S&P Dow Jones Indices
A Division of S&P Global

iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap) Index Methodology

February 2026

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iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap)

The iBoxx Contingent Convertible Index (CoCo) family is designed to reflect the performance of Banks contingent convertible debt. The index rules aim to offer a broad coverage of the contingent convertible bond universe, whilst upholding minimum standards of investibility and liquidity. The sub-indices are created to reflect a subdivision of the contingent convertible (CoCo) asset class into bonds with similar trading behavior, providing further transparency to this market and allowing easy benchmarking. The indices form part of the global iBoxx index families, which provide the marketplace with accurate and objective reference indices by which to assess the performance of bond markets and investments.

The iBoxx USD Contingent Convertible Liquid Developed Markets AT1 (8% Issuer Cap) is a customized version of the iBoxx USD Contingent Convertible Liquid Developed Market AT1 index.

The index will be calculated on every iBoxx USD calculation day based on consolidated iBoxx end of-day bond prices.

This document covers the index family structure, rules and calculation methodology.

Index Structure

The bond selection rules mirror the rules of the iBoxx USD Contingent Convertible Liquid Developed Market AT1 index. In addition, below criteria are applied.

Index Name	Convertible	Country of risk	Tier (Seniority Level 2)	Capped
iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap)	Yes	Developed Markets	AT1	8% at issuer leve

The capping takes effect when the index has at least 13 issuers.

Bond Selection rules

The following four selection criteria are used to derive the index constituents from the Contingent Convertible bond universe:

- Bond type
- Credit Rating
- Time to Maturity
- Amount Outstanding
- Sustainalytics ESG research

Bond type

The Index contains bonds that are contingent convertibles capital securities issued by banks. In order for a bond to be classified as contingent convertible, it must have an objective pre specified trigger point.

Features of bonds included in the index are:

- Callable bonds
- Perpetual bonds
- Preferred shares

Bonds with the following features are specifically excluded:

- Private placements
- Bail-In bonds (Bonds with no objective pre specified trigger point)
- Insurance bonds
- Non-subordinated debt
- 144A bonds
- Amortizing bonds or sinking funds

For retail bonds and private placements, publicly available information is not always conclusive and the classification of a bond as a retail bond or a private placement will be made at S&P DJI's discretion based on the information available at the time of determination. S&P DJI may consult with the specific Index Advisory Committees to review potential retail bonds or private placements. Any bond classified as retail or private placement is added to the list of excluded private placements and retail bonds. The list is published on www.spglobal.com/spdji under *News and Information* for future reference and to ensure decision's consistency.

In instances where a new bond type is not specifically excluded or included according to the published index rules, S&P DJI will analyze the features of such securities in line with the principles set out in Bond type section of this methodology. S&P DJI may consult the specific Index Advisory Committees. Any decision as to the eligibility or ineligibility of a new bond type will be published and the index rules will be updated accordingly.

Credit rating

All bonds in the iBoxx USD Contingent Convertible Indices must be rated by at least one of the three credit rating agencies:

- Fitch Ratings
- Moody's Investor Service
- Standard & Poor's Rating Services

Time to Maturity

To be included in the iBoxx USD Contingent Convertible Indices, all bonds must have a remaining time to maturity of at least one year on the rebalancing date. Index constituents remain in the index until maturity or until they are fully redeemed.

Amount outstanding

All bonds require a specific minimum amount outstanding in order to be eligible for the indices, as shown below.

Index Name	Amount outstanding	Currency
iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap)	750 million	USD

The figures indicate minimum issue sizes.

Issuer amount outstanding

The issuers amount outstanding must be above or equal to:

Index Name	Issuer amount outstanding	Currency
iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap)	1 billion	USD

The issuer amount outstanding is derived from the amount outstanding in the corresponding benchmark index in each respective currency. Only bonds from an issuer in the same currency are counted towards this threshold. A combination of issuer amounts outstanding across currencies does not take place.

Issue Date

Only bonds issued after 1 January 2013 are eligible to be included in the index. This date corresponds with the beginning of the phase-in of the Basel III standards

Sustainalytics ESG research

The constituents screening of iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap) index includes ESG eligibility criteria based on the Sustainalytics Product Involvement Screenings that are outlined below and exclude companies that are non-compliant with United Nations Global Compact (UNGC) principles.

For more information, please refer here.

Sustainalytics Product Involvement Screening – exclusion driven by exposure to the following activities and at the following involvement thresholds:

Controversial weapons

- Tailor-made and essential – all companies involved in the core weapon system, or components/ services of the core weapon system that are considered tailormade and essential for the lethal use of the weapon are excluded.
- Non-tailor-made or non-essential – all companies involved in the provision of components/services for the core weapon system, which are either not considered tailor-made or not essential to the lethal use of the weapon are excluded.
- Significant ownership (Tailor-made and essential) - all companies involved, through corporate ownership, 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 are excluded.
- Significant ownership (non-tailor-made or non-essential) - all companies that provide, through corporate ownership, components/services for the core weapon system, which are either not considered tailor-made or not essential to the lethal use of the weapon are excluded.

Small Arms

- Civilian customers (assault weapons) – all companies involved in the manufacturing and selling of assault weapons to civilian customers are excluded.
- Military/law enforcement customers – all companies deriving 5% or more of their total revenue from selling small arms to military/law enforcement are excluded.
- Key Components – all companies deriving 5% or more of their total revenue from manufacturing and selling key components of small arms are excluded.
- Retail / Distribution (assault weapons) – all companies deriving 5% or more of their total revenue from the retail and/or distribution of assault weapons are excluded.
- Retail / Distribution (non-assault weapons) – all companies deriving 5% or more of their total revenue from the retail and/or distribution of small arms (non-assault weapons) are excluded.
- Civilian customers (non-assault weapons) – all companies involved in the manufacturing and selling of small arms (non-assault weapons) to civilian customers are excluded.

Military Contracting

- Weapons – all companies deriving 5% or more of their total revenue from manufacturing military weapon systems and/or integral, tailormade components of these weapons are excluded.
- Weapon related products and/or services – all companies deriving 5% or more of their total revenue from providing tailormade products and/or services that support military weapons are excluded.

Oil Sands

- Extraction – all companies involved in the extraction of oil sands are excluded.
- Significant ownership (extraction) – all companies that own 20% or more of another company with involvement in extraction of oil sands is excluded.

Thermal Coal

- Extraction – all companies deriving 5% or more of their total revenue from thermal coal extraction are excluded.
- Power Generation – all companies deriving 5% or more of their total revenue from thermal coal-based power generation are excluded.

Tobacco

- Production – all companies involved in the manufacturing of tobacco products are excluded.
- Retail – all companies deriving 5% or more of their total revenue from the distribution and/or retail sale of tobacco products are excluded.
- Related products/services – all companies deriving 5% or more from the supply of tobacco-related products/services are excluded.

Cannabis

- Production (recreational cannabis) – all companies involved in the development and/or cultivation of cannabis for recreational purposes are excluded.
- Significant ownership (production recreational cannabis) – all companies that own 20% or more of another company with involvement in the development and/or cultivation of cannabis for recreational purposes are excluded.
- Retail (recreational cannabis) – all companies deriving any revenue from the distribution and/or retail sale of cannabis for recreational purposes are excluded.
- Significant ownership (retail production recreational cannabis) – all companies that own 20% or more of another company with involvement in the distribution and/or retail sale of cannabis for recreational purposes are excluded.

Predatory lending

- Operations – all companies involved in predatory lending activities are excluded.

For more information, please refer here.

Sustainalytics Global Standards Screening – exclusion driven by non-compliance:

United Nations Global Compact (UNGC)

- All non-compliant rated companies are excluded. A company is assessed as non-compliant when it is found to be responsible for egregious and severe violations of commonly accepted international norms related to human rights, labour rights, the environment and business ethics. In other words, a company is assessed as non-compliant when it does not act in accordance with the UN Global Compact Principles and its associated standards, conventions, and treaties.

Corporate issuers that have incomplete Sustainalytics data coverage as of the bond selection cut-off date are to be excluded from the iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap) index.

For more information, please refer to the here.

Bond classification

All bonds are classified based on the principal activities of the issuer and the main sources of the cash flows used to pay coupons and redemptions. In addition, a bond's specific collateral type or legal provisions are evaluated. Hence, it is possible that bonds issued from different subsidiaries of the same issuer carry different classifications.

The issuer classification is reviewed regularly based on updated information received by S&P DJI, and status changes are included in the indices at the next rebalancing if necessary.

Where the sector classification of a specific entity is not clear due to the diversified business of the entity, a decision is made at S&P DJI's discretion. S&P DJI assigns the classification according to its evaluation of the business risk presented in the security prospectus and annual reports, if available. S&P DJI also compares the classification to peers in the potential sectors. Membership lists including classification are published on the FTP server and in the *Indices* section of the webpage for registered users.

Country classification

S&P DJI classifies bonds into 'Emerging' and 'Developed' markets according to the *Country Classifications* document available at www.spglobal.com/spdji. S&P DJI assigns bonds to a market based on the issuer's country of risk.

Capital structure classification

The respective seniority levels are assigned according to the position of the Contingent Convertible (CoCo) bond in the capital structure. For the iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap) the capital structure classification is as follows:

Market Sector	Seniority Level 1	Seniority Level 2
Banks	SUB	AT1

Index calculation

Static data

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

Bond prices

For more details, please refer to the *iBoxx Pricing Methodology* document, available in the *Methodology* section of the webpage at www.spglobal.com/spdji.

Rebalancing process

The iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap) 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. Bonds which are known to have been upgraded to investment grade two trading days before the end of the month are not included in the membership, but bonds which are known to have been downgraded to sub-investment grade two trading days before the end of the month do get excluded from the membership. However, if any bonds which are part of the broader EUR universe become eligible two business days prior to rebalancing because of rating or amount changes, they will be included in the Index.

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.

Index data

A sub-index is calculated if at least one bond matches all inclusion criteria. If no 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 calculation of the indices is based on bid prices. New bonds are included in the indices at their respective bid prices when they enter the index family. The index is transaction cost adjusted. In the event that no price can be established for a particular bond, 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 the specific Index Advisory Committees at the following rebalancing date. To ensure consistency, decisions taken are made publicly available on a timely basis and S&P DJI has the ability to refer back to previous cases.

Cash and turnover reinvestment cost

At the end of each month, the proceeds from coupons received and from the sale of dropped or reducedweight bonds need to be reinvested in the indices. At the same time, new bonds will enter the indices. These can be of two different types:

1. new bonds entering the index family for the first time or
2. bonds migrating from one index to another (e.g. due to rating changes).

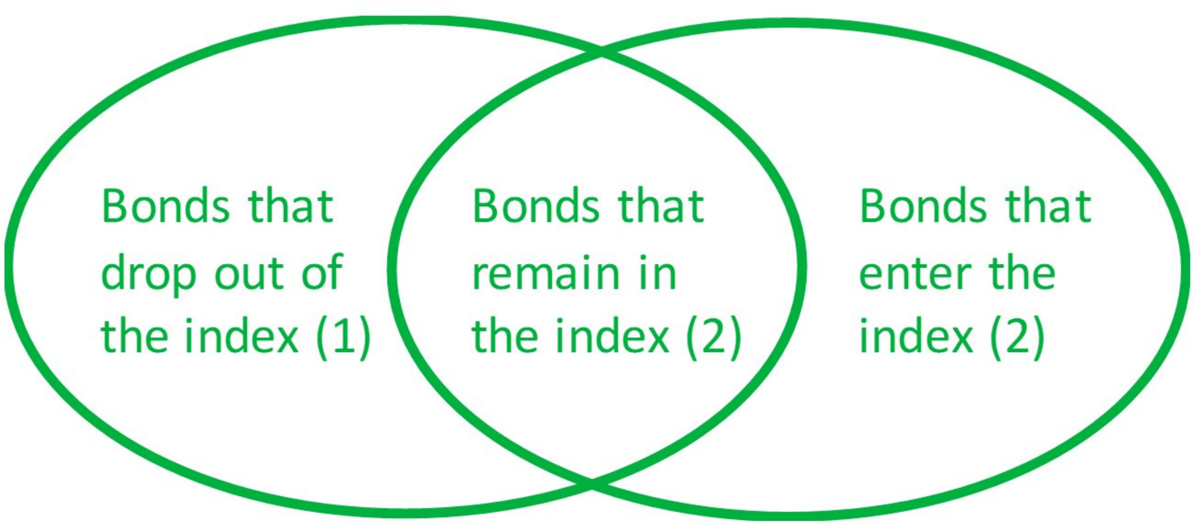
A portfolio manager tracking a liquid index may attempt to replicate the index by reinvesting the proceeds from bonds sold at the bid price or coupon payments received into the index, i.e. into bonds that need to be purchased at the ask price. In the case of bonds already in the index, the portfolio manager will purchase additional notional of the bond on the ask side but the same bond is valued in the index at the bid, thus resulting in a tracking cost.

The following rules can be established for an index-tracking portfolio

1. Buying and selling only takes place on the rebalancing date, cash is reinvested and no cash is added to or taken from the portfolio.
2. During the bond substitution at the end of a month, the complete proceeds of a bond are invested in a new bond.
3. If no buying and selling take place, the index and the portfolio are marked to market using the bid price and no cost is incurred.
4. The following rebalancing scenario applies: All bonds in the index are valued at their bid prices and new bonds enter the index at their bid prices as well. Therefore, the bid-ask spread for new bonds will be included in the transaction cost adjustment. If a trader must purchase additional notional of an existing bond he will incur costs in the form of the bond’s bid-ask spread, which is also incorporated in the transaction cost adjustment.

Transaction Cost Factor

Graphical Representation of the Rebalancing



Bonds in the three different regions may be characterized as follows:

- Region 1: Bonds that leave the liquid indices at the rebalancing;
- Region 2: Bonds that remain in the liquid indices;
- Region 3: Bonds that newly enter a liquid index at the rebalancing

The time before the rebalancing is denoted with (-). The time after the rebalancing is denoted with (+).

The market value of the portfolio before the rebalancing (without ex-coupon periods) is given as the sum of the market value of all bonds plus cash:

$$M^{-} = \sum_{i=1}^{n} (P_i^{l} + A_i) \cdot f$$

Cash is treated as a bond with a price of 100 and accrued interest of 0.

Since no cash is added or taken from the portfolio at the rebalancing, the assumption of no further cash addition leads us to the following equation:

$$M^{-} = M_p^{+}$$

That is the market value of the portfolio before the rebalancing equals the market value after rebalancing using transaction prices.

Cost means the relative difference between market value of the portfolio using transaction prices to the portfolio valued with index prices:

$$M_I^{+} = M_P^{+} \cdot (1 - cost)$$

The investor has to rebalance his index-tracking portfolio by adjusting the weights of each bond in his portfolio to the new weights of the bond in the index. Any bonds that need to be sold will be sold at the bid price, while bonds purchased are bought at the offer price. If the pricing of a bond in the index deviates from the prices that the investor has to use, he will incur cost. The following table gives a summary by region:

Table: ***Summary for Bid Price TCA***

Region	Description	Portfolio price*	Index Price	New Portion	Old Portion	Cost
1	Bond drops out	Bid	Bid	0	f^{-}	No
2	(2^{-}) Bond does not need to be purchased	Bid	Bid	f^{+}	f^{-}	No
	(2^{+}) Bond has to be purchased*	Ask	Bid	f^{+}	f^{-}	Yes
3	New bond to a liquid index	Ask	Bid	f^{+}	0	Yes

* For the change in amount outstanding during the rebalancing

The amount invested per bond after the rebalancing can be stated as:

$$f_i^{+} = M_I^{+} \cdot \frac{O_i^{+}}{MV^{+}}$$

Similarly, f_i^- can be calculated using the amount outstanding of the bond, and index and portfolio market value before the rebalancing.

The weighting per bond before and after rebalancing can be described as follows:

Before: $W_i^- = \dfrac{(P_i^I + A_i) \cdot f_i^-}{M^-}$

After: $W_i^+ = \dfrac{(P_i^I + A_i) \cdot f_i^+}{M_I^+}$

The same applies to cash. Solving for f_i^+ and f_i^- leads to:

Before: $f_i^- = \dfrac{W_i^- \cdot M^-}{P_i^I + A_i}$

After: $f_i^+ = \dfrac{W_i^+ \cdot M_I^+}{P_i^I + A_i}$

It will be assumed that a bond increases its weight in the portfolio if its weight increased in the index:

$$W_i^+ \succ W_i^- \Rightarrow f_i^+ \succ f_i^-$$

The market value using index prices can be expressed using the new amount:

$$M_I^+ = \sum_{i=1}^{n} (P_i^I + A_i) \cdot f_i^+$$

And using transaction prices:

$$M_p^+ = \sum_{i=1}^{n} ((P_i^I + A_i) \cdot f_i^- + (P_i^p + A_i) \cdot (f_i^+ - f_i^-))$$

Please note that the index price and the transaction price of cash are equal to 100.

Combining the formulas above:

$$\sum_{i=1}^{n} (P_i^I + A_i) \cdot f_i^- = \sum_{i=1}^{n} ((P_i^I + A_i) \cdot f_i^- + (P_i^p + A_i) \cdot (f_i^+ - f_i^-))$$

Or simplified:

$$0 = \sum_{i=1}^{n} (P_i^p + A_i) \cdot (f_i^+ - f_i^-)$$

f_i^+ and f_i^- can be replaced by the previous formula:

$$0 = \sum_{i=1}^{n} (P_i^P + A_i) \cdot \left(\frac{W_i^+ \cdot M_I^+}{P_i^I + A_i} - \frac{W_i^- \cdot M^-}{P_i^I + A_i} \right)$$

Solving for M_I^+ gives:

$$M_I^+ = \frac{\sum_{i=1}^{n} \frac{P_i^P + A_i}{P_i^I + A_i} \cdot W_i^-}{\sum_{i=1}^{n} \frac{P_i^P + A_i}{P_i^I + A_i} \cdot W_i^+} \cdot M^-$$

Since $M^- = M_p^+$, it leads to

$$Cost = 1 - \frac{\sum_{i=1}^{n} \frac{P_i^P + A_i}{P_i^I + A_i} \cdot W_i^-}{\sum_{i=1}^{n} \frac{P_i^P + A_i}{P_i^I + A_i} \cdot W_i^+}$$

We can now separate the cash from the bonds:

$$Cost = 1 - \frac{W_{cash}^- + \sum_{i=1}^{n} \frac{P_i^P + A_i}{P_i^I + A_i} \cdot W_i^-}{W_{cash}^+ + \sum_{i=1}^{n} \frac{P_i^P + A_i}{P_i^I + A_i} \cdot W_i^+}$$

The solution is independent of the individual portfolio. In addition, bid and offer prices, the amount outstanding before and after the rebalancing, as well as the index market value before and after the rebalancing are known at the time of the rebalancing, so the cost (percentage) can be calculated using data known at the time of the rebalancing.

Index Calculus

For specific index formulas please refer to the *iBoxx Bond Index Calculus Methodology* available at www.spglobal.com/spdji.

Treatment of the special intra-month events

Data for the application of corporate actions in the index may not be fully or timely available at all times, e.g. the final call prices for make-whole calls or the actual pay-in-kind percentage for PIK-payment options. In such cases, S&P DJI will estimate the approximate value based on the available data at the time of calculation.

Index and analytics weights

All iBoxx USD Contingent Convertible (CoCo) Indices are market value-weighted indices. The amount outstanding of a bond is only adjusted at the monthly rebalancing process at the end of each month. However, scheduled redemptions, principal write-downs or conversions are taken into account from the date they occur, as they have a significant influence on index return and analytical values. In addition, bonds that are fully redeemed intra-month are also taken into account intra-month.

Full redemptions: exercised calls, puts and buybacks

If a bond is fully redeemed intra-month, the bond effectively ceases to exist. In all calculations, the redeemed bond is treated as cash based on the last price, the call price or repurchase price, as applicable. The redemption factor, redemption and the redemption price are used to treat these events in the index and analytics calculation. In addition, the clean price of the bond is set to the redemption price, and the interest accrued until the redemption date is treated as an irregular coupon payment.

Coupon deferrals

If a bond defers coupons, it will remain in the Index. Analytics will be adjusted accordingly. If the issuer resumes paying coupon on an instrument, it will be reflected in the index.

Conversion

If a bond is converted to shares, it will leave the index on the next rebalancing date. The bond will be converted to cash on the conversion date at the respective closing share price and conversion factor. If either the conversion price or factor is not available on the conversion date we will use the available data to calculate a price to be updated once the final price or conversion value is available.

Write-down

Bonds will be written down in the index by adjusting their notional to reflect the amount written down. Provided that there is a write-up option, written down bonds will remain in the index unless the outstanding amount falls below the relevant cut-off threshold. If there is no write-up option and the outstanding amount falls below the relevant cut-off threshold, the bonds will leave the index on the next rebalancing date. If a bond has a write-up option and the outstanding amount is written up to above the relevant cut-off threshold, it may become eligible for the index again, subject to meeting the other inclusion criteria.

Due to the substantial impact that corporate actions may have on the index level, S&P DJI will on a best efforts basis try to obtain all information needed to reflect corporate actions within the indices.

Index history

The Index history starts on 31 December 2013. The index has a base value of 100 on that date.

Settlement conventions

All iBoxx indices calculate using the assumption of T+0 settlement days.

Publication of the Index

All indices are calculated at the end of each business day and rebalanced at the end of each month. The indices are calculated on the basis of end-of-day prices on each trading day defined in the calculation calendar for the respective currencies' benchmark Index. S&P DJI publishes an index calculation calendar which is available on www.spglobal.com/spdji in the *Documentation* section under *iBoxx Calendar*. Index data is also available from the main information vendors.

Bond and index analytical values are calculated each trading day using the daily closing prices. Closing index values and key statistics are published at the end of each business day in the indices section on www.spglobal.com/spdji for registered users.

Calendar

S&P DJI publishes an index calculation calendar available on www.spglobal.com/spdji under *iBoxx Indices Calendars*. This calendar provides an overview of the index calculation holidays of the iBoxx bond index families each year.

Data Publication and Access

The table below summarizes the publication of the index at https:// www.spglobal.com/spdji/en/ for registered users and on the FTP server.

In addition to the indices detailed in this methodology, other indices covered by this document may be available. For a list of available indices, please refer here.

Frequency, File type and Access

Frequency	File Type	Access
Daily	Underlying file – Bond level	FTP Server
	Indices file – Index level	FTP Server / website / BBG for index levels only
Daily from the sixth calendar day of the month (or the next index publication day if the sixth calendar day falls on a non-business day)	Forwards	FTP Server
Monthly	End of Month Components	FTP Server / website

Below is a summary of identifiers for each publication channel:

Index Name	Return Type	ISIN	SEDOL	Ticker
iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap)	TRI	GB00BF9QH132	BF9QH13	IBXXC1D3
iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap)	CPI	GB00BF9QH025	BF9QH02	IBXXC1P3

Index review

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.

Index Governance

Index Committee

An S&P Dow Jones Indices Index Committee maintains the indices. All committee members are full-time professionals at S&P Dow Jones Indices. Meetings are held regularly. The Index Committee oversees the management of the indices, including determinations of intra-rebalancing changes, maintenance and inclusion policies, and other matters affecting the maintenance and calculation of the indices.

In fulfilling its responsibilities, the Index Committee has full and complete discretion to (i) amend, apply, or exempt the application of index rules and policies as circumstances may require and (ii) add, remove, or by-pass any bond in determining the composition of an index.

The Index Committee may rely on any information or documentation submitted to it or gathered by it that the Index Committee believes to be accurate. The Index Committee reserves the right to reinterpret publicly available information and to make changes to the indices based on a new interpretation of that information at its sole discretion. All Index Committee discussions are confidential.

The Index Committee is separate from and independent of other analytical groups at S&P Global. In particular, the Index Committee has no access to or influence on decisions by S&P Global Ratings analysts.

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 more information on index governance policies, please refer here*.*

Methodology Changes

02 Aug 2022	• Inclusion of ESG eligibility criteria • Consideration of Issuer capping of 8% to all the issuers in the index • Update of the index name to "iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8% Issuer Cap)"
31 July 2022	• Monthly forward start date updated from 10th calendar day to 6th calendar day
31 Jan 2021	• Changes to bid price index and introduction of transaction cost factor following a consultation • Governance and Regulatory Compliance section added • Cash and Turnover Reinvestment Cost section added
30 Apr 2018	• Launch of iBoxx USD Contingent Convertible Liquid Developed Market AT1 (8/5% Issuer Cap)

Summary of key ESG factors

Explanation of how ESG factors are reflected in the key elements of the benchmark methodology *The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology and the retained EU law in the UK [The Benchmarks (amendment and Transitional Provision) (EU Exit) Regulations 2019].*	
Item 1: Name of Benchmark Administrator	S&P Dow Jones Indices Limited
Item 2: Type of benchmark or family or family of benchmarks *The "type of benchmark" refers to the type of 'underlying asset', as selected from the list provided in Annex II to in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.*	var_benchmark_type
Item 3: Name of benchmark or family of benchmarks	var_benchmark_index
Item 4: Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?	
Item 5. If the response to (4) is "Yes," the indices stated here take into account ESG factors.	Please refer to the S&P Dow Jones Indices Limited Benchmark Register for a list of the benchmarks within this family that account for ESG factors.
Item 6: Where the response to (4) is 'Yes', the section below lists those ESG Factors* that are taken into account by the ESG indices governed by the methodology, including those ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816. **'ESG factors' are defined in Annex II of European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.*	
Item 6a: List of Environmental factors considered	Exclusion is driven by exposure to the following factors: • Thermal coal • Arctic Oil & Gas Exploration Extraction • Oil Sands • Shale Energy Extraction See section 'Sustainalytics ESG Research' of this guide for details The S&P DJI Fixed Income EU Low Carbon Benchmark Regulation Disclosure Report can be accessed here.
Item 6b: List of Social factors considered	Exclusion is driven by exposure to the following factors: • Controversial weapons • Tobacco • Small Arms See section 'Sustainalytics ESG Research' of this guide for details The S&P DJI Fixed Income EU Low Carbon Benchmark

	Regulation Disclosure Report can be accessed [here.]()

Item 6c: List of Governance factors considered	Exclusion is driven by exposure to the following factors: N/A
Item 6d: List of any other overall ESG factors	Exclusion driven by additional factors: • United Nations Global Compact (UNGC) ratings See section 'Sustainalytics ESG Research' of this guide for details
Item 7: Data and standards used	
Item 7a(i): Source of input	Data is sourced externally from Sustainalytics ESG Research
Item 7a(ii): Data input	Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. In particular, this index uses the following ESG Products: Global Standards Screening and Product Involvement. For details on Sustainalytics ESG Research's full suite of ESG products, please refer to: http://www.sustainalytics.com Sustainalytics' research process involves the collection and analysis of information made available by third parties, including civil society, corporate, government, industry association, investor, media and regulatory sources. Sustainalytics also uses 3rd party data providers about which information is available at https://www.sustainalytics.com/legal-disclaimers/
Item 7b: Verification and quality of data	**S&P DJI's Global Data Management Team** holds the responsibility of data quality assurance and validation of thirdparty data sources, including all ESG datasets. This process involves regular reviews of new data received, and includes comparison with previous data, coverage and identifier checks as well as escalation of suspect data to data vendors. S&P DJI also hold regular feedback sessions with data partners and vendors to share any quality concerns and to remedy any issues that are observed during data validations performed by the Global Data Management Team. In addition, all users of third-party data perform their own review of data used in the maintenance of indices. **Sustainalytics** Quality Approach to: A. Global Standards Screening (GSS)Company Research • Continuous improvement and maintenance of quality and research standards • Companies are contacted to verify allegations that are relevant in Sustainalytics Global Standards Screening methodology and their response is taken into consideration, and whenever relevant included • Quality reviews of ESG assessments before publication • For Sustainalytics Global Standards Screening, proposals for assessment changes are reviewed by an internal oversight body. If the proposal is approved, a written report is drafted according to the GSS guidelines. Before a Watchlist or NonCompliant status for an issue is published, a quality and editorial review is conducted on the report and the sources used therein Data and deliverable management • Quality and reliability of Sustainalytics Covered Company and identifier data through automated quality assurance • Quality and reliability of Sustainalytics proprietary (i.e.

research) data through automated quality assurance, prior to publication

- Quality and reliability of standard deliverables through end-ofgate quality assurance process
- Quality and reliability of custom client deliverables through end-of-gate quality assurance processes (automated and manual)
- Monitoring and investigating ESG score fluctuations and their root causes using automated tools

Update cycle

- Continuous monitoring is conducted as incidents occur and feed into updates of Sustainalytics Global Standards Screening reports
- Quarterly updates to Sustainalytics Global Standards Screening reports
- New companies added to the universe as a result of rebalancing are researched and updated in client systems quarterly
- Corporate actions are processed in client systems on a quarterly basis in order to capture any involvement changes arising from mergers, acquisitions or other corporate actions.

B. Product Involvement Company Research

- Continuous improvement and maintenance of quality and research standards
- All Product Involvement research is reviewed by senior analysts. The review comprises checking the accuracy of the involvement analysis by studying the original source as well as consistency with the research methodology and framework
- Final validation of the research before publication is done by the Research Manager. Assessment changes are additionally reviewed by an internal oversight body

Data and deliverable management

- Quality and reliability of Sustainalytics Covered Company and identifier data through automated quality assurance • Quality and reliability of Sustainalytics proprietary (i.e.

research) data through automated quality assurance, prior to publication

- Quality and reliability of standard deliverables through end-ofgate quality assurance process
- Quality and reliability of custom client deliverables through end-of-gate quality assurance processes (automated and manual)
- Monitoring and investigating ESG score fluctuations and their root causes using automated tools

Update cycle

	• Product Involvement Research is updated annually • New companies added to the universe as a result of rebalancing are researched and updated in client systems quarterly • Corporate actions are processed in client systems on a quarterly basis in order to capture any involvement changes arising from mergers, acquisitions or other corporate actions
Item 7c: International reference standards	The methodology behind Sustainalytics Global Standards Screening is based on the following international standard: • UN Global Compact Principles • OECD • World Governance Indicators • On top of these international (convention-based) standards Sustainalytics also look at industry specific standards or initiatives. Examples are the Round Table on Sustainable Palm Oil, the standards for Systemically Important Banks, local Corporate Governance codes, and many others • Said industry specific standards are incorporated in Sustainalytics assessments of companies' management of ESG issues in Sustainalytics ESG Risk Rating For Product Involvement Sustainalytics does not rely on international standards or conventions.
Item 8a: Information updated on	var_benchmark_date
Item 8b: Reason for update	Methodology change

Further Information

Client Support

For client support please contact index_services@spglobal.com.

Formal Complaints

Formal complaints should be emailed to spdji_compliance@spglobal.com.

Please note: spdji_compliance@spglobal.com should only be used to log formal complaints.

General Index Inquiries

For general index inquiries, please contact index_services@spglobal.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. 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.

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