris-Aligned Benchmark (PAB) and Climate Transition Benchmark (CTB), both of which offer absolute alignment with a 1.5°C trajectory. The S&P PACT Indices include both Paris-Aligned and Climate Transition indices that align with the EU's minimum standards for both PABs and CTBs.

Comparison of EU CTB and PAB Label Requirements



**Only high-level requirements stated here. Please refer to the EU CTB and PAB Label Requirements for further details.

Information correct as of June 14, 2021. Chart is provided for illustrative purposes.

A Closer Look at the Data

Our indices go further than the EU Benchmark requirements by employing additional climate datasets, allowing us to better assess the climate risks and opportunities of companies. We have use of data from S&P Global Trucost, which enhances our S&P PACT Indices offering by:

- Utilizing forward-looking datasets to overweight companies on 1.5°C aligned pathways, allowing selection of companies that are decarbonizing, rather than selecting purely on backward-looking data.
- Reducing index exposure to the physical risks of climate change — ensuring holistic climate change risks are accounted for and allowing alignment with the TCFD.
- Accounting for Scope 3 emissions from the outset, ensuring a more accurate reflection of corporate emissions.

- Reducing exposure to fossil fuel reserves to lower stranded assets risk.

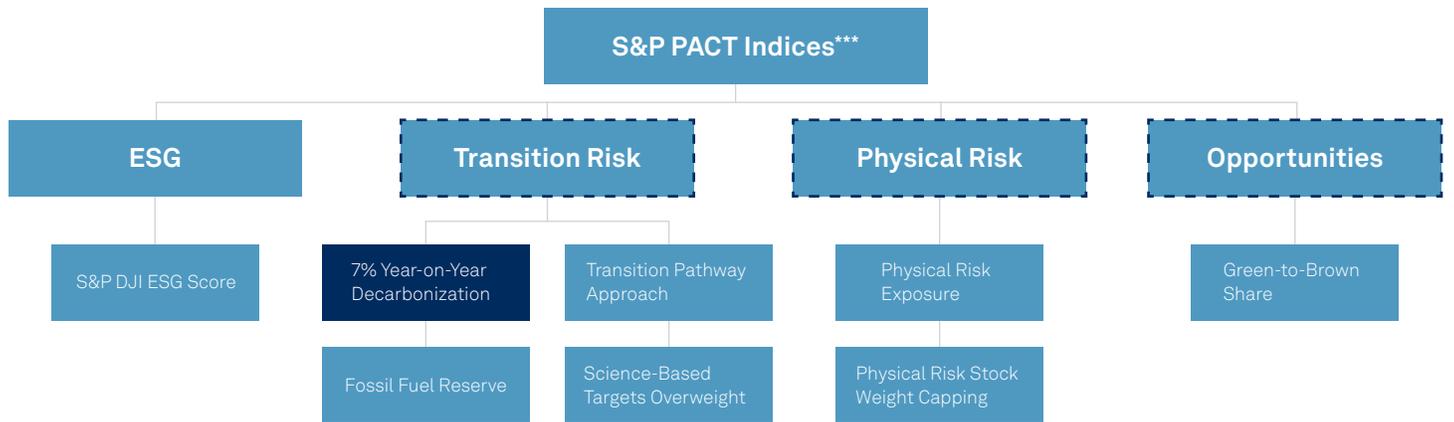


- For the Paris-Aligned indices, providing higher exposure to companies with higher green-to-brown revenue share.



- Overweighting companies with better S&P DJI ESG Scores that may be better positioned to transition to a 1.5°C scenario, as identified by S&P Global ESG Research.

A Holistic Approach to Climate Change



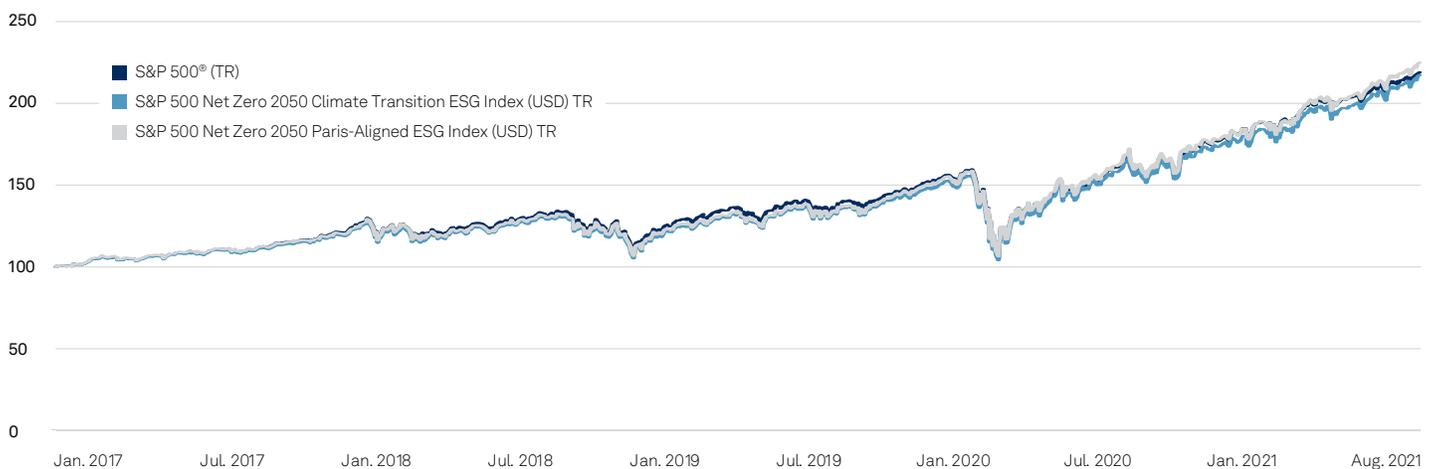
■ Required by the EU Benchmark Regulation

■ Additional climate objectives incorporated in the S&P PACT Indices' Methodology

■ How the S&P PACT Indices are TCFD-aligned

***The S&P PACT Indices were designed to meet the requirements of the TEG final report on [EU Climate Benchmarks and Benchmarks' ESG Disclosures](#). The minimum requirements as described in this report are reflected in this diagram.

Performance



The S&P PACT Index Series

- S&P 500 Net Zero 2050 Climate Transition ESG Index
- S&P 500 Net Zero 2050 Paris-Aligned ESG Index
- S&P Developed Ex-Korea LargeMidCap Net Zero 2050 Climate Transition ESG Index
- S&P Developed Ex-Korea LargeMidCap Net Zero 2050 Paris-Aligned ESG Index
- S&P Europe LargeMidCap Net Zero 2050 Climate Transition ESG Index
- S&P Europe LargeMidCap Net Zero 2050 Paris-Aligned ESG Index
- S&P Eurozone LargeMidCap Net Zero 2050 Climate Transition ESG Index
- S&P Eurozone LargeMidCap Net Zero 2050 Paris-Aligned ESG Index

Source: S&P Dow Jones Indices LLC. Data as of Aug. 31, 2021. Past performance is no guarantee of future results. Chart is provided for illustrative purposes and reflects hypothetical historical performance. The S&P 500 Net Zero 2050 Climate Transition ESG Index and S&P 500 Net Zero 2050 Paris-Aligned ESG Index were launched June 1, 2020.

About S&P Dow Jones Indices

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit www.spglobal.com/spdji/en/.

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