

- Main Commentary & Highlights**
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EQUITY INDEX	Return 3 M (%)	Return YTD (%)	Return 3 Y Annualised (%)	Tracking Error 3 Y Annualised (%)	Stock Count
1. S&P 500 Net Zero 2050 Paris-Aligned ESG	11.5	11.5	12.2	2.2	346
2. S&P 500 Net Zero 2050 Climate Transition ESG	11.1	11.1	11.5	1.9	373
3. S&P 500 Carbon Efficient	9.4	9.4	11.1	0.7	491
4. S&P 500 Fossil Fuel Free	10.5	10.5	11.0	0.8	488
5. S&P 500 ESG	10.2	10.2	13.0	1.4	315
6. S&P 500 ESG Leaders	10.3	10.3	13.5	1.8	207
7. S&P 500 ESG Elite	13.7	13.7	13.4	2.7	92
8. S&P 500® (Parent Benchmark)	10.6	10.6	11.5	-	503
9. S&P World Net Zero 2050 Paris-Aligned ESG	9.8	9.8	9.4	2.3	771
10. S&P World Net Zero 2050 Climate Transition ESG	9.5	9.5	9.2	1.8	856
11. S&P World ESG	9.0	9.0	10.5	0.9	878
12. S&P World Index (Parent Benchmark)	9.1	9.1	9.0	-	1,537
13. S&P Eurozone LMC Net Zero 2050 Paris-Aligned ESG	10.1	10.1	8.9	2.6	130
14. S&P Eurozone LMC Net Zero 2050 Climate Transition ESG	10.1	10.1	9.9	2.9	150
15. S&P Eurozone LMC (Parent Benchmark)	10.8	10.8	9.8	-	212

ESG Score Improvement vs Tracking Error 3 Years



EQUITY INDEX:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
WACI Improvement (%)	46.4	29.0	27.5	5.5	22.7	29.4	22.9	-	41.4	30.7	16.4	-	58.8	54.8	-
FFR Improvement (%)	100.0	57.4	-12.3	100.0	25.9	68.7	100.0	-	99.6	41.9	32.8	-	100.0	56.3	-
ESG Score Improvement	6.2	1.8	1.7	0.8	8.9	12.0	23.9	-	5.4	1.8	8.7	-	3.6	1.6	-
Temperature Alignment (Forward-Looking)	1.5°C	1.5°C	3°C	2°C	3°C	3°C	3°C	3°C	1.5°C	1.5°C	3°C	3°C	1.5°C	1.5°C	2°C
% (under)/over 2°C Carbon Budget	-14.0	-18.2	1.8	-1.9	12.5	12.8	1.5	7.5	-17.8	-14.4	7.5	6.6	-16.2	-19.7	-1.4
Financial Impact of Physical Climate Risk (%)	3.8	3.7	3.7	3.7	3.7	3.7	4.0	3.7	3.9	3.7	3.8	3.7	4.2	4.3	4.1
Carbon Earnings at Risk as a % of EBITDA	3.2	4.9	5.9	7.2	5.5	5.2	4.1	7.8	3.9	5.1	6.8	9.3	2.5	3.1	12.2
WAECI Improvement (%)	31.2	24.8	20.7	7.4	19.0	24.0	19.0	-	40.8	20.4	27.4	-	50.8	40.6	-
% Board Gender Diversity	35.0	34.7	34.9	34.7	35.0	35.0	33.3	34.6	34.8	34.7	34.9	34.6	42.0	42.1	41.5

LMC : LargeMidCap. Source for climate metrics: S&P Global Trucost. Source for ESG scores: S&P Dow Jones Indices.

See definitions in Appendix [P9].

COMMENTARY

Return Performance:

- The S&P 500 ESG Elite index outperformed the S&P 500 by +3.1%, whereas the S&P 500 ESG Leaders and the S&P 500 ESG underperformed compared to the benchmark, by -0.3% and -0.4%, respectively. The S&P 500 ESG Elite benefitted from: 1) an under-weight in Utilities, which underperformed the S&P 500 by -6% and 2) a strong selection effect of 3.7% in Info Tech.
- Our S&P Paris-Aligned and Climate Transition (PACT) indices outperformed their benchmarks in Q1, also benefitting from an underweight in the Utilities sector, except for the Eurozone variant. An underweight in Info Tech, which outperformed the S&P 500 by +2.1% and an overweight in Consumer Discretionary, which underperformed the S&P by -5.6% detracted from its relative performance.

Point-in-Time Carbon Reduction ≠ Alignment with the Paris Agreement's Goals:

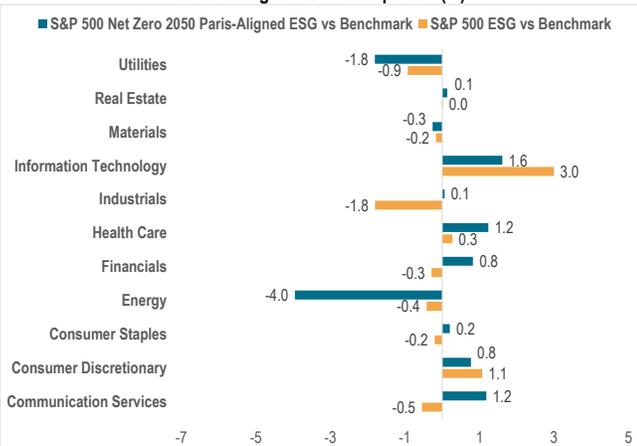
- The S&P 500 ESG index reduced Weighted Average Carbon Intensity (WACI) by 23% as of 29 March 2024. This is just point-in-time, however. Temperature Alignment considers a forward-looking transition pathway assessment. Based on this assessment, the S&P 500 ESG is only aligned with a 3 °C scenario and is over its 2 °C Carbon budget by 12.5%. An overweight in the Energy sector is the primary reason -see [P2] for more details on sector exposures.
- Only the PACT index family aligns with a 1.5 °C scenario: its S&P 500 Paris-Aligned variant is under its 2 °C Carbon budget by -14%.

Quarterly Insight: This quarter, we are breaking down aggregate ESG scores into their “E”, “S”, and “G” components and as a case-in-point measure the change in these scores in the past five years for the S&P 500. Furthermore, we look at how these scores changed for the Energy sector versus the S&P 500 (see [P7]).

RESOURCES

- [SPIVA Sustainability Scorecard](#)
- [The S&P 500 ESG Index Turns 5!](#)
- [Glass-Box Optimization: Bringing Clarity to Sustainability Indices](#)

Active Weights - Sector Exposure (%)

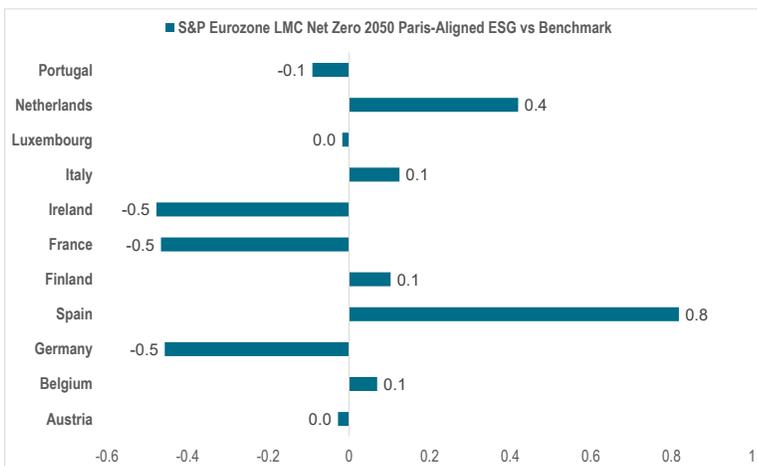
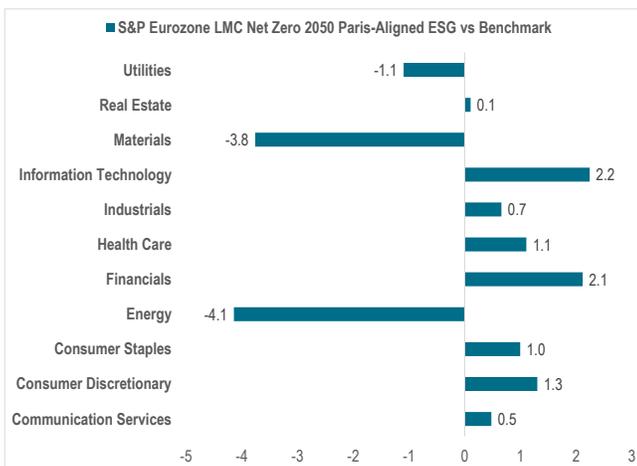
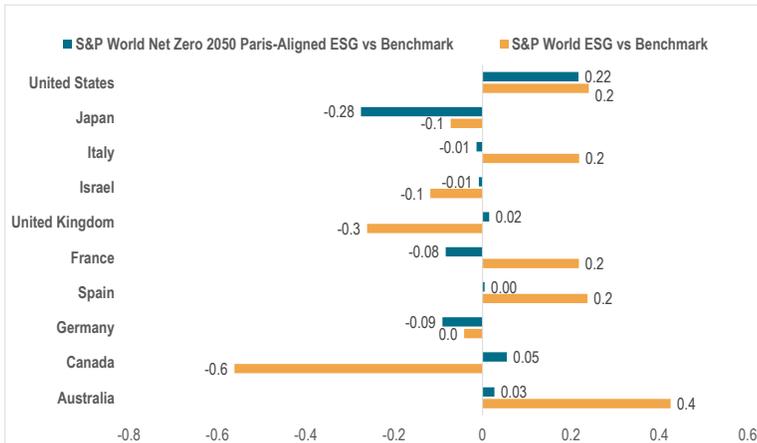
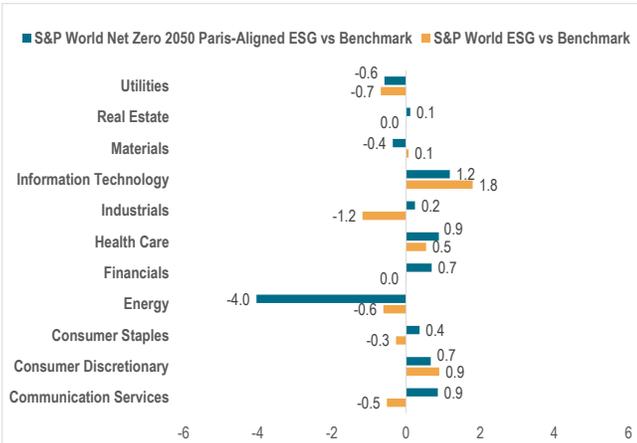


Greener sectors such as Information Technology and Healthcare tend to be overweighted, whereas Carbon intensive sectors like Utilities and Energy tend to be under-weighted:

Commentary:

- S&P Paris-Aligned indices hold no exposure to Energy sector by design. The S&P 500 ESG index has maintained a slight under-weight (-0.4%) to this sector, after months of being overweight.
- The S&P ESG indices continued to maintain an over-weight in Consumer Discretionary: Within the U.S. (+1.1%) and Developed (+0.9%). Consumer Discretionary is also over-weighted in the S&P Paris-Aligned indices.

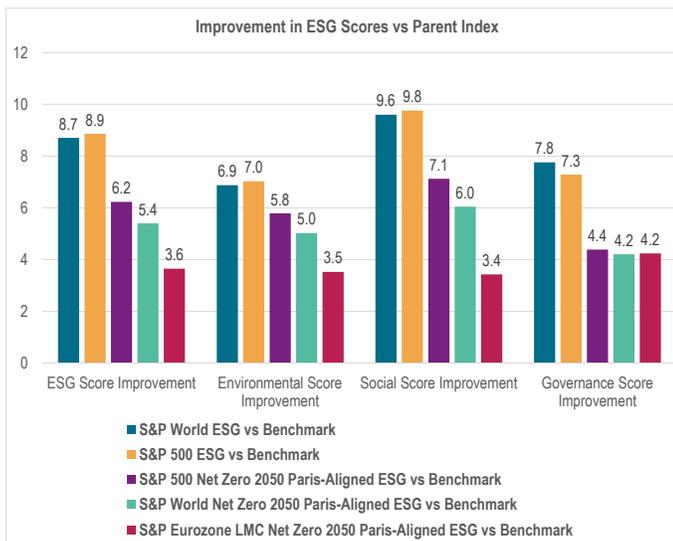
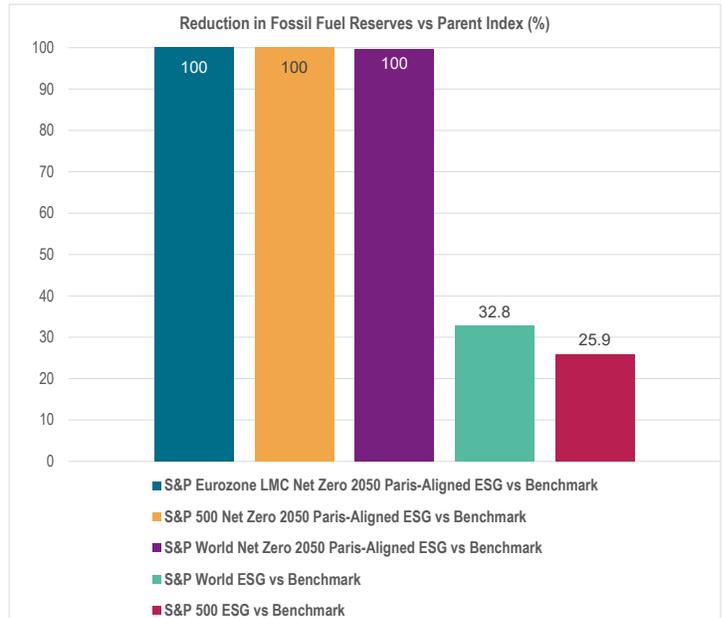
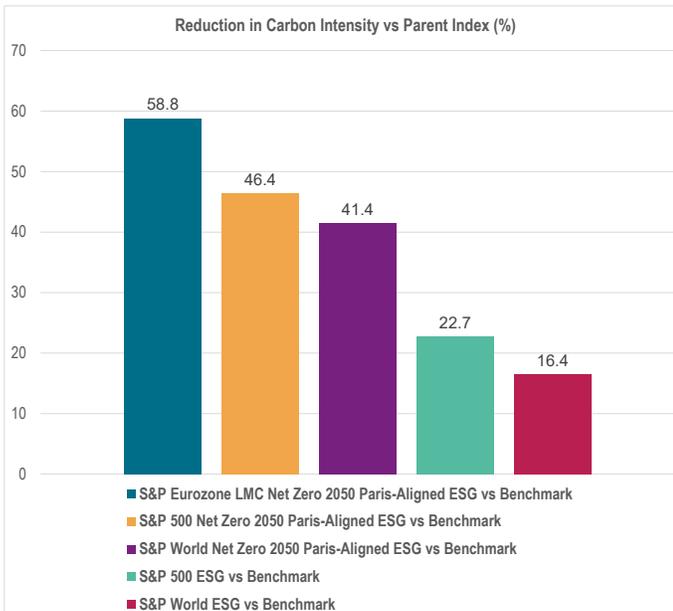
Active Weights - Country Exposure (%)



RESOURCES

- [S&P Paris-Aligned and Climate Transition \(PACT\) Indices Methodology](#)
- [S&P PACT Indices Target Sector Neutrality](#)
- [S&P ESG Index Series Methodology](#)

Climate & ESG Performance Improvement vs Parent Index



ESG ≠ Climate:

S&P Paris-Aligned ESG: Significant improvements in Climate metrics with a considerable increase in ESG score.

S&P ESG: Material improvements in ESG score with only modest enhancements in Climate metrics.

Commentary

- Compared to S&P ESG indices, S&P Paris-Aligned indices achieved greater improvements in Climate metrics relative to their parent benchmarks.
- S&P ESG indices achieved material improvements in ESG scores, but with typically modest enhancements in Carbon Footprint. This offers a reminder that ESG indices do not prioritize climate goals over other factors, including Social and Governance as well as other Environmental elements not linked to the climate.
- Within the ESG score, the largest improvements for nearly all the examined indices are in their Social scores; i.e. the "S" of ESG. The S&P Eurozone LMC Net Zero Paris-Aligned ESG Index provides the lone exception.
- Environmental scores are higher than Social and Governance across all the flagship ESG Climate and Core ESG indices, as well as in their benchmarks.

Carbon Footprint and ESG Scoring Summary

	WACI (tCO2e/\$M Revenues)	FFR (tCO2e/\$M Invested)	ESG Score	Environmental Score	Social Score	Governance Score
1. S&P 500 Net Zero 2050 Paris-Aligned ESG	70.3	0.0	71.8	79.8	63.3	70.1
2. S&P 500 Net Zero 2050 Climate Transition ESG	93.2	186.1	67.3	76.5	58.0	66.5
3. S&P 500 Carbon Efficient	95.3	490.7	67.3	75.5	58.1	67.1
4. S&P 500 Fossil Fuel Free	124.1	0.0	66.3	75.0	56.8	66.2
5. S&P 500 ESG	101.5	323.7	74.4	81.0	65.9	73.0
6. S&P 500 ESG Leaders	92.8	136.7	77.5	83.9	69.1	75.9
7. S&P 500 ESG Elite	101.3	0.0	89.4	90.0	85.1	89.0
8. S&P 500® (Parent Benchmark)	131.3	437.1	65.5	74.0	56.2	65.7
9. S&P World Net Zero 2050 Paris-Aligned ESG	79.1	3.1	75.0	80.7	68.5	73.2
10. S&P World Net Zero 2050 Climate Transition ESG	93.6	500.7	71.5	77.9	64.2	70.2
11. S&P World ESG	112.9	578.5	78.3	82.5	72.1	76.7
12. S&P World (Parent Benchmark)	135.1	861.1	69.6	75.7	62.5	69.0
13. S&P Eurozone LMC Net Zero 2050 Paris-Aligned ESG	64.4	0.0	91.6	91.7	89.9	89.8
14. S&P Eurozone LMC Net Zero 2050 Climate Transition ESG	70.7	367.5	89.6	89.9	87.9	87.2
15. S&P Eurozone LMC (Parent Benchmark)	156.3	841.8	87.9	88.2	86.4	85.6

Source for WACI and FFR: S&P Trucost. ESG scores range: 0-100. Source: S&P Dow Jones Indices. See definitions in Appendix [P9].

Source: S&P Dow Jones Indices. Total Returns in USD with the exception of S&P Eurozone LargeMidCap Index in EUR. Data as of March 29, 2024.

- In the below analysis, we ran a Carbon Sector Attribution, where we show the relative contribution of sector and stock-level weightings in the improvement in Weighted Average Carbon Intensity (WACI) in S&P Dow Jones' flagship Core ESG and ESG Climate indices compared to their parent benchmarks, showing the contribution of each sector to the improvement in Weighted Average Carbon Intensity (WACI);
- For example, when an ESG Climate index under-weights a carbon-intensive sector versus its parent benchmark, this analysis shows the impact of that "bet" on index's relative WACI, in the form of an Allocation Effect;
- Then within each sector, we also report the company-level Selection Effect. Combining the Selection Effect and the Allocation Effect effects gives the Total Effect, which is equal to the total reduction in WACI relative to parent benchmark (see [P3] for Climate Profile).

Carbon Sector Attribution

Index: S&P 500 Net Zero 2050 Paris-Aligned ESG Parent Benchmark: S&P 500	WACI (tCO2e/\$M Revenues)		Attribution Analysis (As a % of Benchmark)		
	Index	Benchmark	Sector Allocation	Company Selection	Total Effect
Totals/Averages	70.20	131.95	35.99	10.81	46.80
Communication Services	3.84	3.44	0.84	0.04	0.88
Consumer Discretionary	6.17	8.54	0.29	2.28	2.57
Consumer Staples	7.10	7.68	0.00	0.59	0.60
Energy	0.00	16.16	8.29	0.00	8.29
Financials	1.13	5.53	0.53	3.58	4.12
Health Care	4.49	4.04	0.98	(0.02)	0.95
Industrials	21.94	14.14	(0.02)	(5.79)	(5.81)
Information Technology	12.99	13.44	1.05	0.89	1.94
Materials	8.08	16.49	1.11	5.01	6.11
Real Estate	3.29	2.74	0.01	(0.30)	(0.29)
Utilities	1.16	39.75	22.91	4.53	27.44

Carbon Sector Attribution

Index: S&P 500 ESG Parent Benchmark: S&P 500	WACI (tCO2e/\$M Revenues)		Attribution Analysis (As a % of Benchmark)		
	Index	Benchmark	Sector Allocation	Company Selection	Total Effect
Totals/Averages	94.86	131.95	18.82	9.29	28.10
Communication Services	2.84	3.44	(0.36)	0.31	(0.05)
Consumer Discretionary	9.57	8.54	0.42	(0.07)	0.35
Consumer Staples	8.24	7.68	(0.00)	(0.52)	(0.52)
Energy	13.13	16.16	0.85	1.04	1.89
Financials	0.98	5.53	(0.15)	3.38	3.22
Health Care	4.01	4.04	0.32	0.13	0.45
Industrials	14.30	14.14	0.38	(2.23)	(1.85)
Information Technology	15.36	13.44	2.07	(0.37)	1.70
Materials	9.33	16.49	3.63	0.95	4.58
Real Estate	3.33	2.74	0.00	(0.43)	(0.43)
Utilities	13.79	39.75	11.65	7.10	18.75

Index: S&P World Net Zero 2050 Paris-Aligned ESG

Parent Benchmark: S&P World	WACI (tCO2e/\$M Revenues)		Attribution Analysis (As a % of Benchmark)		
Totals/Averages	77.61	135.46	18.41	24.30	42.71

Index: S&P Eurozone LMC Net Zero 2050 Paris-Aligned ESG

Parent Benchmark: S&P Eurozone LMC	WACI (tCO2e/\$M Revenues)		Attribution Analysis (As a % of Benchmark)		
Totals/Averages	67.92	164.55	34.67	24.06	58.73

Source for WACI: S&P Trucost. Analysis carried out using the Portfolio Analytics tool on S&P Capital IQ Pro.

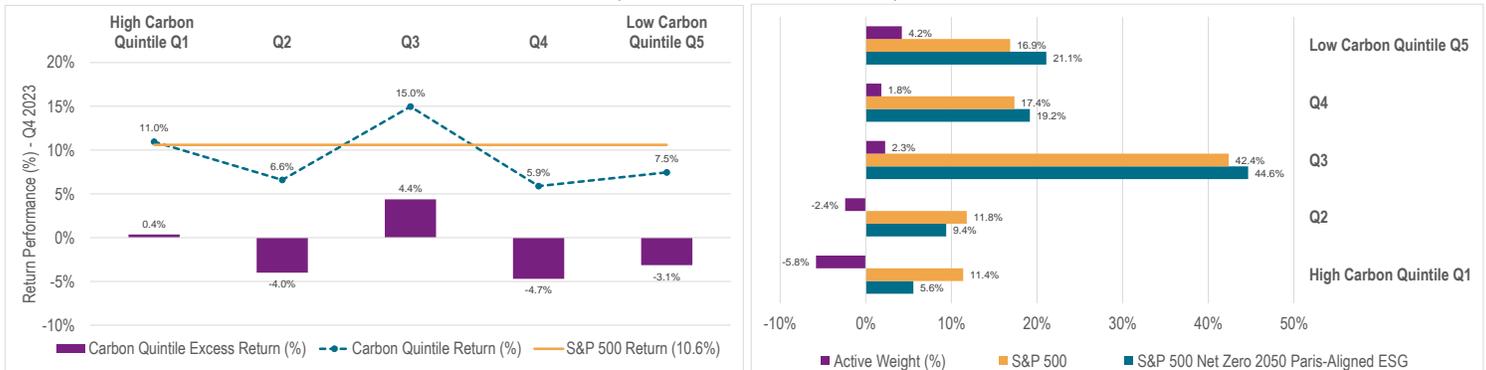
Ex-K: Ex-Korea; LMC: LargeMidCap. See definitions in [Appendix \[P9\]](#).

COMMENTARY

- The S&P 500 Net Zero 2050 Paris Aligned ESG reduced WACI by 47% relative to its parent benchmark, the S&P 500. Out of this 47%, approximately 36% came from a Sector Allocation effect.
- Under-weighting Utilities and holding no exposure to Energy contributed most to index's relative carbon footprint.
- The S&P 500 ESG reduced WACI by approximately 28% versus the S&P 500. Allocation Effects accounted for 19% of the reduction.
- Similar to the Net Zero 2050 Paris Aligned ESG, under-weighting Utilities contributed most to index's relative carbon footprint differential.

- In the below analysis, we slice up the parent benchmark universe into five Carbon quintiles from High Carbon to Low Carbon, based on each quintile's Weighted Average Carbon Intensity (WACI);
- We then run a Brinson Attribution to measure the Allocation Effect of over/under-weighting a given Carbon Quintile versus the parent benchmark;
- For example, if the High Carbon Quintile, Q1, is under-weight in a given ESG Climate index versus its parent benchmark and if this quintile portfolio under-performed the parent benchmark, it would mean that this "bet" contributed negatively to the index's relative performance;
- Similarly, if the Low Carbon Quintile, Q5, is overweight and the quintile portfolio under-performed the parent benchmark, this would imply that such overweight detracted from the index's relative performance.

Carbon Quintile Performance Attribution: Q1 2024



Carbon quintiles are determined using the Weighted Average Carbon Intensity. This is the index weighted average of individual company intensities (operational and first-tier supply chain emissions over revenues).

Source for Carbon scores: S&P Global Trucost. Analysis carried out using the Portfolio Analytics tool on S&P Capital IQ Pro.

Brinson Attribution by Carbon Quintiles

Index: S&P 500 Net Zero 2050 Paris-Aligned ESG Benchmark: S&P 500	Index	Benchmark	Attribution		
	Average Weight	Average Weight	ALLOCATION EFFECT	SELECTION EFFECT	TOTAL EFFECT
Totals/Averages	100.00%	100.00%	(0.03%)	1.01%	0.97%
High Carbon Quintile Q1	5.55%	11.37%	(0.02%)	(0.04%)	(0.06%)
Q2	9.39%	11.80%	0.09%	(0.24%)	(0.15%)
Q3	44.65%	42.38%	0.10%	1.58%	1.68%
Q4	19.17%	17.36%	(0.08%)	(0.04%)	(0.12%)
Low Carbon Quintile Q5	21.08%	16.86%	(0.13%)	(0.25%)	(0.38%)

Brinson Attribution by Carbon Quintiles

Index: S&P 500 ESG Benchmark: S&P 500	Index	Benchmark	Attribution		
	Average Weight	Average Weight	ALLOCATION EFFECT	SELECTION EFFECT	TOTAL EFFECT
Totals/Averages	100.00%	100.00%	0.26%	(0.65%)	(0.39%)
High Carbon Quintile Q1	7.73%	11.37%	(0.01%)	(0.10%)	(0.12%)
Q2	12.08%	11.80%	(0.01%)	(0.01%)	(0.02%)
Q3	46.93%	42.38%	0.19%	(0.23%)	(0.03%)
Q4	14.74%	17.36%	0.12%	(0.35%)	(0.22%)
Low Carbon Quintile Q5	18.53%	16.86%	(0.05%)	0.04%	(0.01%)

COMMENTARY

- In Q1 2024, the High Carbon Quintile Q1 outperformed the S&P 500 by +0.4%.
- Both the S&P 500 Net Zero 2050 Paris Aligned ESG and S&P 500 ESG under-weighted this carbon quintile by -5.8% and -3.6%; respectively.
- This positioning detracted from these indices relative performance versus the S&P 500.
- In Q1 2024, the Low Carbon Quintile Q5 underperformed the S&P 500 by -3.1%.
- Both the S&P 500 Net Zero 2050 Paris Aligned ESG and S&P 500 ESG over-weighted this carbon quintile; by +4.2% and +1.7%; respectively.
- This detracted from the relative index performance versus the S&P 500.
- For further details on this analysis, please refer to the blog "[Connecting Climate Goals with Relative Index Returns](#)".

[P1] Main Commentary & Highlights

[P2] Sector and Country Exposure

[P3] ESG & Climate Performance

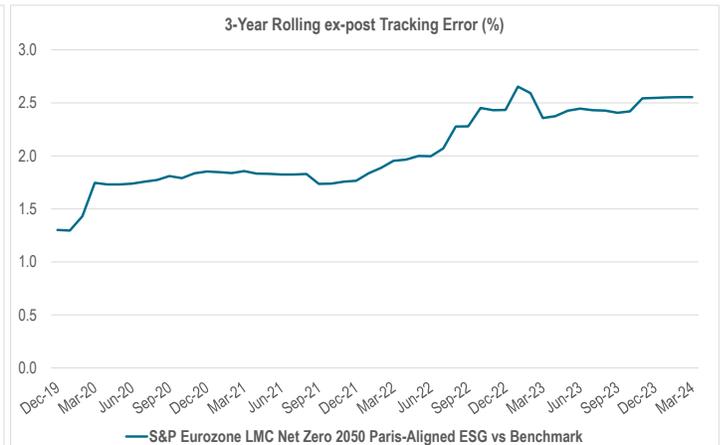
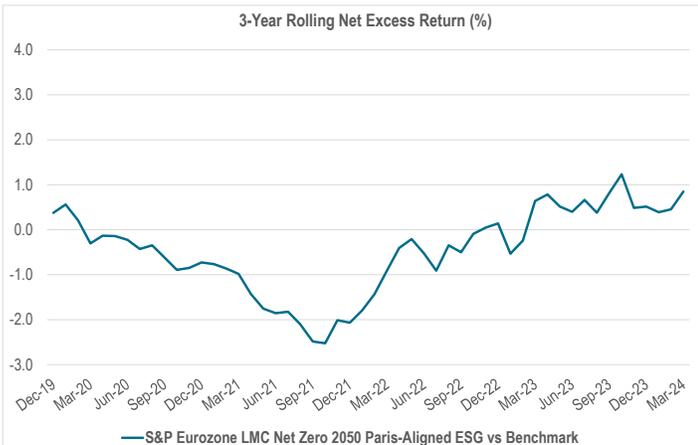
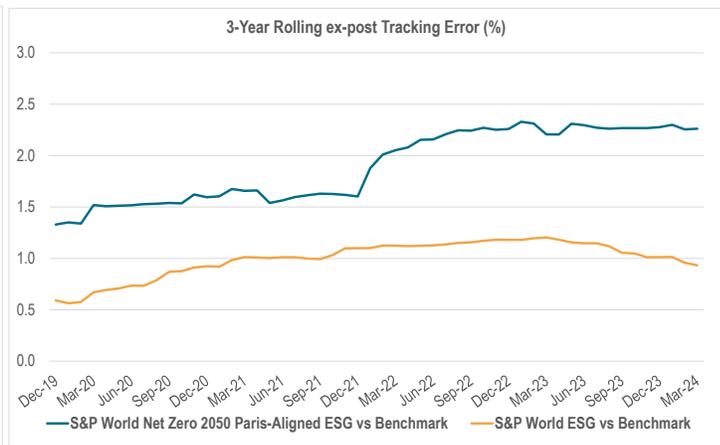
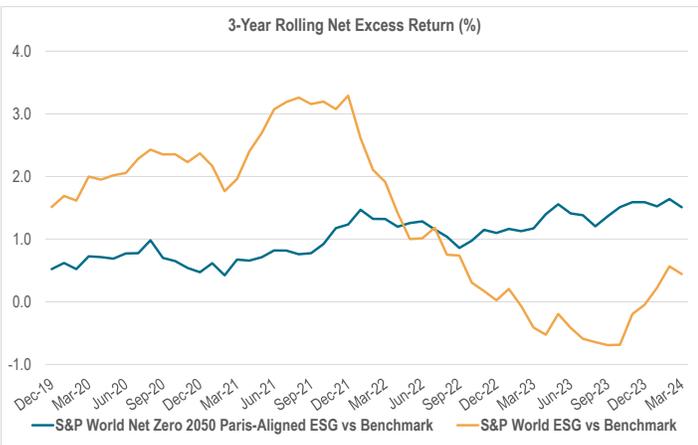
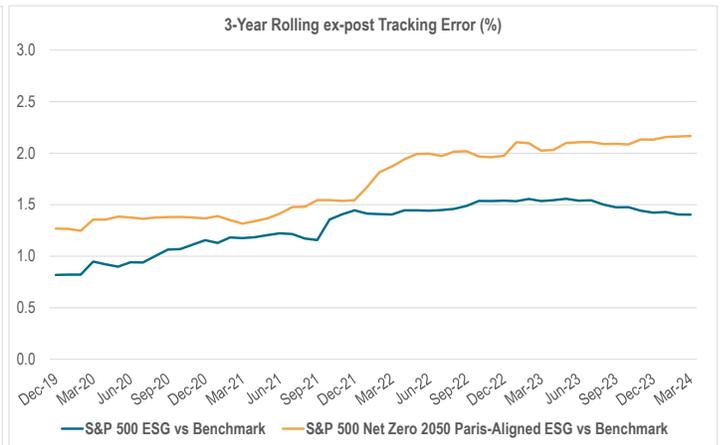
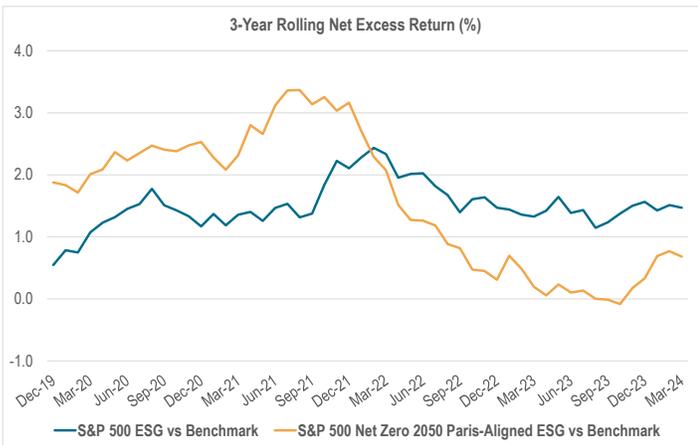
[P4] Carbon Sector Attribution

[P5] Carbon Quintile Performance Attribution

Excess Return and Tracking Error

[P7] Quarterly Insight

[P8] Further Indices



Launch Date for S&P Net Zero 2050 Paris-Aligned ESG Indices is Jun 01, 2020. The index Backward Data Assumption Date is Mar 31, 2020. Launch Date for S&P 500 ESG Index is Jan 28, 2019. The index Backward Data Assumption Date is May 3, 2010. Launch Date for S&P World ESG Index is Mar 22, 2019. All information for an index prior to its Launch Date is hypothetical back-tested, not actual performance, based on the index methodology in effect on the Launch Date. 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. This back-tested data may have been created using a "Backward Data Assumption". For more information on "Backward Data Assumption" and back-testing in general, please see the Performance Disclosure.

RESOURCES

[Explaining the Outperformance of Net Zero Indices, blog by Barbara Velado](#)

- This quarter, we are breaking down aggregate ESG scores into their "E", "S", and "G" components, zooming-into two sub-criteria in each:
 - "E": Climate Strategy and Environmental Policy and Management.
 - "S": Human Capital Development and Talent Attraction & Retention.
 - "G": Business Ethics and Supply Chain Management.
- As a case-in-point, we measure the change in these scores in **the past five years** for the **S&P 500** and we look at how these scores changed for the Energy sector versus the S&P 500.
- Furthermore, we offer an update of [a previous study](#), where we measured the S&P 500's carbon intensity on a 12-month trailing basis, this time extending the time horizon **to past 20 years**.
- We supplement this by making a second measurement, where we include [the Scope 3 downstream emissions](#), which refer to product in-use phase carbon emissions, and highlight their impact.

Highlights

1. Exhibit 1 illustrates that for the S&P 500 index the "E" and "G" criteria scores declined in the past five years, by an average of -1.3 and -5.2, respectively. **In contrary, the "S" criteria scores increased on average by 4.3.**
2. **For the Energy sector, the "E" and "G" criteria scores declined more, relative to the S&P 500, but the "S" scores increased more.** Particularly, the criteria **"Human Capital Development" that falls under the "S" score increased by 7.4 compared to an increase of only 1.6 for the S&P 500.** This suggests that Energy companies might be paying more attention to such themes.
3. The carbon intensity continued to show a declining trend for the extended time horizon of 20 years and **decarbonized by a cumulative 62% (Exhibit 2).** However, **including the Scope 3 downstream emissions gave a completely different picture: A cumulative increase of 137% (Exhibit 3).** This emphasizes the strong impact of Scope 3 downstream emissions and the importance of taking these into account, when thinking about the total carbon exposure.

Exhibit 1: Change in ESG Scores Criteria for the S&P 500 versus Energy in the Past 5 Years

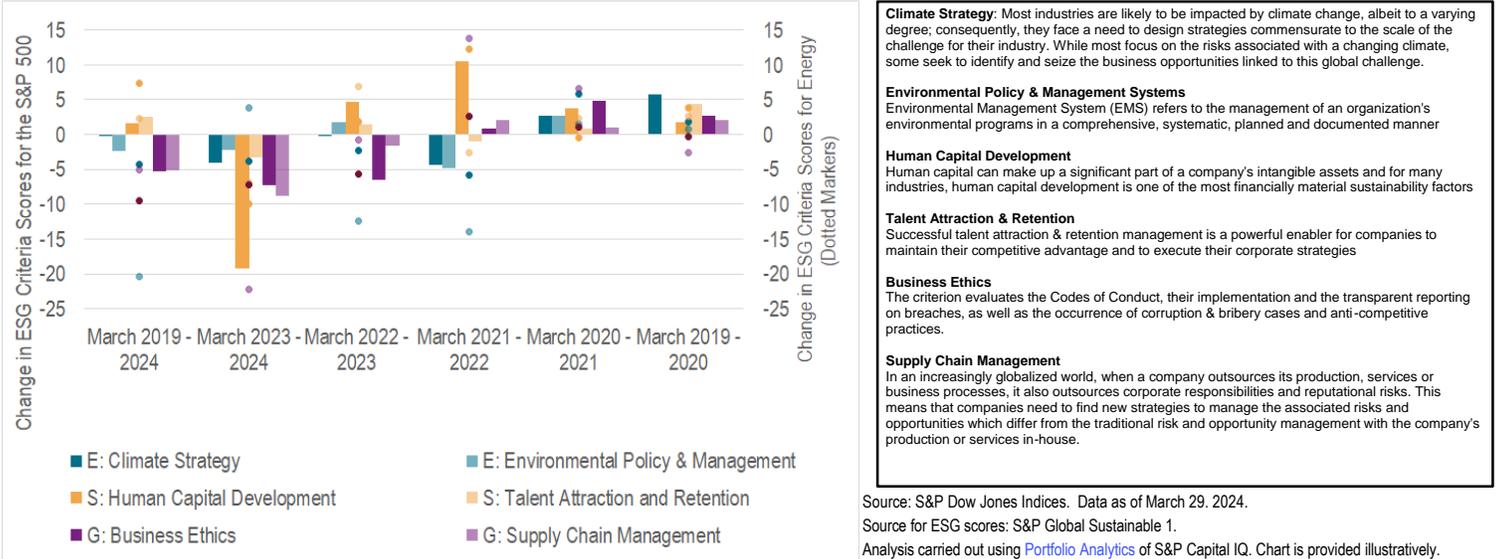
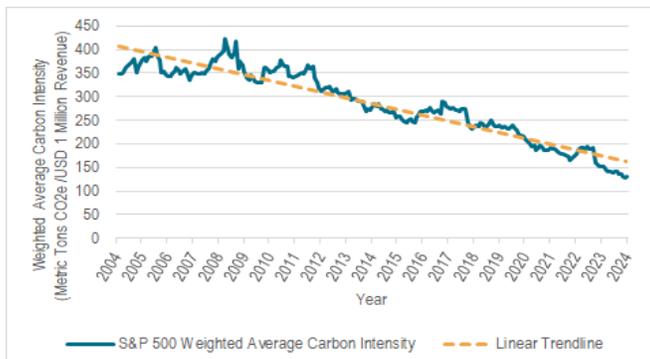
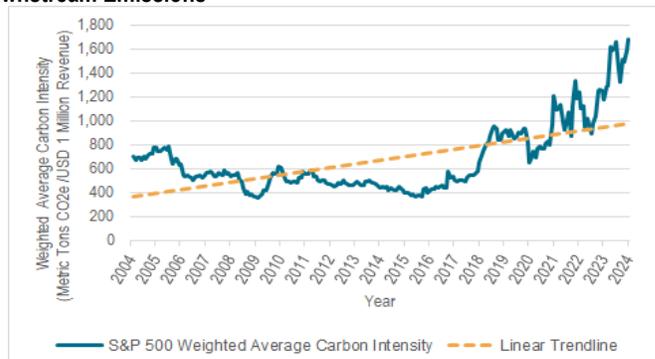


Exhibit 2: Weighted Average Carbon Intensity of the S&P 500



Carbon footprint used: Scope 1 + Scope 2 + Scope 3 Upstream Emissions.
Source: S&P Dow Jones Indices. Data as of March 29, 2024. Source for carbon emissions: S&P Global Trucost. Analysis carried out using [Portfolio Analytics](#) of S&P Capital IQ. Chart is provided for illustrative purposes.

Exhibit 3: Weighted Average Carbon Intensity of the S&P 500 Including Scope 3 Downstream Emissions



Carbon footprint used: Scope 1 + Scope 2 + Scope 3 Upstream and Downstream Emissions.
Source: S&P Dow Jones Indices. Data as of March 29, 2024. Source for carbon emissions: S&P Global Trucost. Analysis carried out using [Portfolio Analytics](#) of S&P Capital IQ. Chart is provided for illustrative purposes.

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[P5] Carbon Quintile Performance Attribution	[P6] Excess Return and Tracking Error	[P7] Quarterly Insight	Further Indices

■ To supplement our headline indices shown on [\[P1\]](#), below we give information on broader S&P Dow Jones Core ESG, ESG Climate and thematic indices.

EQUITY INDEX	Return 3 M (%)	Return YTD (%)	Return 3 Y Annualised (%)	Tracking Error 3 Y Annualised (%)	Stock Count
1. S&P 500 Sustainability Screened	10.9	10.9	11.5	1.5	450
2. S&P 500 ESG Tilted	11.5	11.5	12.9	1.4	450
3. S&P 500 Net Zero 2050 Paris-Aligned Sustainability Screened	10.9	10.9	11.9	2.5	375
4. S&P 500® (Parent Benchmark)	10.6	10.6	11.5	-	503
5. S&P Europe LargeMidCap Net Zero 2050 Paris-Aligned ESG	6.9	6.9	9.5	2.5	267
6. S&P Europe LargeMidCap (Parent Benchmark)	8.1	8.1	9.7	-	425
7. S&P Europe 350 Fossil Fuel Free	8.1	8.1	9.5	1.3	347
8. S&P Europe 350 (Parent Benchmark)	7.9	7.9	10.2	-	362
9. Dow Jones Sustainability Eurozone	12.7	12.7	11.5	2.8	92
10. S&P Eurozone BMI (Parent Benchmark)	9.8	9.8	8.8	-	774
11. Dow Jones Sustainability World	6.6	6.6	8.5	3.8	322
12. S&P Global Clean Energy	-10.4	-10.4	-15.2	30.9	100
13. S&P Global BMI Energy *	9.6	9.6	22.5	-	490
14. S&P Global BMI (Parent Benchmark)	7.8	7.8	6.5	-	14,871
15. S&P/ASX 200 ESG	4.4	4.4	10.0	1.7	93
16. S&P/ASX 200 (Parent Benchmark)	5.3	5.3	9.6	-	200
17. S&P/B3 Brazil ESG	-4.1	-4.1	-2.0	7.4	159
18. S&P Brazil BMI (Parent Benchmark)	-1.8	-1.8	2.4	-	200
19. S&P BOCHK China Hong Kong GBA Net Zero 2050 Climate Transition	-5.2	-5.2	-18.8	2.3	161
20. S&P China-Hong Kong GBA (Parent Benchmark)	-3.3	-3.3	-17.9	-	310
21. S&P/TSX Composite ESG	5.7	5.7	6.9	1.8	103
22. S&P/TSX Composite (Parent Benchmark)	6.6	6.6	9.1	-	224
23. S&P Developed Ex-North America & Korea LargeMidCap ESG	6.3	6.3	6.4	0.8	552
24. S&P EPAC Ex-Korea LargeMidCap (Parent Benchmark)	6.2	6.2	5.0	-	998
25. S&P World ESG Enhanced Energy	6.5	6.5	22.8	4.0	32
26. S&P World Energy (Parent Benchmark)	9.8	9.8	24.7	-	60
27. S&P World ESG Enhanced Health Care	7.3	7.3	9.8	1.9	90
28. S&P World Health Care (Parent Benchmark)	7.6	7.6	8.0	-	134
29. S&P World ESG Enhanced Info Tech	16.3	16.3	19.6	2.4	91
30. S&P World Info Tech (Parent Benchmark)	12.5	12.5	15.8	-	155
31. S&P World ESG Enhanced Financials	9.4	9.4	9.0	1.8	179
32. S&P World Financials (Parent Benchmark)	11.0	11.0	10.1	-	230

GBA: Greater Bay Area. Info Tech: Information Technology. S&P Global BMI Energy Index is used as the parent benchmark for the S&P Global Clean Energy Index in the Sustainability Profile Comparison.

FIXED INCOME INDEX	Return 3 M (%)	Return YTD (%)	Annual Yield (%)	Tracking Error 3 Y Annualised (%)	Bond Count
33. iBoxx Euro Corporates Net Zero Paris-Aligned ESG	0.4	0.4	3.6	0.4	3,342
34. iBoxx Euro Corporates (Parent Benchmark)	0.4	0.4	3.7	-	3,821

EQUITY INDEX:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
WACI Improvement (%)	25.8	15.4	47.8	-	40.1	-	5.6	-	-1.1	-	28.9	53.2	-	-	11.8	-	-61.1	-	48.0	-	12.1	-	9.9	-
FFR Improvement (%)	100.0	20.6	100.0	-	100.0	-	-	-	-46.6	-	31.5	100.0	-	-	18.7	-	82.1	-	51.2	-	74.8	-	10.0	-
ESG Score Improvement	1.2	13.4	2.1	-	4.3	-	0.8	-	10.1	-	31.2	-6.7	-	-	6.0	-	-3.6	-	-4.9	-	13.6	-	7.0	-
Temperature Alignment (Forward-Looking)	3°C	3°C	1.5°C	3°C	1.5°C	2°C	2°C	3°C	3°C	2°C	3°C	>3°C	3°C	3°C	>3°C	1.5°C	1.5°C	1.5°C	>3°C	>3°C	>3°C	3°C	3°C	3°C
% (under)/over 2°C Carbon Budget	4.8	13.5	-15.2	7.5	-13.1	-1.7	-10.5	-2.0	2.3	0.2	-9.4	32.2	63.0	6.1	4.2	42.0	-65.2	-38.2	-27.6	31.3	21.2	28.0	1.7	1.8
Financial Impact of Physical Climate Risk (%)	3.7	3.7	3.7	3.7	4.0	4.0	4.1	4.0	4.7	4.1	3.8	4.6	1.6	3.7	3.2	3.4	2.6	2.4	3.9	3.6	4.0	3.7	4.1	3.9
Carbon Earnings at Risk as a % of EBITDA	5.6	6.2	3.4	7.8	3.3	10.0	9.2	9.9	11.0	12.2	7.1	25.5	43.6	14.2	12.2	28.1	27.3	14.5	10.1	21.8	11.9	15.7	9.7	13.0
% Board Gender Diversity	34.7	34.2	35.2	34.6	39.9	40.4	40.5	40.8	41.9	41.4	34.3	22.8	30.6	32.1	43.2	42.4	19.7	19.2	19.2	19.4	39.8	38.5	34.7	34.2

EQUITY INDEX:	25	26	27	28	29	30	31	32	FIXED INCOME INDEX:	32	33
WACI Improvement (%)	-4.1	-	12.2	-	10.9	-	71.4	-	WACI Improvement (%)	57.8	-
FFR Improvement (%)	36.2	-	-	-	-	-	100.0	-	FFR Improvement (%)	100.0	-
ESG Score Improvement	14.3	-	8.5	-	8.0	-	12.5	-	ESG Risk Score Improvement	2.6	-
Temperature Alignment (Forward-Looking)	>3°C	>3°C	1.5°C	1.5°C	1.5°C	1.5°C	1.5°C	3°C	Duration	4.6	4.6
% (under)/over 2°C Carbon Budget	58.4	68.4	-18.3	-9.4	-13.6	-10.5	-19.8	16.5			
Financial Impact of Physical Climate Risk (%)	1.5	1.6	4.4	4.3	3.2	3.2	4.2	4.0			
Carbon Earnings at Risk as a % of EBITDA	31.3	36.2	0.8	1.2	1.2	1.3	0.2	1.8			
% Board Gender Diversity	34.6	33.8	34.7	36.1	34.7	34.2	37.0	36.1			

Source for climate metrics: S&P Global Trucost. Source for ESG scores: S&P Dow Jones Indices. Source for ESG Risk Score: Sustainalytics. See definitions in [Appendix \[P9\]](#).

RESOURCES
The Hare and the Tortoise – Assessing Passive's Potential in Bonds
FAQ: iBoxx ESG Index Series
The Best of Both Worlds: Sustainability in Sectors
How to Bring Paris Agreement Goals to Fixed Income Indices, blog by Smadar Shulman

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APPENDIX

WACI: Weighted Average Carbon Intensity. The index weighted average of individual company intensities (operational and first-tier supply chain emissions per USD revenues). **FFR:** Fossil Fuel Reserves. The carbon footprint that could be generated if the proven and probable fossil fuel reserves owned by index constituents were burned per USD 1 million invested.

Financial Impact of Physical Climate Risk: Financial losses (e.g. CapEx, OpEx, Business Interruption) reflected as a percentage of asset value due to exposure to climate-related physical hazards across scenarios and time periods. High Risk Scenario and 2050 time period are used for this dashboard. For more information please go to: <https://www.marketplace.spglobal.com/en/solutions/climanomics-e8fd532d-ae10-4e53-8c5c-1fcc4f3bbbf>

Carbon Earnings at Risk as a % of EBITDA: This dataset helps to understand and assess the potential impact to a company's earnings today if the company has to pay a future price for their greenhouse gas emissions. For more information please go to: [https://www.marketplace.spglobal.com/en/datasets/trucost-carbon-earnings-at-risk-\(184\)](https://www.marketplace.spglobal.com/en/datasets/trucost-carbon-earnings-at-risk-(184))

WAECI: Weighted Average Environmental Cost Intensity. This dataset helps to assess the index weighted average of environmental costs across key dimensions such as carbon emissions, land, water, air pollutants, and waste disposal, natural resource and water use. For more information please go to: [https://www.marketplace.spglobal.com/en/datasets/trucost-environmental-\(46\)](https://www.marketplace.spglobal.com/en/datasets/trucost-environmental-(46))

% Board Female Representation: The index weighted average of the number of women on a company's board of directors/supervisory board divided by the total number of board directors. For more information please go to: [https://www.marketplace.spglobal.com/en/datasets/eu-sustainable-finance-disclosure-regulations-sfdr-\(1665414946\)#data-dictionary](https://www.marketplace.spglobal.com/en/datasets/eu-sustainable-finance-disclosure-regulations-sfdr-(1665414946)#data-dictionary)

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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.

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