

Equitable Generations™ universal life Canadian Equity Index (ESG)

(Tracking the S&P/TSX Composite ESG Total Return Index)

A Linked Interest Option (LIO) based on the movement of the S&P/TSX Composite ESG Index¹, which integrates environmental, social and governance considerations.

Environmental, Social, and Governance (ESG) Investing focuses on investing in companies that meet certain criteria across one or more of its three tenets.

Environmental: how a company manages or reduces greenhouse gas emissions, energy efficiency and waste management

Social: how a company treats people, based on its human rights record, adherence to labour standards and employee relations practices

Governance: how a corporation polices itself through board diversity, executive compensation and policies & controls on bribery and corruption

US\$37B

2022 sustainable fund inflows globally².

96%

Canadian investors who view ESG as adding resilience to their portfolios³.


61%


Canadian investors who are interested in learning more about ESG⁴

A tested methodology to integrate ESG criteria into a Canadian core holding

Many investors seek funds that are aligned with their investment objectives and their values. The S&P/TSX Composite ESG Index was designed with both of these needs in mind.

The methodology of the S&P/TSX Composite was constructed with two objectives:

1  To provide a similar risk/return profile to the S&P/TSX Composite Index

2  To avoid companies that are not managing their business in line with their peers as it pertains to ESG principles, while including companies that are

S&P/TSX Composite Universe	
EXCLUDE	Tobacco, controversial weapons ⁵ , thermal coal, low United Nations Global Compact (UNGC) ⁶ score and with S&P DJI ESG Scores in the bottom 25% of their GICS industry group globally.*
SORT AND SELECT	Sort eligible companies by S&P DJI ESG Score within each GICS industry. Select top scoring ESG companies, targeting 75% of the market capitalization in each GICS industry.
	Weight companies by float-adjusted market capitalization.
	Reconstitute and rebalance annually. Controversies can come up between annual balances. S&P DJI has a built-in review process. The SAM Media and Stakeholder Analysis (MSA) was developed to formally review and remove those companies involved in activities related to economic crimes, fraud, human rights issues, etc.
S&P/TSX Composite ESG Index	

1. Investors do not purchase an interest in the underlying fund, but rather, an individual variable insurance contract issued by The Equitable Life Insurance Company of Canada.
GICS: Global Industry Classification Standard.

* Source: S&P Global January 2020. S&P Global ESG Scores give financial institutions the transparency and flexibility to drill down into three underlying Environmental, Social and Governance & Economic Dimension Scores, with an average of 23 Criteria Scores. Core ESG Indices, from a pioneer of ESG Indexing.

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S&P/TSX Composite ESG Index Key Performance Indicators⁷



Environmental

10%

higher exposure to companies that have set a corporate level climate impact target



Social

7%

higher exposure to companies that actively monitor diversity-related issues



Governance

12%

higher exposure to companies that have Codes of Conducts covering not only employees but for key partners

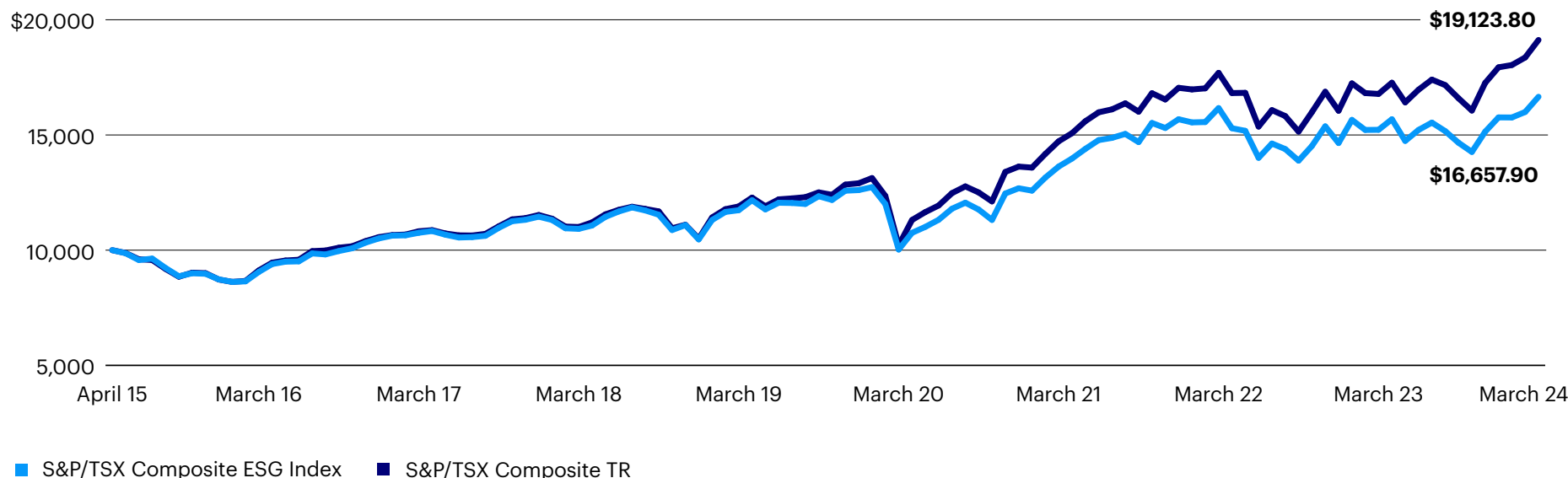
75%

The index targets 75% of the float adjusted market capitalization of each GICS* industry group within the S&P/TSX Composite Index

US\$ 1.6+ Trillion

Leveraging the scale and expertise of a global asset manager. Invesco Ltd assets under management as at March 31, 2024⁸

S&P/TSX ESG Index Performance vs S&P/TSX – Chart shows hypothetical back-tested performance for S&P/TSX ESG (CAD) Index prior to July 27, 2020*
Returns in CAD



* Source: Morningstar Direct, LLC. Data current as of March 31 2024. Chart and correlation are provided for illustrative purposes. S&P/TSX ESG Index (CAD) launched in July 27, 2020. All information for an index prior to its launch date is hypothetical back-tested, not actual performance. The back-test calculations are based on the methodology in effect on the index launch date. Back-tested performance is subject to inherent limitations because it reflects application of an index methodology and selection of index constituents in hindsight. No theoretical approach can take into account all of the factors in the markets in general and the impact of decisions that might have been made during the actual operation of an index. Actual returns may differ from, and be lower than, back-tested returns. Past performance is no guarantee of future results. You cannot directly invest in an index but rather indirectly via an individual variable insurance contract issued by The Equitable Life Insurance Company of Canada.

Please see important information on the next page.

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Limitations on use of hypothetical data:

Performance data for the period before the launch dates shown above for the relevant index has been reconstructed and is calculated on a basis consistent with each index's current basis of calculation. An investor cannot invest directly in an index. The reconstructed performance is hypothetical and for illustrative purposes only. Performance for an index does not reflect fees and expenses that might be applicable to a fund. The hypothetical performance data for these Indices should not be taken as indicating that if the Index had, in fact, existed during the shown time periods prior to the launch date, that this index would have achieved the hypothetical results shown. Actual results might have differed from the shown results.

Index performance:

Index performance charts are for illustrative purposes only. Certain indices are calculated by the relevant index provider in accordance with their methodology in USD, CAD and/or CAD hedged basis, and the calculated returns may be very different, depending on the extent of currency fluctuations during the relevant period. Performance for the Indexes does not reflect fees and expenses that might be applicable to a fund. Index performance is not indicative of fund performance, nor is it an indication of how a fund could or will perform. An investment cannot be made directly into an Index. Past performance is not a guarantee of future results.

2. Source: Morningstar Global Sustainable Fund Flows: Q4 2022 in Review.

3. Source: Edelman Trust Barometer, 2021.

4. Source: 2022 Survey by Invesco Canada Ltd. and Environics of 1,038 investors.

5. Controversial weapons include cluster weapons, landmines, biological or chemical weapons, depleted uranium weapons, white phosphorus weapons, and nuclear weapons.

6. Source: The United Nations Global Compact is a strategic initiative that supports global companies that are committed to responsible business practices in the areas of human rights, labor, the environment, and corruption.

7. Source: S&P Dow Jones Indices LLC. The Key Performance Indicators are examples of the ways the S&P/TSX Composite ESG Index offers enhanced ESG representation relative to the S&P/TSX Composite Index. S&P DJI ESG Scores are calculated by SAM, a business unit of S&P Global, Inc. and affiliate of S&P Dow Jones Indices LLC. Increased index exposure to each ESG theme is also calculated by SAM using granular scores derived from the SAM's Corporate Sustainability Assessments (2019 methodology year).

These metrics are calculated using index data as of July 31 2020 as the percentage difference between the ESG characteristics of the S&P/TSX Composite ESG Index and the S&P/TSX Composite Index, on a weighted average basis.

8. Source: Invesco Ltd., as at March 31, 2024, USD.

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