

S&P Dow Jones Indices Publishes Barometer of Financial Markets' Carbon Efficiency

The S&P Dow Jones Indices Carbon Scorecard assesses the carbon efficiency and energy mix alignment with 2°C climate scenarios for major S&P DJI equity benchmarks around the world

LONDON, MAY 9, 2017: S&P Dow Jones Indices (S&P DJI) one of the world's leading providers of financial market indices and Trucost, part S&P DJI, has today published [The S&P Dow Jones Indices Carbon Scorecard](#), an in depth report on carbon efficiency for the major S&P DJI benchmarks and styles across global markets.

The research was based on the **S&P Global 1200**, which captures approximately 70% of global equity market capitalisation and is formed of seven headline indices – S&P 500®, S&P Europe 350, S&P TOPIX 150 (Japan), S&P/TSX 60 (Canada), S&P/ASX All Australian 50 and S&P Latin America 40 – and the S&P/IFCI, a leading investible, emerging market index.

The report analyses five measures of carbon: **Carbon Footprint**, **Fossil Fuel Reserve Emissions** (future emissions), **Coal Revenue Exposure** (revenue from coal extraction or coal power generation), **Energy Transition** (transition to clean energy to gauge the International Energy Agency's 2°C scenarios) and **Green-Brown Revenue Share** (clean energy activity versus carbon intensive activity).

Highlights of the report include:

- The S&P Latin America 40, whilst was one of the most carbon intensive indices, is potentially best positioned to meet a global 2°C energy mix scenario for 2030 and 2050.
- The index with the lowest carbon footprint as of Dec. 31, 2016, was the S&P 500 Growth, followed by S&P 500. Emerging Markets was the most carbon intensive group with the S&P/IFCI ranking the highest carbon footprint.
- The S&P/TSX 60 representing Canada had 33% of its total market cap in high carbon footprint sectors – energy, materials and utilities but was the third most carbon-efficient index. The absolute emissions of the constituents within the materials sector were driving this.
- The S&P/ASX All Australian 50 had the highest level of embedded emissions in proven and probable fossil fuel reserves and the greatest percentage of revenues derived from coal-based activities, making it the most exposed index to potential stranded assets.
- The S&P TOPIX 150 representing Japan was the least exposed to Fossil Fuel Reserve Emissions, with just 655 tonnes of apportioned emissions embedded in its constituents' fossil fuel reserves.

Dr. Richard Mattison, Chief Executive Officer, Trucost, part of S&P Dow Jones Indices, said: "The S&P Dow Jones Indices Carbon Scorecard report demonstrates the range of metrics that market participants now use to understand carbon risk and opportunities. Many large institutional investors are

incorporating these criteria in their investment processes and carbon is increasingly being considered as an investment factor.”

Exhibit 1 shows the performance of each index in more detail.

Exhibit 1: The Carbon Scorecard

INDEX	REGION	CARBON FOOTPRINT	RESERVE EMISSIONS	COAL EXPOSURE	ENERGY TRANSITION	GREEN-BROWN SHARE
S&P 500 Growth	U.S.	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P 500	U.S.	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P/TSX 60	Canada	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P 500 Value	U.S.	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P Global 1200	Global	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P/ASX All Australian 50	Australia	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P United Kingdom	UK	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P Asia 50	Asia	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P Europe 350	Europe	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P/TOPIX 150	Japan	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P Latin America 40	Latin America	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts
S&P/IFCI	Emerging Markets	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts	Lowest impacts



Source: S&P Dow Jones Indices LLC and Trucost. Data as of Dec. 31, 2016. Table is provided for illustrative purposes.

For more information about S&P Dow Jones Indices, please visit www.spdji.com

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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 based on any other provider in the world. With over 1,000,000 indices and more than 120 years of experience constructing innovative and transparent solutions, S&P Dow Jones Indices defines the way investors measure and trade the markets.

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