

# S&P Dow Jones Indices

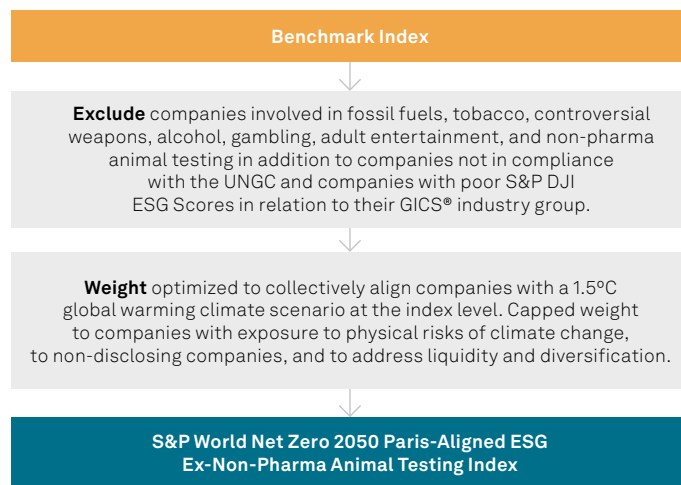
A Division of **S&P Global**

## S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index

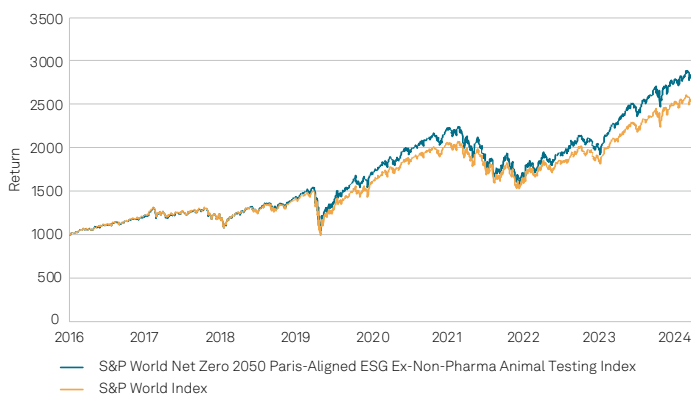
### A Net Zero Index Aligned with 1.5°C Global Warming Scenario

The S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index tracks the performance of eligible equity securities from the S&P World Index, while excluding companies that are involved with non-pharma animal testing, selected and weighted to be collectively compatible with a 1.5°C global warming climate scenario at the index level.

The index aims to meet the minimum standards for EU Climate Transition Benchmarks (EU CTBs) and EU Paris-aligned Benchmarks (EU PABs) under EU Regulations.<sup>1</sup> The index also incorporates factors that seek to identify transition and physical risks and climate change opportunities in alignment with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures' (TCFD) 2017 Final Report.



### S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index Gross Performance Versus Benchmark



Category	S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index	S&P World Index	Improvement
Carbon to Value Invested (Metric Tons CO2e/USD 1 Million Invested)*	23.28	49.68	53.14%
Carbon to Revenue (Metric Tons CO2e/USD 1 Million Revenues)*	72.13	153.15	52.90%
Weighted Average Carbon Intensity (Metric Tons CO2e/USD 1 Million Revenues)*	62.84	124.61	49.57%
Fossil Fuel Reserves: Embedded Emissions (Metric Tons CO2/USD 1 Million Invested)*	13.91	735.64	98.11%

Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2024. Index performance based on total return in USD. The S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index was launched Feb. 20, 2023. All data prior to such date is backtested hypothetical data. Past performance is no guarantee of future results. Chart and 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 backtested performance.

<sup>1</sup> Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019 amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks

Category	S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index	S&P World Index
5-Year Annualized Returns	13.54%	11.62%
5-Year Annualized Standard Deviation	18.32%	17.77%
5-Year Tracking Error	0.13%	-
5-Year Correlation	99.42%	-

Sector Weight %	S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index	S&P World Index
Information Technology	28.360%	26.513%
Financials	18.487%	16.309%
Health Care	11.809%	10.243%
Industrials	11.497%	10.554%
Consumer Discretionary	11.225%	11.052%
Communication Services	8.501%	8.154%
Consumer Staples	5.013%	6.108%
Real Estate	2.180%	1.915%
Utilities	1.475%	2.401%
Materials	1.439%	3.057%
Energy	0.014%	3.695%

Country Weight %	S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index	S&P World Index
United States	71.496%	72.321%
Japan	6.776%	6.649%
United Kingdom	3.651%	3.537%
Canada	3.187%	3.095%
France	2.422%	2.343%
Switzerland	2.168%	2.103%
Germany	2.080%	2.054%
Australia	1.983%	1.842%
Netherlands	1.032%	0.974%
Sweden	0.905%	0.907%
Italy	0.736%	0.689%
Spain	0.688%	0.629%
Denmark	0.630%	0.629%
Hong Kong SAR, China	0.470%	0.465%
Singapore	0.439%	0.433%
Israel	0.309%	0.325%
Belgium	0.263%	0.246%
Finland	0.259%	0.241%
Norway	0.189%	0.193%
Ireland	0.107%	0.106%
New Zealand	0.093%	0.088%
Austria	0.077%	0.077%
Portugal	0.025%	0.037%
Luxembourg	0.016%	0.016%

### Rolling 252 days Beta



Source: S&P Dow Jones Indices LLC. Data as of Dec. 31, 2024. Index performance based on total return in USD. The S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index was launched Feb. 20, 2023. All data prior to such date is backtested hypothetical data. Past performance is no guarantee of future results. Chart and 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 backtested performance.

## Key Characteristics

### 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.

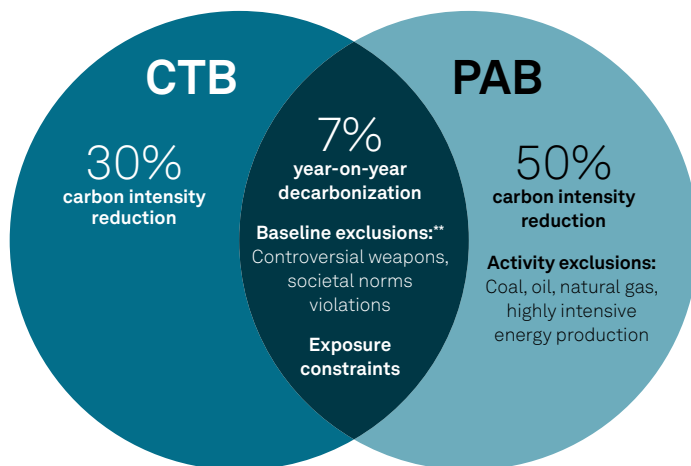
### Offers Broad Exposure

Addresses numerous climate objectives efficiently, while 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

As well as aligning to the EU minimum standards for both PABs and CTBs, our indices also allow 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.

## Performance Disclosure/Back-Tested Data

The S&P World Net Zero 2050 Paris-Aligned ESG Ex-Non-Pharma Animal Testing Index was launched Feb. 20, 2023. All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance. The back-test calculations are based on the same methodology that was in effect on the index Launch Date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. Complete index methodology details are available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji). Past performance of the Index is not an indication of future results. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results. Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the [FAQ](#). The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the index and calculates the index levels and performance shown or discussed but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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