

S&P Dow Jones Indices

A Division of **S&P Global**

S&P/NZX 50 ESG Tilted 15/40 Capped Index

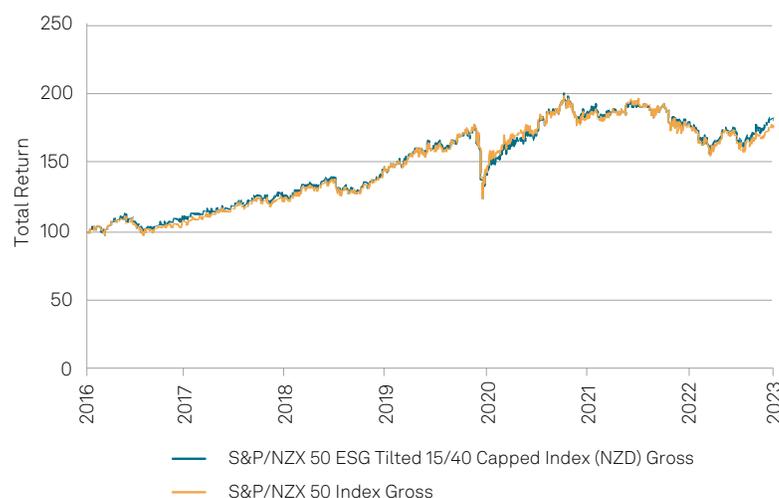
Tilting Toward Sustainability in New Zealand

The S&P/NZX 50 ESG Tilted 15/40 Capped Index tracks the performance of constituents in the S&P/NZX 50 Index that meet sustainability criteria. S&P/NZX 50 ESG Tilted 15/40 Capped Index constituents' weights are based on their weights in the S&P/NZX 50 Index but tilted so that companies with higher or lower S&P DJI ESG Scores are over- or underweighted ("tilted"), respectively, while maintaining GICS® industry group neutrality. Exclusions based on companies' involvement in thermal coal, tobacco, controversial weapons and poor alignment with UNGC principles are also applied.



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

S&P/NZX 50 ESG Tilted 15/40 Capped Index (NZD) Gross Performance Versus Benchmark



The S&P/NZX 50 ESG Tilted 15/40 Capped Index Gross has achieved an

8.48%

ESG Score improvement versus the S&P/NZX 50 Index Gross.

Characteristics of the S&P/NZX 50 ESG Tilted 15/40 Capped Index (NZD) Gross Versus Benchmark Data as of Jan. 31, 2023.	S&P/NZX 50 Index Gross	S&P/NZX 50 ESG Tilted 15/40 Capped Index (NZD) Gross
Index Constituent Count	50	48
5-Year Annualized Returns	7.23%	4.83%
5-Year Standard Deviation	12.98%	19.58%
5-Year Tracking Error		0.14%
ESG Score	31.07	33.7%
Index ESG Score Improvement		8.48%

Source: S&P Dow Jones Indices LLC. Data as of Jan. 31, 2023. The S&P/NZX 50 ESG Tilted 15/40 Capped Index was launched on Jan. 30, 2023. 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 Index Gross and the S&P/NZX 50 ESG Tilted 15/40 Capped 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

S&P NZX 50 ESG Tilted 15-40 Capped Index



Environmental



Social



Governance and Economics

Climate Strategy

9%

Higher exposure to companies that have integrated climate-related issues into overall risk management, have 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, create targets and initiatives to reduce the emissions, and provide incentives for achieving targets in relation to management of climate change issues.

Corporate Citizenship & Philanthropy

9%

Higher exposure to companies that have a group-wide strategy providing guidance on corporate citizenship/philanthropic activities and have disclosed their corporate citizenship/philanthropic contributions.

Corporate Governance

7%

Higher exposure to companies that have a publicly available independence statement for their board, including its structure, board effectiveness and the board average tenure, diversity policy, gender diversity, industry experience, and CEO-to-Employee pay ratio data, as well as management ownership requirement data.

Operational Eco-Efficiency

9%

Higher exposure to companies that have data related to Scope 1 & 2 direct & indirect GHG emissions, water consumption and waste disposal, and publicly available energy consumption data.

Labor Practice Indicators

8%

Higher exposure to companies that monitor and disclose female representation across their organization, and provide breakdowns of the workforce by age, nationality, disability, etc., as well as results of gender pay gap or equal pay assessments.

Materiality

7%

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.

Environmental Reporting

10%

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

Social Reporting

7%

Higher exposure to companies that publicly reported on quantitative social indicators covering the last fiscal year.

Information Security/Cybersecurity & System Availability

7%

Higher exposure to companies that have processes in place to prevent IT system interruptions and cyberattacks, a director on the board with relevant background engaged on the cybersecurity strategy process, policies and procedures for all employees to ensure that they are aware of threat issues and the importance of information security/cybersecurity, and a track record of success managing information security/cybersecurity risks over the last three years.

Source: S&P Dow Jones Indices LLC. These are just a few examples of the numerous ways in which the S&P-NZX 50 ESG Tilted 15-40 Capped 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 (2020 methodology year). These metrics are calculated using index data as of April 30, 2021, 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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