



Australian Climate Transition Index

May 2025 Factsheet



PROJECT
GREEN KANGAROO

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Introduction



The Australian Climate Transition Index was designed in 2020 to provide a sustainable investment strategy which enables institutional investors to align their objectives with those of the Paris Agreement.



It is one of the first forward looking, sustainable investment indices in the world to dynamically adapt to different climate transition scenarios as we move towards a well below 2-degree ambition.



The Australian Climate Transition (ACT) Index considers the risks and opportunities of climate change transitions, with regard to financial markets. It also incorporates the environmental, social, legal, financial and regulatory imperatives of action on climate change.



ACT Index has been developed through a unique collaboration that leverages the climate transition expertise of ClimateWorks Centre, the forensic corporate analysis of ISS ESG Australia and the quantitative expertise of the Centre for Quantitative Finance and Investment Strategies at Monash University.



The first Green Growth Bonds linked to the Australian Climate Transition Index were issued in July 2020, backed by three leading Australian institutional investors, the Clean Energy Finance Corporation, AwareSuper and QBE Insurance.



The initiative was led by Index Sponsor BNP Paribas, one of the largest banks in the world and a recognised leader in Sustainable Finance⁽¹⁾.

(1) The Asset Triple A Sustainable Finance Award 2025 – Best Bank for Sustainable Finance; Energy Risk Award 2024 – Sustainable Finance House of the year.

Methodology

The Australian Climate Transition Index incorporates three dynamic and forward looking climate scenarios developed by ClimateWorks Centre. Under each scenario a quadrant scoring process is applied by ISS ESG. As part of this process a score is calculated for each company under a given scenario by considering both the:

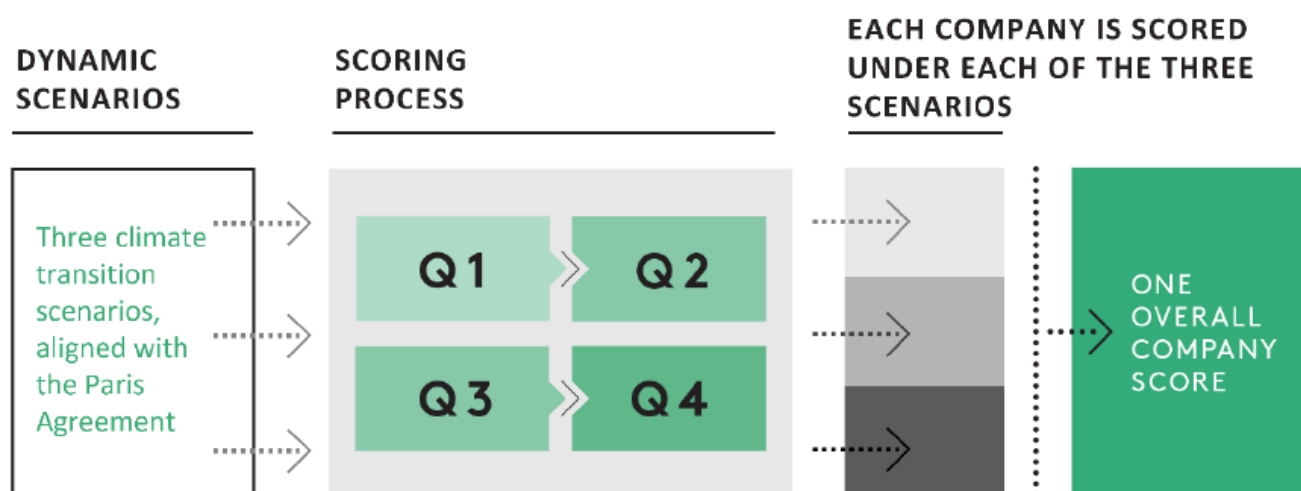
- Products & Services vs. Operations: types of products manufactured or services provided to the market, and how it operates to manufacture those products or provide those services
- Current Exposure vs. Mitigation Approach: current activities and emissions, and what it intends to be or do in the future

A weighted average of the company's score for each of the three climate scenarios is then calculated. This approach seeks to provide the highest score to companies that are likely to

- support or benefit from the transition (the "Enablers")
- adapt and thrive (the "Adaptors")
- to be unaffected by the anticipated changes (the "Least Affected")

The lowest scores identify companies that are deemed to face significant risk (the "At Risk")

The Index aims to provide broad exposure to the Enablers, the Adaptors and the Least Affected companies, whilst avoiding investment in companies considered most At Risk.



Source: ClimateWorks Centre and ISS ESG. For illustrative purpose only

Rebalancing & Selection Process

- The Index is rebalanced every six months to ensure reactivity to any change in business model with the 300 largest and liquid companies in Australia considered.
- The climate scenarios are remodeled typically at least every 3 years by ClimateWorks Centre, but can be less frequent depending on the magnitude of changes, and will include at any given point in time at least 3 climate scenarios. In intermediate years, or when ClimateWorks do not change the climate scenarios, the weights across the different scenarios are re-assessed.
- A series of exclusion filters are applied before the final selection on the highest scoring 220 companies. This process excludes any company
 - with an average daily trading volume less than 4M AUD
 - in contravention of BNP Paribas Financing and Investment policies (<https://group.bnpparibas/en/financing-investment-policies>)
 - included in the UN Global Compact Watchlist
- Finally, once the final exclusion filter has been applied, the 100 highest scoring companies are selected, with an equal weight given to each company, subject to a maximum individual sector exposure at 40%.

Index Characteristics

| | |
|-------------------|--|
| Name | Australian Climate Transition Net Total Return Index ("ACT Index") |
| Currency | AUD |
| Launch Date | 30 June 2020 |
| Bloomberg Code | ACTEN Index |
| Benchmark | ASX 200 Net Total Return Index (ASN51 Index) |
| Calculation Agent | Solactive |
| Index Sponsor | BNP Paribas |

Index Performance – June 2020 to May 2025



| 30 Jun 20 to 19 Jan 25 | Australian Climate Transition NTR Index (ACT Index) | Benchmark (ASX 200 NTR Index) |
|------------------------|---|-------------------------------|
| Annualised Return | 10.76% | 11.25% |
| Annualised Volatility | 16.15% | 13.32% |
| Sharpe Ratio | 0.67 | 0.84 |
| 1-Month Max Drawdown | -23.95% | -14.92% |
| Max Drawdown | 10.76% | 11.25% |

Source: Bloomberg, BNP Paribas, data from 30 June 2020 to 19 May 2025. Historical past performance is not an indicator of future performance.

Monthly Performance

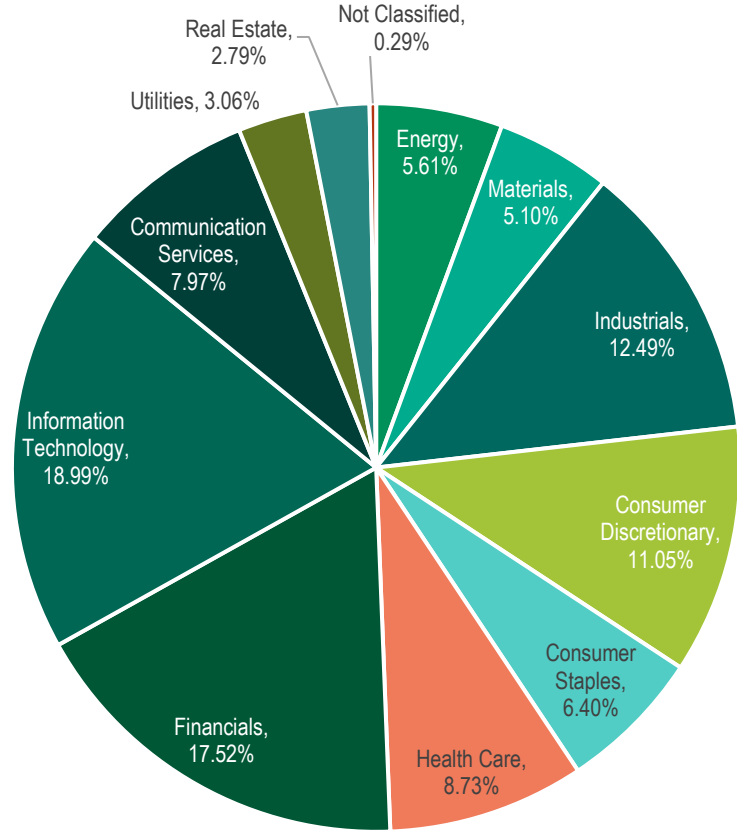
| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Full Year [^] |
|------|-----------|--------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|------------------------|
| 2020 | ACT Index | | | | | | | 0.0% | 6.9% | -3.7% | 2.3% | 12.6% | 1.3% | 20.0% |
| | Benchmark | | | | | | | 0.5% | 2.8% | -3.7% | 1.9% | 10.2% | 1.2% | 13.1% |
| 2021 | ACT Index | -0.3% | 0.6% | 2.0% | 5.3% | 0.8% | 3.7% | 0.3% | 4.6% | -2.1% | 0.9% | -0.1% | 3.6% | 20.7% |
| | Benchmark | 0.3% | 1.4% | 2.4% | 3.5% | 2.3% | 2.2% | 1.1% | 2.5% | -1.9% | -0.1% | -0.6% | 2.7% | 17.0% |
| 2022 | ACT Index | -10.4% | 0.9% | 5.9% | -1.2% | -5.2% | -13.1% | 11.2% | 0.7% | -7.5% | 5.3% | 7.7% | -2.8% | -10.9% |
| | Benchmark | -6.4% | 2.1% | 6.9% | -0.9% | -2.6% | -8.8% | 5.7% | 1.1% | -6.2% | 6.0% | 6.6% | -3.3% | -1.3% |
| 2023 | ACT Index | 7.2% | -3.3% | 0.0% | 2.9% | -1.3% | 0.4% | 2.3% | -1.4% | -5.5% | -5.0% | 5.8% | 7.3% | 8.5% |
| | Benchmark | 6.2% | -2.5% | -0.2% | 1.8% | -2.5% | 1.7% | 2.9% | -0.8% | -2.9% | -3.8% | 5.0% | 7.2% | 12.2% |
| 2024 | ACT Index | 0.0% | 2.7% | 4.7% | -2.4% | -1.8% | -1.4% | 4.2% | 1.5% | 4.3% | -0.2% | 1.4% | -2.9% | 10.3% |
| | Benchmark | 1.2% | 0.8% | 3.2% | -2.9% | 0.9% | 1.0% | 4.2% | 0.4% | 2.9% | -1.3% | 3.8% | -3.2% | 11.2% |
| 2025 | ACT Index | 6.5% | -4.2% | -2.6% | 4.0% | 3.1% | | | | | | | | |
| | Benchmark | 4.6% | -3.8% | -3.4% | 3.6% | 2.7% | | | | | | | | |

Source: Bloomberg, BNP Paribas, data from 30 June 2020 to 19 May 2025. Historical past performance is not an indicator of future performance.

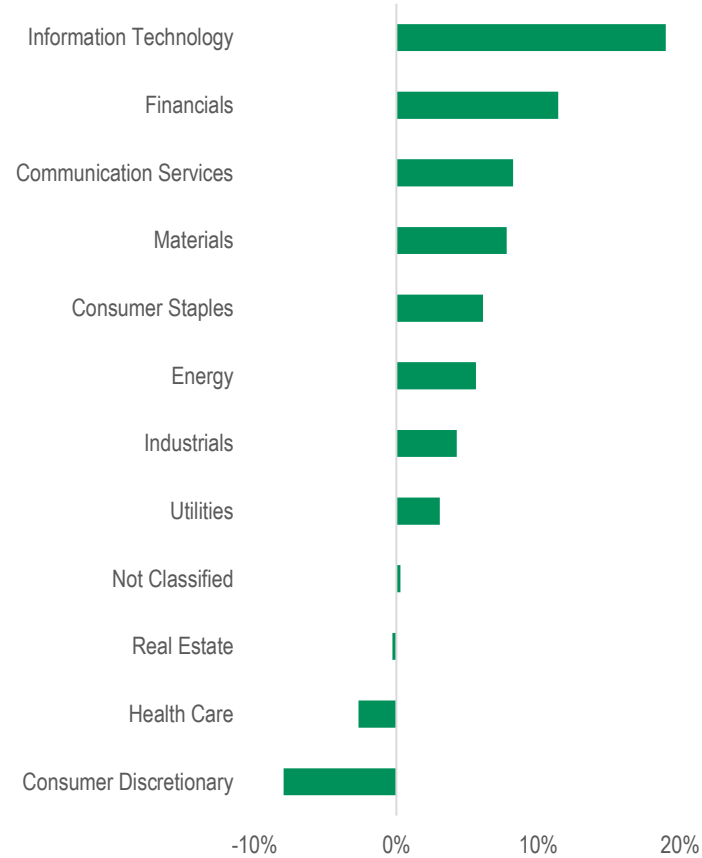
[^] Data from 30 June 2020 to 31 December 2020 (ACT Index 20% and Benchmark 13.1%) for annualized return of 2020;

Sector Analysis

Sector Breakdown



% Overweight/Underweight vs. Benchmark



Source: BNP Paribas, average quarterly weight as of May 2025

Size Analysis: Market Cap % Overweight/ Underweight Vs. Benchmark



Source: BNP Paribas, average quarterly weight as of May 2025

Performance Commentary

Since launch in 2020, the **ACTEN Index**'s performance (+51%) is similar to that of the **ASN51 Index** (+54%). This can be decomposed into 3 periods

- **Jul 20 – Dec 21:** Outperformance of the ACTEN Index vs. ASN51 (+45% vs. +32%)
- **2022:** Underperformance of the ACTEN Index vs. ASN51 (-11% vs. -1%)
- **2023:** Underperformance of the ACTEN Index vs. ASN51 (+8.5% vs +12%)
- **2024:** Slight Underperformance of the ACTEN Index vs. ASN51 (+10% vs +11%)
- **2025 YTD:** Outperformance of the ACTEN Index vs. ASN51 (+12.45 % vs 8.20%)

ACTEN: No Exposure to the Energy Sector

Recent performance has been more complicated due to the rise of geopolitical tensions favoring the Energy sector, from which the strategy is deallocated. The performance of the energy sector saw a slight improvement recently in 2025, mainly driven by a rally in Natural Gas, fuelled by inventory drawdowns due to cold weather and increased CTA flows, as well as ongoing geopolitical tensions.

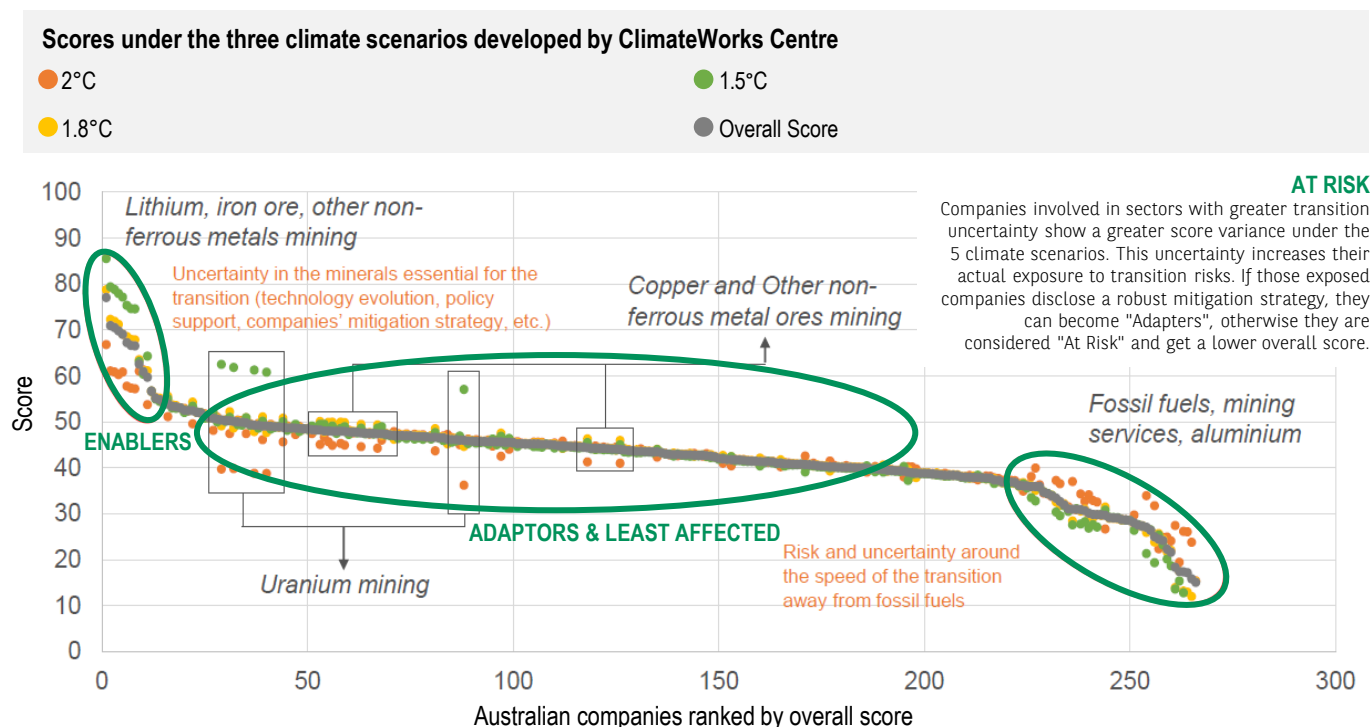
ACTEN: Increased Exposure to the Technology Sector

There has been a continued shift away from technology stocks, partially due to a rate-driven sectoral rotation. As interest rates increased (making risky assets relatively more expensive), investors continue to move away from Growth stocks such as Tech where valuations are high towards cheaper 'Value' stocks such as Financials & Energy. Although the market has seen a recovery, the outflows from the tech sector caused a significant decline in tech stocks globally, which, coupled with the flow through effects from April's significant sell off in US tech, have seen the S&P/ASX 200 Information Technology Sector Index increased 4.32% YTD. The ACTEN index has a higher allocation to the technology sector (19%) vs. the ASN51 (2.91%) as of the 17th of March. However, the ACTEN index has outperformed YTD, as tech stocks stabilize, and the index's equity selection outperformed.

ACTEN performance since inception (+56.03%) is broadly in line with ASN51 performance (+63.51%) **despite** going through a global economic period that was particularly difficult for ESG indices relative to non-ESG benchmarks.

Scoring & Transition Risk Analysis

The chart below shows the scores of all 300 Australian companies under the different transition scenarios as of December 2024. The illustration depicts the highest scoring companies the "Enablers" alongside the better ranked "Adaptors" and "Least Affected". The image also showcases the lowest scoring "At Risk" companies whose product and business model faces meaningful risks, or who haven't yet developed sufficient mitigating future strategies. These companies face the most uncertainty and are more sensitive to scenario variations. As a result, these companies will require a significant and comprehensive mitigation strategy to prepare for the transition.



Source: ClimateWorks Centre, data as of December 2024.

For illustrative purpose only. Climate scenarios are subject to change by ClimateWorks from time to time.

Scoring & Transition Risk Analysis (Cont'd)

| | Dec 2024 |
|---|----------------------|
| Number of eligible ASX300 companies | 285 |
| Number of companies excluded by BNP Paribas | 112 |
| First company included in the ACT Index | Score: 71; Rank: 2 |
| Last company included in the ACT Index | Score: 41; Rank: 170 |
| Median Score of the ACT Index | 47 |
| Mean Score of the ACT Index | 47 |

Source: ISS ESG, BNP Paribas, data as of December 2024.

Carbon Emissions Analysis

| | Total Carbon Emission [Scope 1+2 / Scope 1+2+3] | Carbon Intensity | Weighted Average Carbon Intensity |
|-------------|--|------------------|-----------------------------------|
| Index | 39 / 458 | 62.68 | 76.80 |
| Benchmark | 71 / 847 | 150.83 | 110.90 |
| Performance | 44.7% / 45.9% | 58.4% | 30.8% |

Carbon Intensity:

It is expressed as “tons of CO2 equivalent / million AUD revenue” and based on Scope 1 & 2.

This metric corresponds to the ratio between the “financed emission” and the “financed revenue”. It aims to illustrate the GHG efficiency of the underlying portfolio, by adjusting for company size.

Weighted Average Carbon Intensity:

It is expressed as “tons of CO2 equivalent / million AUD revenue” and based on Scope 1 & 2.

The metric calculates a portfolio's exposure to carbon-intensive companies, expressed in tCO2e/m revenue and is weighted based on stock's weight within the portfolio.

Source: ISS ESG, BNP Paribas, data as of March 2025.

Index Composition – as of 16 May 2025

In alphabetical order:

| | |
|---------------------------------|--|
| Aristocrat Leisure Ltd | Medibank Pvt Ltd |
| ALS Ltd | Macquarie Group Ltd |
| AMP Ltd | Mesoblast Ltd |
| Ansell Ltd | Metcash Ltd |
| ANZ Group Holdings Ltd | National Australia Bank Ltd |
| ASX Ltd | Nine Entertainment Co Holdings Ltd |
| Boss Energy Ltd | nib holdings LtdAustralia |
| Bank of Queensland Ltd | Northern Star Resources Ltd |
| Brambles Ltd | Nuix Ltd |
| CAR Group Ltd | NEXTDC Ltd |
| Commonwealth Bank of Australia | Paladin Energy Ltd |
| Challenger Ltd | Pilbara Minerals Ltd |
| Charter Hall Group | Pro Medicus Ltd |
| Chalice Mining Ltd | Pinnacle Investment Management Group Ltd |
| Champion Iron Ltd | Perpetual Ltd |
| Capricorn Metals Ltd | Perseus Mining Ltd |
| Cochlear Ltd | QBE Insurance Group Ltd |
| Coles Group Ltd | REA Group Ltd |
| Computershare Ltd | Reece Ltd |
| CSL Ltd | Ramsay Health Care Ltd |
| Corporate Travel Management Ltd | Ramelius Resources Ltd |
| Domain Holdings Australia Ltd | Regis Resources Ltd |
| Downer EDI Ltd | Resolute Mining Ltd |
| Deterra Royalties Ltd | Scentre Group |
| Dexus | Siteminder Ltd |
| Deep Yellow Ltd | SEEK Ltd |
| Emerald Resources NL | Sandfire Resources Ltd |
| Evolution Mining Ltd | Sims Ltd |
| Flight Centre Travel Group Ltd | Stockland |
| Fortescue Ltd | Sonic Healthcare Ltd |
| Genesis Minerals Ltd | Super Retail Group Ltd |
| Goodman Group | Suncorp Group Ltd |
| GrainCorp Ltd | Transurban Group |
| Gold Road Resources Ltd | Telstra Group Ltd |
| GPT GroupThe | Technology One Ltd |
| Insurance Australia Group Ltd | TPG Telecom Ltd |
| Insignia Financial Ltd | Tuas Ltd |
| IGO Ltd | Vault Minerals Ltd |
| Iluka Resources Ltd | Vicinity Centres |
| IPH Ltd | Ventia Services Group Pty Ltd |
| IRESS Ltd | Vulcan Energy Resources Ltd |
| James Hardie Industries PLC | West African Resources Ltd |
| Lendlease Corp Ltd | Westpac Banking Corp |
| Liontown Resources Ltd | WEB Travel Group Ltd |
| Lynas Rare Earths Ltd | Wesfarmers Ltd |
| Macquarie Technology Group Ltd | Westgold Resources Ltd |
| Magellan Financial Group Ltd | Worley Ltd |
| Mirvac Group | Woolworths Group Ltd |
| Mineral Resources Ltd | WiseTech Global Ltd |
| Megaport Ltd | Zip Co Ltd |

Source: BNP Paribas, data as of 16 May 2025.

Additional Information on ISS ESG Scoring & Analysis

Sources of information

ISS ESG Corporate Ratings data is primarily sourced from publicly available information, including a company's own disclosure and reporting, proxy statements, reputable media sources, governmental and international institutions, recognized international or local non-governmental organizations, and non-biased subscription databases such as the CDP and S&P Capital IQ. During the rating process, considerable importance is attached to a dialogue with the company under evaluation. ISS ESG provides companies with ample opportunity to comment on and add to the provisional findings by submitting a draft rating report to the company for revision. The intense dialogue and feedback process contributes to the high quality and validity of information and are valued by rated entities and investors alike.

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