

FTSE Russell chosen by Pensioenfond Detailhandel for new sustainable benchmark

- Innovative new equity index designed to align with aspects of the UN's Sustainable Development Goals (SDGs)
- Move demonstrates FTSE Russell's commitment to support investors choosing to incorporate sustainable investment objectives into all aspects of their portfolios

FTSE Russell, the global index, data and analytics provider, announces that Dutch pension fund Pensioenfond Detailhandel has selected a custom FTSE Russell ESG benchmark as the basis of its new €5.8bn developed market passive equity fund managed by BlackRock.

The index*, which is the result of close collaboration between FTSE Russell, Pensioenfond Detailhandel and BlackRock, has been designed to align a broad market equity benchmark with aspects of the UN's Sustainable Development Goals (SDGs). Company weightings within the index are adjusted using FTSE Russell's ESG research on Themes including Climate Change, Human Rights and Community & Labour Standards**. Tracking the custom index is expected to reduce exposure to CO2 emissions and fossil fuel reserves by approximately 50%, while exposure to green revenue will increase by around 10%.

This new customized index has been developed based on validated sustainability models, with emphasis on four of the SDGs:

- Decent work and economic growth (SDG 8)
- Responsible consumption and production (SDG 12)
- Climate action (SDG 13),
- Peace, justice and strong institutions (SDG 16)

Waqas Samad, CEO, FTSE Russell:

"FTSE Russell is delighted to support Pensioenfond Detailhandel's efforts to implement its ESG strategy by partnering with them and BlackRock to develop a unique equity benchmark that is aligned to the UN Sustainable Development Goals. This innovative approach demonstrates our firm commitment to support investors as they make the choice to incorporate sustainable investment objectives into all aspects of their portfolios and I look forward to furthering the partnership."

Henk van der Kolk, Chairman of Pensioenfond Detailhandel:

"Pensioenfond Detailhandel wants to minimize risk in its investments while pursuing the highest possible returns in a sustainable manner. The creation of this unique SDG aligned index is an important first step to make the entire portfolio sustainable in a way that aligns with the ESG themes and SDGs our participants find important."



Press Release

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Monique Donders, Country manager The Netherlands, BlackRock:

"Many of our clients are reviewing how their portfolios are built and seek solutions that express their sustainability objectives. We are thrilled to have been able to initiate and implement this new benchmark with Pensioenfond Detailhandel, which will ensure that the pension fund can realize its sustainability objectives via this new investment solution.

* FTSE Custom Developed Ex Korea SDG Aligned Net Tax (DSDG) Index

** The FTSE Developed SDG Aligned index is designed to help investors align a broad market benchmark with selected UN Sustainable Development Goals (SDGs) – specifically Goals 8, 12, 13 and 16. Company weights within the index are "tilted" using sustainable investment themes that have been identified as aligning with specific aspects of the four targeted SDGs. These themes include: Anti-Corruption, Climate Change, Human Rights & Community, Labour Standards and Pollution & Resources. Further tilts aligned with SDG 13 are applied based on company exposure to three key climate change considerations: carbon emissions, fossil fuel reserves and green revenues. The index applies a conduct-based exclusion based on the United Nations Global Compact principles and a product-based exclusion to remove companies involved with controversial weapons.

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About FTSE Russell:

FTSE Russell is a global index leader that provides innovative benchmarking, analytics and data solutions for investors worldwide. FTSE Russell calculates thousands of indexes that measure and benchmark markets and asset classes in more than 70 countries, covering 98% of the investable market globally.

FTSE Russell index expertise and products are used extensively by institutional and retail investors globally. Approximately \$16 trillion is currently benchmarked to FTSE Russell indexes. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create ETFs, structured products and index-based derivatives.

A core set of universal principles guides FTSE Russell index design and management: a transparent rules-based methodology is informed by independent committees of leading market participants. FTSE Russell is focused on applying the highest industry standards in index design and governance and embraces the IOSCO Principles. FTSE Russell is also focused on index innovation and customer partnerships as it seeks to enhance the breadth, depth and reach of its offering.

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