

**S&P Dow Jones  
Indices**

A Division of **S&P Global**

# **iBoxx Global Sustainability- Linked Bonds Index Guide**

***October 2023***

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# 1) iBoxx Global Sustainability-Linked Bonds

iBoxx Global Sustainability-Linked Bonds Index is designed to reflect the performance of Sustainability-Linked bonds within iBoxx indices families. The indices are an integral part of the global Markit iBoxx index families, which provide the marketplace with accurate and objective benchmarks by which to assess the performance of bond markets and investments.

The bonds eligible for the Sustainability-linked Bonds indices are aligned with the principles laid out by ICMA (International Capital Market Association) which outline the best practices that financial instruments can promote in the development of the Sustainability-linked Bond market. Self-labelled bonds with specified cash-flow impact are considered, for example coupon step-ups.

The iBoxx Global Sustainability-Linked Index uses multi-source prices as described in the *iBoxx Pricing Methodology* publicly available on <https://www.spglobal.com/spdji/en/> under *Methodology*.

This document covers the index selection rules and calculation methodology.

## 2) Bond selection rules

### 2.1) Credit rating

All bonds in the index must have an iBoxx Rating of investment grade or sub-investment grade. Ratings from the following three credit rating agencies are considered for the calculation of the iBoxx Rating:

- Fitch Ratings
- Moody's Investor Service
- S&P Global Ratings

Investment grade : Ratings that are BBB- or higher from Fitch Ratings and S&P Global Ratings and Baa3 or higher from Moody's Investor Service.

Sub-investment grade : Ratings that are BB+ or lower from Fitch Ratings or S&P Global Ratings and Ba1 or lower from Moody's Investor Service, but not in default.

If a bond is rated by more than one of the above agencies, then the iBoxx rating is the average of the provided ratings. The rating is consolidated to the nearest rating grade. Rating notches are not used. For more information on how the average rating is determined, please refer to the *iBoxx Rating Methodology* document available on <https://www.spglobal.com/spdji/en/> under *Methodology*.

Bonds with a rating downgrade to RD/SD will remain eligible the Markit iBoxx USD High Yield Indices until the second rebalancing after the downgrade. If such bonds have not been upgraded by T-3 of the second rebalance following the initial downgrade, they will be removed from the indices. This means RD/SD rated bonds remain eligible in the iBoxx Global Sustainability-Linked Bonds for the first rebalancing after their downgrade to allow for sufficient time to complete a distressed debt exchange or change of terms (assuming they meet all other criteria).

### 2.2) Amount outstanding

**For the amount outstanding please refer to individual guides for the respective families:**

- iBoxx EUR Benchmark indices
- iBoxx GBP Benchmark indices
- iBoxx USD Benchmark indices
- iBoxx EUR High Yield indices
- iBoxx USD High Yield indices
- iBoxx USD Emerging Markets Corporates indices

### 3) Index Identifiers

Index Name	Version	ISIN	SEDOL	BBG Ticker	RIC
iBoxx EUR Sustainability-Linked Bonds	TRI	GB00BPMVJT75	BPMVJT7	IBXXESLT	.IBXXESLT
	CPI	GB00BPMVK053	BPMVK05	IBXXESLP	.IBXXESLP
iBoxx GBP Sustainability-Linked Bonds	TRI	GB00BPMVJW05	BPMVJW0	IBXXGLBT	.IBXXGLBT
	CPI	GB00BPMVK277	BPMVK27	IBXXGLBP	.IBXXGLBP
iBoxx USD Sustainability-Linked Bonds	TRI	GB00BPMVJV97	BPMVJV9	IBXXUBLT	.IBXXUBLT
	CPI	GB00BPMVK160	BPMVK16	IBXXUBLP	.IBXXUBLP
iBoxx EUR High Yield Sustainability-Linked Bonds	TRI	GB00BPMVJX12	BPMVJX1	IBXXEHST	.IBXXEHST
	CPI	GB00BPMVK384	BPMVK38	IBXXEHSP	.IBXXEHSP
iBoxx USD Developed Markets High Yield Sustainability-Linked Bonds	TRI	GB00BPMVJY29	BPMVJY2	IBXXUDLT	.IBXXUDLT
	CPI	GB00BPMVK491	BPMVK49	IBXXUDLP	.IBXXUDLP
iBoxx USD Emerging Markets High Yield Sustainability-Linked Bonds	TRI	GB00BPMVJZ36	BPMVJZ3	IBXXUFLT	.IBXXUFLT
	CPI	GB00BPMVK509	BPMVK50	IBXXUELPL	.IBXXUELPL
iBoxx Global Sustainability-Linked Bonds (USD Hedged)	TRI	GB00BQ8WS615	BQ8WS61	IBXXGSLH	.IBXXGSLH
	CPI	GB00BQ8WSQ15	BQ8WSQ1		
iBoxx Global Sustainability-Linked Bonds (USD Unhedged)	TRI	GB00BQ8WS722	BQ8WS72	IBXXGSLU	.IBXXGSLU
	CPI	GB00BQ8WSR22	BQ8WSR2		
iBoxx Global Sustainability-Linked Bonds (EUR Hedged)	TRI	GB00BQ8WSL69	BQ8WSL6		
	CPI	GB00BQ8WSS39	BQ8WSS3		
iBoxx Global Sustainability-Linked Bonds (EUR Unhedged)	TRI	GB00BQ8WSM76	BQ8WSM7		
	CPI	GB00BQ8WST46	BQ8WST4		
iBoxx Global Sustainability-Linked Bonds (GBP Hedged)	TRI	GB00BQ8WSN83	BQ8WSN8		
	CPI	GB00BQ8WSJ48	BQ8WSJ4		
iBoxx Global Sustainability-Linked Bonds (GBP Unhedged)	TRI	GB00BQ8WSP08	BQ8WSP0		
	CPI	GB00BQ8WSK52	BQ8WSK5		

## 4) Index Calculation

### 4.1) Static data

Information used in the index calculation is sourced from offering circulars and checked against standard data providers.

### 4.2) Bond prices

For more details, please refer to the *iBoxx Pricing Methodology* document, available on <https://www.spglobal.com/spdji/en/> under *Methodology*.

### 4.3) Rebalancing process

The iBoxx Global Sustainability-Linked Bonds Index is rebalanced monthly on the last business day of the month after the close of business. Changes to outstanding amounts are only taken into account if they are publicly known three business days before the end of the month. Changes in ratings are only taken into account if they are publicly known two business days before the end of the month. New bonds issued are taken into account if they are publicly known to settle until the last calendar day of the month, inclusive, and if their rating has become known at least three trading days before the end of the month. Three business days before the end of each month, a membership list with final amount outstanding for each bond is published. Two business days before the end of each month, the rating information for the constituents is updated and the list is adjusted for all rating changes which are known to have taken place two trading days before the end of the month. On the last business day of each month, S&P DJI publishes the final membership with closing prices for the bonds, and various bonds analytics based on the index prices of the bonds.

### 4.4) Index Data

The calculation of the indices is based on bid prices. New securities are included in the indices at their respective ask prices when they enter the index family. In the event that no price can be established for a particular security, the index continues to be calculated based on the last available price. This might be the case in periods of market stress, or disruption as well as in illiquid or fragmented markets. If the required inputs become impossible to obtain, S&P DJI may consult market participants prior to the next rebalancing date. Decisions are made publicly available on a timely basis and S&P DJI may refer back to previous cases. A sub-index is calculated if at least one bond matches all inclusion criteria. If no more bonds qualify for an index, then its level remains constant. If at least one bond becomes available again, the index calculation resumes and is chained to the last calculated level. All bonds are assigned to sub-indices according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life. All bonds remain in their maturity bucket for the entire month.

The rebalancing takes place after close of market on the last trading day of a rebalancing month.

### 4.5) Index calculus

For specific index formulas please refer to the *iBoxx Bond Index Calculus* document, available on <https://www.spglobal.com/spdji/en/> under *Methodology*.

#### 4.6) Index and analytics weights

The iBoxx Global Sustainability-Linked Bonds Index is market-value-weighted. The amount outstanding of a bond is only adjusted within the rebalancing process. All calculations are based on the adjusted amount outstanding that reflects the outstanding bond notional at the last rebalancing. The bond prices relate to the nominal value of 100.

#### 4.7) Publication of the Index

All indices are calculated as end-of-day and distributed once daily after 4 p.m. EST. The indices are calculated on the basis of end-of-day prices every Monday to Friday. In addition, the indices are calculated with the previous trading day's closing prices on the last calendar day of each month if that day is not a trading day, as well as on common bank holidays as published in the iBoxx index calculation calendar. Trading days and bank holidays are defined in the iBoxx USD Index calculation calendar.

Closing index values and key statistics are published at the end of each business day in the indices section on <https://www.spglobal.com/spdji/en/> for registered users. S&P DJI publishes an index calculation calendar which is available on <https://www.spglobal.com/spdji/en/> under *iBoxx Indices Calendars*. Index data and bond price information is also available from the main information vendors.

The index will be published on the SFTP server daily. The table below shows a complete overview of the publication paths on SFTP server.

The index is published in the customized folder **B220802**. Historical files will also be available in the below folders.

File Type	File Names	Publication	FTP folder for Publication
Indices	iboxx_b220802_slb_ eod_indices_YYYYMMdd.csv	Daily	iboxx_custom_indices B220802\INDICES
Underlyings	iboxx_b220802_slb_ eod_underlyings_YYYYMMdd.csv	Daily	iboxx_custom_indices B220802\UNDERLYINGS
Components	iboxx_b220802_slb_ eom_components_YYYYMM.csv	Monthly	iboxx_custom_indices B220802\COMPONENTS
XREF	iboxx_b220802_slb_ eom_xref_YYYYMM.csv	Monthly	iboxx_custom_indices B220802\XREF

## 5) Summary of key ESG factors

Explanation of how ESG factors are reflected in the key elements of the benchmark methodology	
Item 1: Benchmark administrator	IHS Markit Benchmark Administration Ltd. ('IMBA UK')
Item 2: Type of benchmark	Fixed income and sovereign debt
Item 3: Name of benchmark or family of benchmarks	iBoxx Global Sustainability-Linked Bonds Index
Item 4: Does the benchmark methodology take into account ESG factors	No
Item 5a: International reference standards	ICMA Sustainability-Linked Bond Principles (SLBP)
Item 5b: List of Governance factors considered	N/A
Item 5c: List of any other overall ESG factors	N/A
Item 6: Hyperlink to ESG factors information	<a href="#">iBoxx Global Sustainability-Linked Bonds Index</a>
Item 7a(i): Source of input	N/A
Item 7a(ii): Data input	N/A
Item 7b: Verification and quality of data	N/A
Item 8: Information updated on	05 September 2022

# 6) Changes to iBoxx Global Sustainability-Linked Bonds Index

30 Jun 2023	<b>Annual Index Review 2022</b> <ul style="list-style-type: none"><li>• Distressed Debt Exchanges – Rule Update</li></ul>
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## 7) Further information

### Client support

For client support please contact:

<b>E-mail:</b>	<a href="mailto:indices@ihsmarkit.com">indices@ihsmarkit.com</a>		
<b>Phone:</b>	<b>Asia Pacific</b>	Japan: Singapore:	+81 3 6402 0127 +65 6922 4210
	<b>Europe</b>	General: UK:	+800 6275 4800 +44 20 7260 2111
	<b>USA</b>	General:	+1 877 762 7548

### Formal complaints

Formal complaints should be emailed to [spdji\\_compliance@spglobal.com](mailto:spdji_compliance@spglobal.com).

Please note: [spdji\\_compliance@spglobal.com](mailto:spdji_compliance@spglobal.com) should only be used to log formal complaints.

### General index inquiries

For general index inquiries, please contact [indices@ihsmarkit.com](mailto:indices@ihsmarkit.com).

# Disclaimer

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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.

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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