



US DIVERSITY INDEX

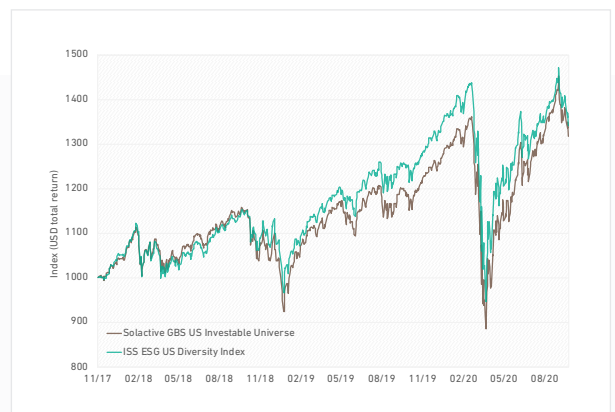
Now more than ever, the gender and ethnic diversity of company boards and executives is under scrutiny and various stakeholders urge companies to take steps towards closing the diversity gap. From an investor's perspective, valuing diversity could, not only support broader societal objectives, but also make financial sense.

A 2019 McKinsey study, of more than 1,000 global companies, found that top-quartile companies having greater ethnic/cultural diversity and gender diversity outperformed those in the bottom by 36 percent and 25 percent, respectively, as measured by profitability*.

*McKinsey & Company, Diversity wins: How inclusion matters (2019)



The pioneering ISS ESG US Diversity Index is the first US diversity index in the market that allows investors to analyze both gender and ethnic diversity for board members and Named Executive Officers.



ISS ESG US DIVERSITY INDEX
vs US Investable Universe
11/01/2017 = 1000



CRITERIA FOR SELECTING INDEX CONSTITUENTS

Companies are considered eligible for inclusion in the index based on the ISS ESG Director Data diversity data set and must meet the following three requirements.

- Company's Board has a 35% combined minimum of women or ethnically diverse Directors.
- Company has a combined minimum of three distinct ethnically diverse individuals among Directors or Named Executive Officers, or a minimum of two such individuals if the CEO or Board Chair is ethnically diverse.
- Company has a combined minimum of three distinct women among Directors or Named Executive Officers, or a minimum of two women if the CEO or Board Chair is a woman.

COVERAGE

The ISS ESG US Diversity index tracks large-, mid-, and small-cap U.S. companies that exhibit a broad ethnic and gender representation of directors and named executive officers.

MARKET-LEADING INDEX SOLUTIONS

With over 25 years of experience of working with asset managers and asset owners, ISS ESG is a leading source for sustainable and responsible investment solutions. ISS ESG develops indices and collaborates with global index providers to create innovative solutions based on high-quality, reliable, and relevant ESG data.

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Pioneered ESG ratings, Norm-Based Research and portfolio climate risk assessments.



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Analysts with in-depth thematic and sector-specific experience spread across EMEA, the Americas & APAC.



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