

**S&P Developed Ex-Korea LargeMidCap  
ESG Enhanced Sector Indices  
*Methodology***

January 2023

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# Introduction

## Index Objective and Highlights

The S&P Developed Ex-Korea LargeMidCap ESG Enhanced Sector Indices measure the performance of eligible equity securities from an underlying S&P Developed Ex-Korea LargeMidCap Global Industry Classification Standard (GICS®) Sector index, selected and weighted to collectively enhance ESG profiles and reduce the carbon footprint at the index level.

The indices apply exclusions based on companies' ESG characteristics, involvement in specific business activities, violation of United Nations' Global Compact (UNGC) Principles, and involvement in relevant ESG controversies, as defined in *Eligibility Criteria*.

*For more information on the underlying indices, please refer to the S&P Global BMI, S&P/IFCI Methodology, available at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).*

*For more information on GICS, please refer to S&P Dow Jones Indices' GICS Methodology.*

The index series' weighting strategy aims to minimize the difference in constituent weights from the underlying index. In addition, the indices incorporate a variety of specified ESG and decarbonization targets, and align with certain specified criteria through the use of optimization with multiple model constraints, including:

- improved index-level S&P DJI ESG Score compared to the underlying index;
- reduced index-level greenhouse gas ('GHG', expressed in CO<sub>2</sub> equivalents) emissions intensity compared to their respective underlying index by at least 30%;
- constituent-level weight capping to allow for greater diversification.

## Climate-Related Data

**S&P Trucost Limited (Trucost) Data Used:** GHG Emissions.

*For information on Trucost's methodology, please refer [here](#).*

## The S&P DJI ESG Score

S&P DJI ESG Scores are determined through the S&P Global 'Corporate Sustainability Assessment' (CSA). A company's S&P DJI ESG score may either be calculated from data received directly by a company completing the comprehensive assessment (together with supporting documents), or by using publicly available information if the company does not reply to the CSA. S&P Global then uses the CSA results to calculate the S&P DJI ESG Scores.

The S&P DJI ESG Score is the aggregation of three dimension-level scores: Environmental, Social, and Governance & Economic.

*For more information on the CSA Process, please refer to [www.spglobal.com/esg/csa](http://www.spglobal.com/esg/csa).*

*For more information on S&P DJI ESG Scores, please refer to the S&P DJI ESG Score Methodology.*

For purposes of ESG assessment, companies are assigned to industries defined by S&P Global, and the assessment is largely specific to each industry. S&P Global uses the Global Industry Classification Standard (GICS®) as its starting point for determining industry classification. At the industry group and

sector levels, the S&P Global CSA Industries match the standard GICS classifications, but some non-standard aggregations are done at the industry level.

For information on S&P Global CSA Industry-GICS Sub-Industry Mapping, please refer [here](#).

## Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology	<a href="#">Equity Indices Policies &amp; Practices</a>
S&P Dow Jones Indices' Index Mathematics Methodology	<a href="#">Index Mathematics Methodology</a>
S&P Dow Jones Indices' Float Adjustment Methodology	<a href="#">Float Adjustment Methodology</a>
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	<a href="#">GICS Methodology</a>
S&P DJI ESG Score Methodology	<a href="#">S&amp;P DJI ESG Score Methodology</a>

The methodology is created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

# Eligibility Criteria

## Index Universe

At each rebalancing reference date, the following indices are constructed from an Eligible Universe consisting of the constituents of an underlying index universe, as defined below:

Index	Underlying Index Universe
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Energy	S&P Developed Ex-Korea LargeMidCap Energy
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Health Care	S&P Developed Ex-Korea LargeMidCap Health Care
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Financials	S&P Developed Ex-Korea LargeMidCap Financials
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Information Technology	S&P Developed Ex-Korea LargeMidCap Information Technology

## Exclusions Based on S&P DJI ESG Score

As of each rebalancing reference date, companies without an S&P DJI ESG Score are excluded from index inclusion.

Companies with an S&P DJI ESG Score that falls within the lowest 20% (by count) of ESG Scores in each index universe are excluded from the indices. Exclusion percentiles are based only on companies with an S&P DJI ESG Score.

## Exclusions Based on Carbon Intensity

As of each rebalancing reference date, companies without total GHG Emissions<sup>1</sup> data coverage are excluded from index inclusion.

Companies with a Carbon Intensity<sup>2</sup> that falls within both (1) the highest 10% (by FMC) of Carbon Intensity per GICS Industry Group; and (2) the highest 10% (by FMC) of Carbon Intensity per the S&P Developed Ex-Korea LargeMidCap index are excluded from index inclusion. Exclusion percentiles are based only on companies with GHG Emissions data coverage.

## Exclusions Based on Business Activities

As of each rebalancing reference date, companies with the following specific business activities, as determined by Sustainalytics, are excluded from the eligible universe:

Sustainalytics Product Involvement	Sustainalytics Category of Involvement and Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Controversial Weapons	<b>Tailor-made and Essential:</b> The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%	≥25%
	<b>Non Tailor-made or Non-Essential:</b> The company provides components/services for the core weapon system which are either not considered tailor-made or not essential to the lethal use of the weapon.		>0%	≥25%

<sup>1</sup> Please refer to Appendix I for the definition of total GHG emissions per company.

<sup>2</sup> Please refer to Appendix I for the definition of carbon intensity per company.

Sustainalytics Product Involvement	Sustainalytics Category of Involvement and Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Military Contracting	<b>Weapons:</b> The company manufactures military weapon systems and/or integral, tailor-made components or these weapons.	Revenue	≥5%	N/A
	<b>Weapon-related Products and/or Services:</b> The company provides tailor-made products and/or services that support military weapons.		≥5%	N/A
Thermal Coal	<b>Extraction:</b> The company extracts thermal coal.	Revenue	≥5%	N/A
	<b>Generation:</b> The company generates electricity from thermal coal.		≥5%	N/A
Tobacco Products	<b>Production:</b> The company manufactures tobacco products.	Revenue	>0%	≥25%
	<b>Related Products/Services:</b> The company supplies tobacco-related products/services.		≥5%	N/A
	<b>Retail:</b> The company derives revenues from the distribution and/or retail sale of tobacco products.		≥5%	N/A
Oil Sands	<b>Extraction:</b> The company extracts oil sands.	Revenue	≥5%	N/A
Small Arms	<b>Civilian Customers (Assault Weapons):</b> The company manufactures and sells assault weapons to civilian customers.	Revenue	>0%	≥25%
	<b>Civilian Customers (Non-Assault Weapons):</b> The company manufactures and sells small arms (Non-assault weapons) to civilian customers.		>0%	≥25%
	<b>Military/Law Enforcement Customers:</b> The company manufactures and sells small arms to military/law enforcement customers.		≥0%	≥25%
	<b>Key Components:</b> The company manufactures and sells key components of small arms.		>0%	≥25%
	<b>Retail/Distribution (Assault Weapons):</b> The company is involved in the retail and/or distribution of assault weapons.		≥5%	N/A
	<b>Retail/Distribution (Non-Assault Weapons):</b> The company is involved in the retail and/or distribution of small arms (Non-assault weapons).		≥5%	N/A

Level of Involvement refers to the company's direct exposure to such products, while Significant Ownership indicates where the company has indirect involvement via some specified level of ownership of a subsidiary company with involvement.

Companies not covered by Sustainalytics are excluded from index eligibility.

Please refer to [www.sustainalytics.com](http://www.sustainalytics.com) for more information.

### Exclusions Based on Sustainalytics' Global Standards Screening

Sustainalytics' Global Standards Screening (GSS) provides an assessment of a company's impact on stakeholders and the extent to which a company causes, contributes, or is linked to violations of international norms and standards. The basis of the GSS assessments is the UNGC Principles. Information regarding related standards is also provided in the screening, including the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions. Sustainalytics classifies companies into the following three statuses:

- **Non-Compliant.** Classification given to companies that do not act in accordance with the UNGC Principles and its associated standards, conventions, and treaties.
- **Watchlist.** Classification given to companies that are at risk of violating one or more principles, for which all dimensions for Non-Compliant status could not be established or confirmed.
- **Compliant.** Classification given to companies that act in accordance with the UNGC Principles and its associated standards, conventions, and treaties.

As of each rebalancing reference date, companies classified as Non-Compliant, according to Sustainalytics, are ineligible for index inclusion. Companies not covered by Sustainalytics are excluded from index inclusion.

Please refer to [www.sustainalytics.com](http://www.sustainalytics.com) for more information.

### **Controversies Monitoring: Media and Stakeholder Analysis Overlay**

In addition to the above, S&P Global uses RepRisk<sup>3</sup> for daily filtering, screening, and analysis of ESG risk incidents and controversial activities related to companies within the indices.

In cases where risks are presented, S&P Global releases a Media and Stakeholder Analysis (MSA) which includes a range of issues such as economic crime and corruption, fraud, illegal commercial practices, human rights issues, labor disputes, workplace safety, catastrophic accidents, and environmental disasters.

The Index Committee reviews constituents flagged by S&P Global's MSA to evaluate the potential impact of controversial company activities on the composition of the indices. If the Index Committee decides to remove a company in question, that company is ineligible for re-entry for at least one full calendar year, beginning with the subsequent reconstitution.

For more information on RepRisk, please refer to [www.reprisk.com](http://www.reprisk.com). This service is not considered a direct contribution to the index construction process.

### **Multiple Classes of Stock**

All publicly listed multiple share class lines are eligible for index inclusion subject to meeting the eligibility criteria. For more information regarding the treatment of multiple share classes, please refer to Approach A within the Multiple Share Classes section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology. All publicly listed multiple share class lines of a company are assigned and assessed using the same S&P DJI ESG score.

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<sup>3</sup> RepRisk, an ESG data science company, leverages the combination of AI and machine learning with human intelligence to systematically analyze public information in 23 languages and identify material ESG risks. With daily data updates across 100+ ESG risk factors, RepRisk provides consistent, timely, and actionable data for risk management and ESG integration across a company's operations, business relationships, and investments.



# Index Construction

## Constituent Selection

At each rebalancing, the eligible constituents of each underlying index are selected and form each index.

## Constituent Weighting

At each rebalancing reference date, weights are determined to minimize the sum of the squared difference between the underlying parent weight for each constituent (i) and its optimized weight, divided by its parent weight, subject to constraints. The objective function is as follows:

$$\text{Minimize} \left( \frac{1}{n} \sum_{i=1}^n \left[ \frac{(\text{Underlying Index Weight}_i - \text{Optimized Weight}_i)^2}{\text{Underlying Index Weight}_i} \right] + \frac{1}{m} \sum_{j=1}^m \left[ \frac{(\text{Underlying Country Weight}_j - \text{Optimized Weight}_j)^2}{\text{Underlying Country Weight}_j} \right] \right)$$

## Optimization Constraints

As of each rebalancing reference date, the optimizer will seek to minimize the above objective function for each index in the series while satisfying the criteria that index constituents will have an index weight of at least 0.01%, and all applicable combinations of the below ESG targets (Table 1), decarbonization objectives (Table 2), and index construction constraints (Table 3).

**Table 1. ESG Targets**

Constraint	Index	Data Source
Weighted-average S&P DJI ESG Score (waESG)	<p>≥ the waESG of the underlying index after removing stocks excluded based on S&amp;P DJI ESG Scores*;</p> <p>AND</p> <p>≥ the waESG of the underlying index after removing 25% FMC of the lowest S&amp;P DJI ESG Scores from each GICS Industry Group*</p>	S&P DJI

\* Percentile targets are based only on companies with S&P DJI ESG Scores

**Table 2. Decarbonization Targets**

Constraint	Index	Data Source
Weighted-average Carbon Intensity (WACI)	<p>≤ underlying WACI × 70%;</p> <p>AND</p> <p>≤ the WACI of the underlying index after removing companies that fall within both (1) 25% FMC of companies with the highest Carbon Intensity per GICS Industry Group and (2) 25% FMC of companies with the highest Carbon Intensity per the S&amp;P Developed Ex-Korea LargeMidCap index*</p>	Trucost

\* Percentile targets are based only on companies with GHG Emissions data coverage.

**Table 3. Index Construction Constraints**

Constraint	Index
Diversification Relative Max Company Limit	$\leq 10x$ the company weight in the underlying index; AND $\leq$ the company weight in the underlying index + 5%
Diversification 20/35 Rule	Max company weight is 31.5%, with none of the others exceeding 18%

**Constraint Relaxation Hierarchy**

If the optimization process fails to achieve a feasible solution, the constraints are relaxed, by 10% increments on a relative scale, in the order listed below. The relaxation process proceeds iteratively until a feasible solution is achieved.

- One-way Turnover Constraint (if applicable, see below)
- Diversification Relative Max Company Limit:  $\leq$  the company weight in the underlying index + 5%

The following constraints are considered hard constraints and are not relaxed:

- Weighted-average S&P DJI ESG Score
- Weighted-average Carbon Intensity (WACI) Target
- Diversification Relative Max Company Limit:  $\leq 10x$  the company weight in the underlying index
- Diversification 20/35 Rule
- Minimum Constituent Weight Lower Threshold of 0.01%

**Post Optimization Index Turnover Review and Related Turnover Constraint**

The indicative one-way index turnover is calculated after the above optimization process. If the discretionary one-way turnover exceeds 15%, the turnover constraint becomes applicable, and the optimization process is re-triggered to include the One-way Turnover Constraint.

$$\text{Discretionary One-way Turnover} = \text{One-way Turnover} - \max(\text{Weights of Drops}, \text{Weights of Adds})$$

where:

One-way Turnover = Indicative one-way index turnover calculated based on the optimized weights and index weights as of the reference date.

*Weights of Drops* = The aggregate reference date index weight of stocks which were eligible in the previous rebalance but are ineligible in the current rebalance.

*Weights of Adds* = The aggregate post-optimization weight of stocks which were ineligible in the previous rebalance but are eligible in the current rebalance.

$$\text{One-way Turnover Constraint} = 15\% + \max(\text{Weights of Drops}, \text{Weights of Adds})$$

Where the *Weights of Drops* and *Weights of Adds* are based on the initial optimization results.

**Index Calculations**

The indices calculate by means of the divisor methodology used in all S&P Dow Jones Indices' equity indices.

*For more information on the index calculation methodology, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

# Index Maintenance

## Rebalancing

The indices rebalance semi-annually, effective after the close of the last business day of April and October. The rebalancing reference date is the last trading day of March and September, respectively. As part of the rebalancing process, constituent stock weights are updated. Weights calculated as a result of the reference date data are implemented in the indices using closing prices seven business days prior to the rebalancing effective date.

## Reviews Outside of the Semi-annual Rebalancings

**GICS Changes.** Outside of the semi-annual rebalancings, the indices are reviewed to account for significant GICS changes in the underlying indices. The review reference dates are the close of the last business day of June and December, with GICS changes assessed based on the GICS classifications of the underlying index at the open of the following business day. Ad-hoc rebalancings, if triggered by the rule described above, become effective after the close of the last business day of July and January, respectively.

At each review, the magnitude of GICS changes is determined by comparing the composition of the underlying indices as of the reference date of the latest index rebalancing against the underlying indices as of the review reference date.

At the Index Committee's discretion, if the sum of the weight of constituents with GICS sector changes is greater than 5% in any underlying sector index, a full rebalancing for each corresponding ESG Enhanced sector index may be triggered. Constituent weights used to evaluate the impact of GICS changes during the review are calculated using closing prices as of the respective review reference date.

An ad-hoc rebalancing for the impacted sector index will be conducted in the event of a fundamental GICS restructuring if the sum of the weight of constituents with GICS sector changes is greater than 5% in its underlying sector index. The rebalancing effective date is expected to be the GICS restructuring effective date.

**Index Diversification 20/35 Rule.** Outside of the semi-annual rebalancings, the indices are also reviewed to limit the likelihood of breaching the Diversification 20/35 Rule. Capping is only performed when either an index's largest closing company's weight exceeds 33% or the second largest closing company's weight exceeds 19%. The review reference dates are the close of the last business day of June and December. Ad-hoc weight capping becomes effective after the close of the last business day of July and January, respectively. If the capping process is triggered, weights will only be adjusted to reflect the reapplication of the Diversification 20/35 Rule as described in Table 3 (Index Construction Constraints). All other constraints will not be reapplied. In case capping is necessary, it will be carried out according to the following procedures:

1. The weight of the largest company will be capped at 31.5%, with all excess weight proportionally redistributed to the remaining companies within the relevant index.
2. The weight of the second largest company will be capped at 18%, with all excess weight proportionally redistributed to all remaining uncapped companies within the relevant index.
3. After this redistribution, steps 1 and 2 are repeated iteratively until the weight of the largest company does not exceed 31.5% and the second largest company does not exceed 18%.

## Quarterly Updates

Changes to a constituent's shares and IWF as a result of the quarterly updates are effective after the close on the third Friday in March, June, September, and December.

## Ongoing Maintenance

For a given index, constituents are drawn from an underlying index. Specific changes to index constituents, such as share changes, Investable Weight Factor (IWF) changes, dividend distributions, and price adjustments, follow the policies of the underlying index.

*For more information on Share Updates, Float Adjustment, and IWFs, please refer to the Market Capitalization Indices section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology and S&P Dow Jones Indices' Float Adjustment Methodology.*

The indices are reviewed on an ongoing basis to account for corporate events such as mergers, takeovers, delistings, suspensions, spin-offs/demergers, or bankruptcies. Changes to index composition and related weight adjustments are made as soon as they are effective. These changes are typically announced prior to the implementation date.

## Additions and Deletions

**Additions.** Except for spin-offs, no additions are made to the indices intra-rebalancing.

**Spinoffs.** Spin-offs are added to all indices where the parent security is a constituent at a zero price at the market close of the day before the ex-date (with no divisor adjustment) and are removed after at least one day of regular way trading (with a divisor adjustment).

**Deletions.** If a stock is dropped from an underlying sector index, it is also removed from the respective S&P Developed Ex-Korea LargeMidCap ESG Enhanced Sector Index simultaneously. Between rebalancings, a stock can be deleted from an index due to GICS changes and corporate events such as mergers, takeovers, delistings, suspensions, spin-offs/demergers, or bankruptcies. Any GICS Sector changes in the underlying index are removed from the respective S&P Developed Ex-Korea LargeMidCap ESG Enhanced Sector Index within two calculation days.

The indices are reviewed quarterly to remove stocks due to Exclusions Based on Business Activities and/or Exclusions Based on Sustainalytics' Global Standards Screening. Outside of the semi-annual rebalancings, the review reference dates are the close of the last business day of June and December. The deletions become effective after the close of the last business day of July and January, respectively.

In addition, at the discretion of the Index Committee, a deletion may occur if an MSA is raised.

## Corporate Actions

For information on Corporate Actions, please refer to the Market Capitalization Indices section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Currency of Calculation and Additional Index Return Series

The indices calculate in U.S. dollars.

WM/Refinitiv foreign exchange rates are taken daily at 04:00 PM London Time and used in the end-of-day calculation of the indices. These mid-market fixings are calculated by The WM Company based on Refinitiv data and appear on Refinitiv pages WMRA.

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to the following: currency, currency hedged, decrement, fair value,

inverse, leveraged, and risk control versions. For a list of available indices, please refer to the [S&P DJI Methodology & Regulatory Status Database](#).

For information on various index calculations, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

For the inputs necessary to calculate certain types of indices, including decrement, dynamic hedged, fair value, and risk control indices, please refer to the Parameters documents available at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).

### Base Dates and History Availability

Index history availability, base dates, and base values are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Energy Index	01/23/2023	04/30/2010	04/30/2010	1000
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Health Care Index	01/23/2023	04/30/2010	04/30/2010	1000
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Financials Index	01/23/2023	04/30/2010	04/30/2010	1000
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Information Technology Index	01/23/2023	04/30/2010	04/30/2010	1000

# Index Data

## Calculation Return Types

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.

For a complete list of indices available, please refer to the daily index levels file (".SDL").

*For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

*For more information on the calculation of return types, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

# Index Governance

## Index Committee

The indices are managed by an S&P Dow Jones Indices Index Committee. The Index Committee meets regularly. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of the index to the market, companies that are being considered as candidates for addition to the index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

*For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

# Index Policy

## Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

## Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the indices rebalance. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing.

*Please visit [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/) for a complete schedule of rebalancing timelines and pro-forma delivery times.*

## Holiday Schedule

The indices are calculated daily, throughout the calendar year. The only days an index is not calculated are on days when all exchanges where an index's constituents are listed are officially closed or if WM/Reuters' exchange rates services are not published.

A complete holiday schedule for the year is available at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).

## Rebalancing

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

## Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

*For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

## Contact Information

For any questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).



# Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/), major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

## Tickers

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to the [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index	Return Type	Bloomberg	RIC
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Energy Index (USD)	Price Return	SPDLEEUP	.SPDLEEUP
	Total Return	SPDLEEUT	.SPDLEEUT
	Net Total Return	SPDLEEUN	.SPDLEEUN
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Energy Index (EUR)	Price Return	SPDLEEEP	.SPDLEEEP
	Total Return	SPDLEEET	.SPDLEEET
	Net Total Return	SPDLEEEEN	.SPDLEEEEN
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Health Care Index (USD)	Price Return	SPDLEHUP	.SPDLEHUP
	Total Return	SPDLEHUT	.SPDLEHUT
	Net Total Return	SPDLEHUN	.SPDLEHUN
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Health Care Index (EUR)	Price Return	SPDLEHEP	.SPDLEHEP
	Total Return	SPDLEHET	.SPDLEHET
	Net Total Return	SPDLEHEN	.SPDLEHEN
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Financials Index (USD)	Price Return	SPDLEFUP	.SPDLEFUP
	Total Return	SPDLEFUT	.SPDLEFUT
	Net Total Return	SPDLEFUN	.SPDLEFUN
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Financials Index (EUR)	Price Return	SPDLEFEP	.SPDLEFEP
	Total Return	SPDLEFET	.SPDLEFET
	Net Total Return	SPDLEFEN	.SPDLEFEN
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Information Technology Index (USD)	Price Return	SPDLETUP	.SPDLETUP
	Total Return	SPDLETUT	.SPDLETUT
	Net Total Return	SPDLETUN	.SPDLETUN
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Information Technology Index (EUR)	Price Return	SPDLETEP	.SPDLETEP
	Total Return	SPDLETET	.SPDLETET
	Net Total Return	SPDLETEN	.SPDLETEN

## Index Data

Daily constituent and index level data are available via subscription.

For product information, please contact S&P Dow Jones Indices, [www.spglobal.com/spdji/en/contact-us](http://www.spglobal.com/spdji/en/contact-us).

## S&P DJI ESG Score Data

Company-level S&P DJI ESG Score data is available via subscription.

For product information, please contact S&P Dow Jones Indices, [www.spglobal.com/spdji/en/contact-us](http://www.spglobal.com/spdji/en/contact-us).

## Website

For further information, please refer to S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji/](http://www.spglobal.com/spdji/).

# Appendix I

## Carbon-Related Definitions

### Total GHG Emissions:

$$GHG1_i + GHG2_i + GHG3_i$$

where:

$GHG1_i$  = Scope 1 GHG emissions in tCO<sub>2</sub>e for the company  $i$

$GHG2_i$  = Scope 2 GHG emissions in tCO<sub>2</sub>e for the company  $i$

$GHG3_i$  = Scope 3<sup>4</sup> (upstream and downstream) GHG emissions in tCO<sub>2</sub>e for the company  $i$

$EVIC_i$  = enterprise value including cash of the company  $i$

This metric is calculated using the GHG emissions dataset provided by Trucost.

### Carbon Intensity (CI):

$$\frac{GHG\ Emissions_i}{EVIC_i}$$

where:

$GHG\ Emissions_i$  = total GHG emissions for the company  $i$

$EVIC_i$  = enterprise value including cash of the company  $i$

### Weighted-Average Carbon Intensity (WACI):

$$\sum w_i \times CI_i$$

where:

$w_i$  = weight of the company  $i$  in the index

$CI_i$  = carbon intensity for the company  $i$

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<sup>4</sup> For history prior to May 2022, only Scope 1 and 2 was used in the carbon emissions calculation.

# Appendix II

## Indices in this Methodology Employing Backward Data Assumption

S&P Developed Ex-Korea LargeMidCap ESG Enhanced Energy Index	S&P Developed Ex-Korea LargeMidCap ESG Enhanced Financials Index
S&P Developed Ex-Korea LargeMidCap ESG Enhanced Health Care Index	S&P Developed Ex-Korea LargeMidCap ESG Enhanced Information Technology Index

### Backward Data Assumption

The index employs a “Backward Data Assumption” method for some datapoints used in the derivation of historical index membership prior to the Live Data Effective Date (defined below). The “Backward Data Assumption” method involves applying the earliest available actual live data point for an index constituent to all prior, historical instances of that constituent in the index universe.

Backward Data Assumption affects only the historical, hypothetical constituents of any index back-test. Only actual live data is ever used in live index rebalancings and in the historical rebalancing calculation of an index after its Live Data Effective Date.

*For more information on S&P DJI’s principles and processes for using Backward Data Assumption, please refer to the [FAQ](#).*

### Designated Datasets Subject to Backward Data Assumption

The Backward Data Assumption within the historical back-test, with respect to the indices identified above, applies only to designated datasets and associated time horizons as defined below. For each designated dataset, all historical rebalancing events prior to the Live Data Reference Date listed below are subject to use of the Backward Data Assumption.

Data Provider	Designated Dataset	Live Data Reference Date	Live Data Effective Date
Sustainalytics	Business Activity Exclusions	03/31/2020	05/01/2020

The Live Data Reference Date refers to the first rebalancing reference date from which only actual live data is used.

The Live Data Effective Date refers to the first date from which index constituents are determined solely on actual live data for each respective dataset.

### Exclusions Based on Missing Coverage

This index excludes companies based on missing coverage with respect to the designated datasets above. However, for rebalancing dates prior to each respective Live Data Reference Date, the eligibility of companies is determined based on the coverage after applying the Backward Data Assumption and is not dictated by actual live data coverage.

## Historical Coverage Assessment per Designated Dataset

### Sustainalytics Business Activity Exclusions Coverage (with respect to underlying index universe):

#### S&P Developed Ex-Korea LargeMidCap ESG Enhanced Energy Index

Rebalancing Date	Underlying Sector Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2010	130	0	0.0%	121	97.9%
2011	142	0	0.0%	132	97.7%
2012	140	0	0.0%	133	98.2%
2013	130	117	98.1%	125	98.7%
2014	137	118	97.8%	131	98.8%
2015	142	126	98.2%	135	99.0%
2016	106	100	99.3%	105	99.9%
2017	96	94	99.5%	95	99.9%
2018	84	82	99.5%	83	99.9%
2019	84	82	99.6%	83	99.9%
2020	70	70	100.0%	n/a	n/a
2021	52	52	100.0%	n/a	n/a

#### S&P Developed Ex-Korea LargeMidCap ESG Enhanced Health Care Index

Rebalancing Date	Underlying Sector Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2010	108	0	0.0%	104	99.3%
2011	115	0	0.0%	113	99.3%
2012	115	0	0.0%	114	99.9%
2013	116	112	99.0%	116	100.0%
2014	120	114	98.5%	120	100.0%
2015	124	113	97.4%	124	100.0%
2016	129	124	99.6%	129	100.0%
2017	134	131	99.8%	134	100.0%
2018	135	133	99.8%	135	100.0%
2019	145	141	99.6%	144	100.0%
2020	141	139	99.9%	n/a	n/a
2021	151	144	99.6%	n/a	n/a

#### S&P Developed Ex-Korea LargeMidCap ESG Enhanced Financials Index

Rebalancing Date	Underlying Sector Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2010	344	0	0.0%	327	99.4%
2011	351	0	0.0%	337	99.5%
2012	346	0	0.0%	334	99.5%
2013	328	303	98.2%	319	99.6%
2014	352	317	98.3%	343	99.6%
2015	365	331	98.1%	358	99.7%
2016	391	367	99.3%	385	99.9%
2017	262	260	99.9%	261	100.0%
2018	264	263	99.9%	264	100.0%
2019	260	259	99.9%	260	100.0%
2020	247	246	99.9%	n/a	n/a
2021	227	227	100.0%	n/a	n/a

S&P Developed Ex-Korea LargeMidCap ESG Enhanced Information Technology Index

Rebalancing Date	Underlying Sector Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2010	132	0	0.0%	131	100.0%
2011	140	0	0.0%	137	99.5%
2012	143	0	0.0%	142	99.6%
2013	144	140	98.9%	143	99.4%
2014	148	140	98.4%	146	99.4%
2015	164	154	98.7%	163	99.5%
2016	163	160	99.4%	161	99.5%
2017	166	162	99.6%	165	100.0%
2018	168	166	99.7%	167	100.0%
2019	163	161	99.8%	162	99.9%
2020	166	161	99.7%	n/a	n/a
2021	182	178	99.9%	n/a	n/a

Coverage for each Sustainability Category of Involvement may differ due to the initiation of coverage for each sub-dataset. Actual live data coverage for each sub-dataset is therefore zero before its respective Coverage Initiation Date provided below:

Sustainability Category of Involvement	Coverage Initiation
Controversial Weapons: Tailor-made and Essential	12/31/2012
Controversial Weapons: Non Tailor-made or Non-Essential	12/31/2012
Controversial Weapons: Significant ownership (Tailor-made and Essential)	12/31/2018
Controversial Weapons: Significant ownership (Non Tailor-made and Non-Essential)	12/31/2018
Military Contracting: Weapons	12/31/2012
Military Contracting: Weapon-related products and/or services	12/31/2012
Thermal Coal: Extraction	12/31/2015
Thermal Coal: Power Generation	12/31/2015
Tobacco Products: Production	12/31/2012
Tobacco Products: Related Products/Services	12/31/2012
Tobacco Products: Retail	12/31/2012
Tobacco Products: Significant ownership (production)	12/31/2018
Oil Sands: Extraction	12/31/2016
Small Arms: Civilian customers (Assault weapons)	12/31/2012
Small Arms: Civilian customers (Non-assault weapons)	12/31/2018
Small Arms: Military/law enforcement customers	12/31/2015
Small Arms: Key components	12/31/2015
Small Arms: Retail/distribution (Assault weapons)	12/31/2013
Small Arms: Retail/distribution (Non-assault weapons)	12/31/2018

# Disclaimer

## Performance Disclosure/Back-Tested Data

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Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

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