

S&P Global 1200 Fossil Fuel Free Indices Consultation on Fossil Fuel Reserves Exclusion Screening Results

NEW YORK, JUNE 12, 2020: S&P Dow Jones Indices (“S&P DJI”) has conducted a consultation with market participants on potential changes to the S&P Global 1200 Fossil Fuel Free Indices.

S&P DJI will change the fossil fuel reserves (“FFR”) screening data source from SAM (a part of S&P Global) (“SAM”) to S&P Trucost Limited (“Trucost”). In addition, S&P DJI will amend the scope of the quarterly FFR exclusion screenings for all S&P Global 1200 Fossil Fuel Free Indices to align with the Trucost data. The table below summarizes the changes.

Change	Methodology	
	Previous	Updated
Exclusion Screening Data Source	SAM Exclusion Data	Trucost Exclusion Data
Scope of Quarterly Exclusion Screening	FFR exclusion screening is performed on the entire index universe once per year as part of the June quarterly rebalancing. For the March, September and December quarterly rebalancings, only universe additions are subject to FFR exclusion screening.	FFR exclusion screening is performed on the entire index universe as part of each quarterly rebalancing.

Please note that with these changes, spin-offs from existing index constituents will remain in the corresponding S&P Global 1200 Fossil Fuel Free Indices until the next index rebalancing. At the rebalancing, spin-offs will be assigned the exclusion designations of the respective parent company as of the ex-date and will retain these designations until they are assessed by Trucost in their own right. Except for spin-offs, companies without Trucost coverage will be ineligible for index inclusion until they receive such coverage.

Trucost Fossil Fuel Data Dictionary

Companies are excluded from the eligible universe if they have any exposure to the following categories listed in the table on the following page, as specified and measured by Trucost:

Name	Trucost Category of Involvement Description	Proxy	S&P DJI Threshold
Thermal Coal	The company has proven (1P) and/or probable (2P) thermal coal reserves (coal used to generate power – also known as ‘steam coal’).		
‘Other’ (non-Metallurgical) Coal	The company has proven (1P) and/or probable (2P) coal reserves used for all other non-metallurgical or thermal coal uses, such uses as chemical biproducts, coal briquettes, residential use, liquid fuel, cement production, paper manufacturing, pharmaceutical, alumina refineries, ferrochrome, anthracite. This also includes all coal reserves reported where reserves are not disclosed transparently as for either thermal or metallurgical uses.	1P or 2P ¹ Fossil Fuel Reserves (millions of tonnes (Mt)/	>0
Conventional and Unconventional Oil	The company has proven (1P) and/or probable (2P) conventional (crude) or unconventional oil reserves. Unconventional oils include natural gas liquids (NGL), oil sands, condensates and liquid petroleum gas (LPG).	millions of barrels (mmbbl)/billion cubic feet (bcf)/	
Natural Gas	The company has proven (1P) and/or probable (2P) natural gas reserves – a naturally occurring hydrocarbon gas mixture consisting primarily of methane.	million barrels of oil equivalents (mmboe))	
Shale Gas	The company has proven (1P) and/or probable (2P) shale gas – gas trapped in rock, commonly shale or tight siltstone limestone or dolomite, below the earth’s surface.		
‘Other’ Oil and Gas	The company has proven (1P) and/or probable (2P) oil and/or gas reserves, but these are not disclosed transparently as specific types of oil or gas, or are disclosed as one aggregate quantity of oil and gas reserves combined.		

For more information on Trucost, please refer to www.trucost.com.

These changes will be implemented in conjunction with the upcoming rebalancing, which will take effect prior to the market open on Monday, June 22, 2020.

Please note that the S&P Global 1200 Fossil Fuel Free Indices Methodology on S&P DJI’s website is being updated to reflect these changes.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500[®] and the Dow Jones Industrial Average[®]. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spdji.com.

FOR MORE INFORMATION:

S&P Dow Jones Indices
index_services@spglobal.com

¹ 1P, or ‘proven’ reserves, are those with a 90% probability level of being present, and 2P, or ‘probable’ reserves, are those with a 50% probability level of being present.