

**S&P Dow Jones
Indices**

A Division of **S&P Global**

S&P World ESG Enhanced Sector Indices *Methodology*

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Introduction

Index Objective and Highlights

The S&P World ESG Enhanced Sector Indices measure the performance of eligible equity securities from an underlying S&P World 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/.

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 Global ESG Score compared to the underlying index;
- reduced index-level greenhouse gas ('GHG', expressed in CO₂ 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 Global ESG Score

S&P Global Sustainable1 calculates the S&P Global ESG Scores and derives them from their 'Corporate Sustainability Assessment' (CSA). A company's CSA score is derived using either company-provided data, publicly available information, or a combination thereof.

For more information on the CSA Process, please refer to www.spglobal.com/esg/csa.

For more information on S&P Global ESG Scores, please refer [here](#).

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 S&P World 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	Equity Indices Policies & Practices
S&P Dow Jones Indices' Index Mathematics Methodology	Index Mathematics Methodology
S&P Dow Jones Indices' Float Adjustment Methodology	Float Adjustment Methodology
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	GICS Methodology

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, each index universe is all constituents of the underlying index, as defined below:

Index	Underlying Index Universe
S&P World ESG Enhanced Energy	S&P World Energy
S&P World ESG Enhanced Health Care	S&P World Health Care
S&P World ESG Enhanced Financials	S&P World Financials
S&P World ESG Enhanced Information Technology	S&P World Information Technology
S&P World ESG Enhanced Materials	S&P World Materials
S&P World ESG Enhanced Industrials	S&P World Industrials
S&P World ESG Enhanced Consumer Discretionary	S&P World Consumer Discretionary
S&P World ESG Enhanced Consumer Staples	S&P World Consumer Staples
S&P World ESG Enhanced Communication Services	S&P World Communication Services
S&P World ESG Enhanced Utilities	S&P World Utilities
S&P World ESG Enhanced Real Estate	S&P World Real Estate

Exclusions Based on S&P Global ESG Score

As of each rebalancing reference date, exclude the following:

- Companies without a score
- Companies with a score ranked within the lowest 20% (by count) of ESG Scores in each index universe. Exclusion percentiles are based only on companies with an S&P Global ESG Score.

Exclusions Based on Carbon Intensity

As of each rebalancing reference date, exclude the following:

- companies without total GHG Emissions¹ data coverage
- companies with a Carbon Intensity² ranked 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 World index.

Exclusion percentiles are based only on companies with GHG Emissions data coverage.

Exclusions Based on Business Activities

As of each rebalancing reference date, exclude the following:

- Companies without coverage
- Companies involved in the following specific business activities. Revenue is used as a proxy for all categories.

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

² Please refer to Appendix I for the definition of carbon intensity per company.

S&P Global Business Involvement	S&P Global Category of Involvement and Description	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Controversial Weapons	Customized Weapons: This screen covers companies involved in the manufacturing of the components of a weapon. These components are intended solely for use in the production and are essential for the functioning of Anti-Personnel Mines, Biological and Chemical Weapons, Blinding Laser Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons and Nuclear Weapons	>0%	≥25%
	Related Products and Services: This screen covers companies that supply products and/or services such as stockpiling and transferring, and sales for Anti-Personnel Mines, Biological and Chemical Weapons, Blinding Laser Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons and Nuclear Weapons..	>0%	≥25%
Small Arms	Production of Small Arms Weapons for Civilian Use: This screen covers companies that are involved in the manufacturing of small arms weapon for civilian use.	>0%	≥25%
	Production of Small Arms Weapons for Non-Civilian Use: This screen covers companies which are involved in the manufacturing of small arms weapon for non-civilian use.	≥0%	≥25%
	Production of Key components: This screen covers companies that are involved in the manufacturing of key components for assault weapons.	>0%	≥25%
	Retail and Distribution of Small Arms Weapons: This screen covers companies which are involved in the retail or distribution of small arms weapons for civilian customers.	≥5%	N/A
Military Contracting	Integral Military Weapons: This screen covers companies which are involved in the manufacturing, assembling, sale and transportation of integral military weapons.	≥5%	N/A
	Weapon-related: This screen covers companies which are involved in the manufacturing and sales of weapon-related products.	≥5%	N/A
Coal	Thermal Coal Mining: This screen covers companies that own/and or operate coal mines that engage in thermal coal mining	≥5%	N/A
Thermal Coal	Generation: This screen covers companies that are involved in electricity generation using coal power plants	≥5%	N/A
Oil Sands	Extraction and/or Production: This screen covers companies that are involved in the extraction and/or production of fossil fuels from oil sands/tar sands	≥5%	N/A
Tobacco	Production: The screen covers companies that are involved in the manufacturing of tobacco. roduction: The company manufactures tobacco products	>0%	≥25%
	Related Products and Services: The screen covers companies that supply essential products/services for the tobacco industry	≥5%	N/A
	Retail and Distribution: The screen covers companies involved in the retail and/or distribution of tobacco as part of their offerings..	≥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.

For more information on the S&P Global Business Involvement Screens data set, please refer [here](#).

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, exclude the following:

- companies without coverage
- companies classified as Non-Compliant

Please refer to www.sustainalytics.com for more information.

Controversies Monitoring: Media and Stakeholder Analysis Overlay

In addition to the above, S&P Global uses RepRisk³ 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. 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 Global ESG score.

³ 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 Global ESG Score (waESG)	<p>≥ the waESG of the underlying index after removing stocks excluded based on S&P Global ESG Scores*;</p> <p>AND</p> <p>≥ the waESG of the underlying index after removing 25% FMC of the lowest S&P Global ESG Scores from each GICS Industry Group*</p>	S&P Global

* Percentile targets are based only on companies with S&P Global 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&P World 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 Global 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.

Additional Reviews

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 occurs for an impacted sector index 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. An ad-hoc rebalancing is effective on the GICS restructuring effective date.

UNGC Eligibility Review. Quarterly the index reviews index constituents for ongoing eligibility under the UNGC exclusion criteria and removes, without replacement, all ineligible companies effective after the close of the third Friday of March, June, September, December using a reference date for as of after the close of the last business day of the previous month. The review does not consider or include coverage changes.

Business Activities Review. The indices review index constituents for ongoing eligibility under the Business Activities criteria and remove, without replacement, all ineligible companies effective after the close of the last business day of July and January using a reference date as of after the close of the last business day of the previous month. The review does not consider or include coverage changes.

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 World 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 World ESG Enhanced Sector Index within two calculation days.

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.

WMR foreign exchange rates are taken daily at 4:00 PM London Time and used in the calculation of the indices. These mid-market fixings are calculated by WMR based on LSEG data and appear on LSEG pages.

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/.

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 World ESG Enhanced Energy Index	01/23/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Health Care Index	01/23/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Financials Index	01/23/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Information Technology Index	01/23/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Materials	04/03/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Industrials	04/03/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Consumer Discretionary	04/03/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Consumer Staples	04/03/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Communication Services	04/03/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Utilities	04/03/2023	04/30/2010	04/30/2010	1000
S&P World ESG Enhanced Real Estate	04/03/2023	04/30/2010	10/31/2016	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/ 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 WMR exchange rates services are not published.

A complete holiday schedule for the year is available at 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.

Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at 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	BBG	RIC
S&P World ESG Enhanced Energy Index (USD)	Price Return	SPDLEEUP	.SPDLEEUP
	Total Return	SPDLEEUT	.SPDLEEUT
	Net Total Return	SPDLEEUN	.SPDLEEUN
S&P World ESG Enhanced Energy Index (EUR)	Price Return	SPDLEEEP	.SPDLEEEP
	Total Return	SPDLEEET	.SPDLEEET
	Net Total Return	SPDLEEEEN	.SPDLEEEEN
S&P World ESG Enhanced Health Care Index (USD)	Price Return	SPDLEHUP	.SPDLEHUP
	Total Return	SPDLEHUT	.SPDLEHUT
	Net Total Return	SPDLEHUN	.SPDLEHUN
S&P World ESG Enhanced Health Care Index (EUR)	Price Return	SPDLEHEP	.SPDLEHEP
	Total Return	SPDLEHET	.SPDLEHET
	Net Total Return	SPDLEHEN	.SPDLEHEN
S&P World ESG Enhanced Financials Index (USD)	Price Return	SPDLEFUP	.SPDLEFUP
	Total Return	SPDLEFUT	.SPDLEFUT
	Net Total Return	SPDLEFUN	.SPDLEFUN
S&P World ESG Enhanced Financials Index (EUR)	Price Return	SPDLEFEP	.SPDLEFEP
	Total Return	SPDLEFET	.SPDLEFET
	Net Total Return	SPDLEFEN	.SPDLEFEN
S&P World ESG Enhanced Information Technology Index (USD)	Price Return	SPDLETUP	.SPDLETUP
	Total Return	SPDLETUT	.SPDLETUT
	Net Total Return	SPDLETUN	.SPDLETUN
S&P World ESG Enhanced Information Technology Index (EUR)	Price Return	SPDLETEP	.SPDLETEP
	Total Return	SPDLETET	.SPDLETET
	Net Total Return	SPDLETEN	.SPDLETEN
S&P World ESG Enhanced Materials (USD)	Price Return	SPDLEMUP	.SPDLEMUP
	Total Return	SPDLEMUT	.SPDLEMUT
	Net Total Return	SPDLEMUN	.SPDLEMUN
S&P World ESG Enhanced Materials (EUR)	Price Return	SPDLEMEP	.SPDLEMEP
	Total Return	SPDLEMET	.SPDLEMET
	Net Total Return	SPDLEMEN	.SPDLEMEN
S&P World ESG Enhanced Industrials (USD)	Price Return	SPDLEIUP	.SPDLEIUP
	Total Return	SPDLEIUT	.SPDLEIUT
	Net Total Return	SPDLEIUN	.SPDLEIUN
S&P World ESG Enhanced Industrials (EUR)	Price Return	SPDLEIEP	.SPDLEIEP
	Total Return	SPDLEIET	.SPDLEIET
	Net Total Return	SPDLEIEN	.SPDLEIEN
S&P World ESG Enhanced Consumer Discretionary (USD)	Price Return	SPDLEDUP	.SPDLEDUP
	Total Return	SPDLEDUT	.SPDLEDUT
	Net Total Return	SPDLEDUN	.SPDLEDUN
S&P World ESG Enhanced Consumer Discretionary (EUR)	Price Return	SPDLEDEP	.SPDLEDEP
	Total Return	SPDLEDET	.SPDLEDET
	Net Total Return	SPDLEDEN	.SPDLEDEN

S&P World ESG Enhanced Consumer Staples (USD)	Price Return Total Return Net Total Return	SPDLEYUP SPDLEYUT SPDLEYUN	.SPDLEYUP .SPDLEYUT .SPDLEYUN
S&P World ESG Enhanced Consumer Staples (EUR)	Price Return Total Return Net Total Return	SPDLEYEP SPDLEYET SPDLEYEN	.SPDLEYEP .SPDLEYET .SPDLEYEN
S&P World ESG Enhanced Communication Services (USD)	Price Return Total Return Net Total Return	SPDLECUP SPDLECUT SPDLECUN	.SPDLECUP .SPDLECUT .SPDLECUN
S&P World ESG Enhanced Communication Services (EUR)	Price Return Total Return Net Total Return	SPDLECEP SPDLECET SPDLECEN	.SPDLECEP .SPDLECET .SPDLECEN
S&P World ESG Enhanced Utilities (USD)	Price Return Total Return Net Total Return	SPDLEUUP SPDLEUUT SPDLEUUN	.SPDLEUUP .SPDLEUUT .SPDLEUUN
S&P World ESG Enhanced Utilities (EUR)	Price Return Total Return Net Total Return	SPDLEUEP SPDLEUET SPDLEUEN	.SPDLEUEP .SPDLEUET .SPDLEUEN
S&P World ESG Enhanced Real Estate (USD)	Price Return Total Return Net Total Return	SPDLERUP SPDLERUT SPDLERUN	.SPDLERUP .SPDLERUT .SPDLERUN
S&P World ESG Enhanced Real Estate (EUR)	Price Return Total Return Net Total Return	SPDLEREP SPDLERET SPDLEREN	.SPDLEREP .SPDLERET .SPDLEREN

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.

Website

For further information, please refer to S&P Dow Jones Indices' Web site at 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 tCO₂e for the company i

$GHG2_i$ = Scope 2 GHG emissions in tCO₂e for the company i

$GHG3_i$ = Scope 3⁴ (upstream and downstream) GHG emissions in tCO₂e 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

⁴ 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 World ESG Enhanced Energy Index	S&P World ESG Enhanced Financials Index
S&P World ESG Enhanced Health Care Index	S&P World ESG Enhanced Information Technology Index
S&P World ESG Enhanced Materials	S&P World ESG Enhanced Communication Services
S&P World ESG Enhanced Industrials	S&P World ESG Enhanced Utilities
S&P World ESG Enhanced Consumer Discretionary	S&P World ESG Enhanced Real Estate
S&P World ESG Enhanced Consumer Staples	

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 World 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 World 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 World 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 World 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

S&P World ESG Enhanced Materials 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	147	0	0.0%	142	98.5%
2011	155	0	0.0%	150	98.7%
2012	160	0	0.0%	156	99.3%
2013	139	131	93.3%	137	99.2%
2014	141	125	91.9%	139	98.8%
2015	140	133	93.8%	138	98.7%
2016	139	138	100.0%	139	100.0%
2017	143	142	99.9%	143	100.0%
2018	141	141	100.0%	141	100.0%
2019	138	138	100.0%	138	100.0%
2020	136	136	100.0%	n/a	n/a
2021	131	131	100.0%	n/a	n/a

S&P World ESG Enhanced Industrials 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	252	0	0.0%	248	98.9%
2011	263	0	0.0%	257	98.7%
2012	263	0	0.0%	259	98.8%
2013	248	234	98.5%	244	98.8%
2014	263	239	97.5%	258	98.9%
2015	272	253	97.8%	269	99.0%
2016	279	268	99.1%	278	99.8%
2017	281	279	99.9%	281	100.0%
2018	279	278	100.0%	279	100.0%
2019	285	284	100.0%	285	100.0%
2020	271	269	99.9%	n/a	n/a
2021	272	271	100.0%	n/a	n/a

S&P World ESG Enhanced Consumer Discretionary 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	221	0	0.0%	219	99.8%
2011	231	0	0.0%	227	99.5%
2012	243	0	0.0%	239	99.6%
2013	238	225	98.3%	236	99.5%
2014	256	236	98.4%	255	100.0%
2015	263	251	98.4%	263	100.0%
2016	286	279	99.1%	286	100.0%
2017	281	276	99.9%	281	100.0%
2018	271	270	100.0%	271	100.0%
2019	223	222	100.0%	222	100.0%
2020	194	193	100.0%	n/a	n/a
2021	188	184	99.8%	n/a	n/a

S&P World ESG Enhanced Consumer Staples 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	117	0	0.0%	114	98.6%
2011	121	0	0.0%	119	98.4%
2012	126	0	0.0%	125	98.6%
2013	130	118	96.1%	128	98.1%
2014	136	119	96.1%	134	98.4%
2015	139	133	96.6%	138	98.4%
2016	140	139	98.3%	139	98.3%
2017	145	144	100.0%	145	100.0%
2018	138	138	100.0%	138	100.0%
2019	139	137	99.7%	139	100.0%
2020	136	135	99.9%	n/a	n/a
2021	130	130	100.0%	n/a	n/a

S&P World ESG Enhanced Communication Services 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	51	0	0.0%	47	98.4%
2011	53	0	0.0%	51	99.0%
2012	51	0	0.0%	49	99.3%
2013	44	42	94.2%	43	99.7%
2014	46	44	94.0%	45	99.7%
2015	44	43	94.2%	44	100.0%
2016	47	47	100.0%	47	100.0%
2017	47	47	100.0%	47	100.0%
2018	42	42	100.0%	42	100.0%
2019	110	106	99.3%	109	100.0%
2020	111	109	99.5%	n/a	n/a
2021	114	109	98.1%	n/a	n/a

S&P World ESG Enhanced Utilities 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	93	0	0.0%	92	99.8%
2011	91	0	0.0%	90	99.7%
2012	90	0	0.0%	89	99.9%
2013	83	82	100.0%	83	100.0%
2014	86	83	99.4%	86	100.0%
2015	88	81	98.5%	88	100.0%
2016	88	84	99.6%	88	100.0%
2017	88	88	100.0%	88	100.0%
2018	86	86	100.0%	86	100.0%
2019	87	87	100.0%	87	100.0%
2020	86	86	100.0%	n/a	n/a
2021	88	87	99.9%	n/a	n/a

S&P World ESG Enhanced Real Estate 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
2017	131	127	99.8%	129	99.8%
2018	128	127	99.4%	128	100.0%
2019	129	129	100.0%	129	100.0%
2020	128	128	100.0%	n/a	n/a
2021	115	115	100.0%	n/a	n/a

Coverage for each Sustainalytics 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:

Sustainalytics 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

Appendix III

Methodology Changes

Methodology changes since January 23, 2023, are as follows:

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Exclusions Based on Business Activities: Data Provider	04/30/2024	Sustainalytics provides the data for exclusions based on business activities.	S&P Global provides the data for exclusions based on business activities.
ESG Score	04/30/2024	The index uses S&P DJI ESG Scores as part of the constituent selection process.	The index uses S&P Global ESG Scores as part of the constituent selection process.
Quarterly UNGC Eligibility Review:	04/30/2024	The indices are reviewed quarterly to remove stocks due 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.	Quarterly the index reviews index constituents for ongoing eligibility under the UNGC exclusion criteria and removes, without replacement, all ineligible companies effective after the close of the third Friday of March, June, September, December using a reference date for as of after the close of the last business day of the previous month. The review does not consider or include coverage changes.

Disclaimer

Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) defines various dates to assist our clients by providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index’s Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company’s public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed “Date of introduction”) is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index’s public release date.

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. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. 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.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history

will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

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