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 /PRNewswire/ -- 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 ofDec. 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."

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

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