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.
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.

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:

- 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.

PAB

50% carbon intensity reduction
Activity exclusions:
- Coal, oil, natural gas, highly intensive energy production

CTB

30% carbon intensity reduction
7% year-on-year decarbonization
Baseline exclusions:*
- Controversial weapons, societal norms violations
- Exposure constraints

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

Information correct as of May 31, 2023. Chart is provided for illustrative purposes.
A Holistic Approach to Climate Change

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 2005 Paris-Aligned ESG Index

About S&P Dow Jones Indices

At S&P Dow Jones Indices, we provide iconic and innovative index solutions backed by unparalleled expertise across the asset-class spectrum. By bringing transparency to the global capital markets, we empower investors everywhere to make decisions with conviction. We’re the largest global resource for 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 upon our indices than any other index provider in the world. With over USD 8.3 trillion in passively managed assets linked to our indices and over USD 8.4 trillion benchmarked to our indices, our solutions are widely considered essential in tracking market performance, evaluating portfolios and developing investment strategies.

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