

ESG and impact investing advisory with the goals of risk management and value enhancement

Blue Dot Capital is a sustainable finance consultancy. We partner with investment managers, solution providers, and corporates to support the end-to-end development and execution of ESG capabilities. Our clients and partners include asset managers, alternative investment firms, companies, and professional services firms.

Snapshot: ESG and Impact Indices

Foreword

The importance of financial indices in influencing and channeling capital flows cannot be overstated. Over USD 11.2 trillion was indexed or benchmarked to the S&P 500 alone at the end of December 2019. Indices will play a crucial catalyzing role in the continued growth of sustainable investing. According to the Index Industry Association (IIA), ESG indices globally rose by over 40% in the past year, the largest y-o-y increase in their survey's history.

For the third edition of our Snapshot Series, we looked at the universe of equity ESG and impact indices to showcase the breadth of available methodologies and solutions. We categorized indices into 3 buckets:

- i. Aligned to impact objectives: Indices that have explicit sustainability or impact goals like clean energy, gender diversity, etc.
- ii. ESG-integrated: Indices that integrate ESG scores or criteria in their construction processes and
- iii. ESG exclusions: Indices that avoid certain industries like fossil fuels, tobacco, etc.

We hope you find this snapshot a helpful tool to scan the landscape of ESG indices. As ESG integration matures, we expect more indices - including niche thematic, impact-aligned indices - to come to market. We look forward to tracking the ESG index innovations.

Please feel free to email us at hello@bluedotcapital.co with your feedback and questions.

Sincerely,
Team Blue Dot Capital

Blue Dot Capital's Snapshot Series

The purpose of our Snapshot Series is to provide comprehensive, succinct, and decision-useful summaries of ESG topics.

Previous Snapshots

Snapshot: ESG Regulations

The summary maps out ESG disclosure and sustainable finance regulations across major developed and developing economies.

Snapshot: ESG Data

The summary is intended to provide a succinct overview of scoring methodologies, underlying data sources, and use cases of ESG ratings.

Aligned to Impact Objectives



MSCI Climate Paris Aligned

Designed to mitigate climate transition risks and support decarbonization of the economy, in-line with the Paris Agreement.

- Amundi MSCI World Climate Paris Aligned PAB UCITS ETF

MSCI Global Environmental

Designed to maximize its exposure to Clean Technology environmental themes

MSCI Sustainable Impact

Designed to identify core businesses that addresses at least one of the world's social and environmental challenges, as defined by the SDGs

- iShares MSCI Global Impact ETF

MSCI Women's Leadership

Aims to represent companies that exhibit a commitment towards gender diversity among boards and management



Paris-Aligned & Climate Transition (PACT)

Tracks performance equity securities compatible with a 1.5°C global warming climate scenario, in addition to several other climate-themed objectives

- Franklin S&P 500 Paris Aligned Clmt ETF
- Lyxor S&P Erzn Prs-Algnd Clmt
- EUPABDRETF
- Lyxor S&P 500 Paris-Algnd
- ClmtEUPABDRETF
- Lyxor S&P Europe Prs-Algnd Clmt ETF Acc
- Lyxor S&P Glb Dvlpd Prs-Algnd Clmt ETF Acc

Thematic ESG

Includes strategies focused on water, clean energy, and clean tech

- iShares Global Clean Energy ETF
- iShares Global Clean Energy ETF USD
- Invesco S&P Global Water ETF
- iShares Global Water ETF Comm
- iShares Global Water ETF USD



ISS ESG U.S. Diversity Index Family

Allows investors to analyze both gender and ethnic diversity for board members and executives



iClima Global Decarbonisation Enablers

Focuses on companies that are working toward decarbonizing the planet

Solactive Equileap Europe Gender Equality

Tracks developed market securities ranked by the Equileap Gender Diversity score

Solactive ISS ESG Future of Plastic

Includes companies with leading performance in innovation and implementation of plastic waste solutions and efficient material use

Solactive Hydrogen Economy Index

Aims to track the performance of companies that are actively engaged in the hydrogen industry

- L&G Hydrogen Economy UCITS ETF



HFRX Diversity

Designed to be representative of the overall composition of the minority owned hedge fund universe

HFRX Diversity

Designed to be representative of the overall composition of the women owned hedge fund universe



Adasina Social Justice

Global universe of public equities screened for social justice, with investment criteria focus on racial, gender, economic, and climate justice

- Adasina Social Justice All Cap Global ETF
- Adasina Social Justice All Cap Global SMA



WilderHill Clean Energy

Tracks the clean energy sector, specifically businesses that may benefit from a societal transition toward cleaner energy and decarbonization

- Invesco WilderHill Clean Energy ETF

WilderHill New Energy Global Innovation

Composed of global companies whose innovative technologies focus on clean energy, renewables, decarbonization, and efficiency

- Invesco Global Clean Energy ETF

Clean Ocean Index

Composed of companies whose products and innovations better protect our global oceans



Pax Global Women's Leadership

Consisting of the highest-rated companies in the world for advancing women on boards and in executive management

- Pax Ellevest Global Women's Leadership Fund



Ecofin Global Water ESG

Comprised of global water management companies that are positioned to benefit from the pursuit of solving the water supply/demand imbalance

- The Ecofin Global Water ESG Fund



LGBTQ100 ESG

Represents the top 100 hundred LGBTQ equality-driven U.S. companies from a universe of 500 publicly traded large-cap corporations



IQ Candriam Healthy Hearts

Consists of companies advancing global health-related goals including monitoring and curing heart diseases and helping people adopt a healthy lifestyle

- IQ Healthy Hearts ETF



ECPI Global ESG Blue Economy

Provides exposure to large caps selected for their sustainable participation in the blue economy, conforming to SDG 14: 'Life below water'

- BNP Paribas Easy ECPI Global ESG Blue Economy UCITS ETF



Morningstar Women's Empowerment

Companies in the index undergo a robust gender diversity assessment by researcher Equileap

- Impact Shares YWCA Women's Empowerment ETF

Morningstar Developed Markets ex-Japan Gender Diversity

Provides exposure to developed market companies exhibiting strong gender diversity policy and practices, based on Equileap assessment

Morningstar Minority Empowerment

Designed to provide exposure to US companies with strong racial and ethnic diversity policies in place

- Impact Shares NAACP Minority Empowerment ETF



RAFI Diversity & Governance Indices

Provides exposure to well-managed companies, identified by measures of diversity, financial discipline, corporate governance, and stock volatility

ESG Integration



- MSCI ESG Leaders
- MSCI ESG Focus
- MSCI ESG Universal
- MSCI ESG Select
- MSCI Climate Change
- MSCI Low Carbon
- MSCI SRI
- MSCI KLD 400

S&P Global

- S&P 500 ESG
- S&P MidCap 400 ESG
- S&P SmallCap 600 ESG
- Carbon Efficient
- ESG Select Equal Weight
- Dow Jones Sustainability Indices
- DJSI Diversified
- Carbon Price Risk 2030 Adjusted
- Green Real Estate
- Corporate Effectiveness



- Governance Quality Score Index Family



- Refinitiv/S-Network ESG Best Practices Ratings & Indices



- Ethical Europe
- Solactive BBVA Climate Action Europe
- Solactive Energy Transition
- Solactive Global Artificial Intelligence ESG
- Solactive L&G ESG
- Solactive L&G Gender in Leadership
- Solactive L&G Low Carbon Transition
- Solactive Oekom
- Solactive right. 2 degree-aligned
- Solactive right. Climate AVG Target
- Solactive Vigeo Eiris Biodiversity



- Syntax ESG



- STOXX Global ESG Leaders



- Eurekahedge ESG



- JUST Index



Coller FAIRR Protein Producer



RAFI ESG Indices



FTSE4Good Index Series



Bloomberg Rockefeller ESG



IQ Candriam ESG



SGX ESG



Exclusions



MSCI ESG Screened

MSCI ex Controversial Weapons

MSCI ex Tobacco Involvement

MSCI ex Fossil Fuels MSCI Faith Based



S&P Sustainability Screened

Global 1200 Fossil Fuel Free Religious



Solactive ISS ESG Screened



Syntax U.S. Social Core



The Bloomberg SASB Large Cap ESG Ex-Controversies Indices