S&P Dow Jones Indices

A Division of S&P Global

S&P CTB Base+ Indices
Methodology

November 2025

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Introduction

Index Objective

The S&P CTB Base+ Indices measure the performance of eligible equity securities from an underlying index selected and weighted to be collectively compatible with the transition to a low-carbon and climate resilient economy. The indices apply exclusions based on companies' involvement in specific business activities, violations of the principles of the United Nations' Global Compact (UNGC), and involvement in relevant ESG controversies.

Highlights

The indices aim to meet the minimum standards for EU Climate Transition Benchmarks (EU CTBs under Regulation (EU) 2019/2089 amending Regulation (EU) 2016/1011[1]). The law proposes the definitions of minimum standards for the methodology of any 'EU Climate Transition' benchmark indices that would be aligned with the objectives of improving transparency and comparability, reallocating capital towards climate-friendly investments, and addressing the risk of greenwashing. The indices also incorporate factors that seek to manage transition risk and climate change opportunities in a way that aligns them with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures' (TCFD) 2017 *Final Report*[2], covering transition risk and climate change opportunities.

Should a material change to the methodology be required as a consequence of any change made by the EU to the minimum standards for EU CTBs, S&P Dow Jones Indices will issue an announcement before the change is implemented (and in these circumstances, S&P Dow Jones Indices would not conduct a formal consultation). For clarity, any other methodology change will follow S&P Dow Jones Indices' standard processes, which may include a consultation.

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

- reduced overall greenhouse gas (GHG), expressed in CO_2 equivalents, emissions intensity compared to their respective underlying index by at least 30%
- minimum self-decarbonization rate of GHG emissions intensity in accordance with the trajectory implied by Intergovernmental Panel on Climate Change's (IPCC) most ambitious 1.5ºC scenario, equating to at least 7% GHG intensity reduction on average per annum
- exposure to sectors with high impact on climate change at least equivalent to the underlying index
- constituent-level weight capping to address diversification
- control on one-way turnover

Climate-Related Data

[1] Pursuant to Articles 19(a)(2) and 19(b)(1) of Regulation (EU) 2019/2089, Commission Delegated Regulation (EU) 2020/1818 lays down the minimum standards for EU CTBs and EU PABs *https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1818*.

[2] Financial Stability Board's Task Force on Climate-related Financial Disclosures' (TCFD). (2017). *Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures,* available at *www.fsb-tcfd.org/wp-content/uploads/2017/06/FINAL-2017-TCFD-Report-11052018.pdf*.

GHG Emissions. S&P Trucost Limited (Trucost) is the data source.

For information on Trucost's methodology, 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.

The Benchmark Administrator for the indices under this methodology is S&P DJI Netherlands B.V.

Eligibility Criteria

Index Universe

At each rebalancing reference date, each index universe is all constituents of the underlying index:

Index	Underlying Index
S&P 500 CTB Base+ Index	S&P 500

For information on an underlying index, please refer to the index methodology available at www.spglobal.com/spdji.

Eligibility Factors

Carbon Emissions Coverage. Companies must have Trucost GHG emissions data[3], as provided by Trucost.

Any Trucost data with a financial year five years or more prior to the rebalancing reference date's year is considered as not covered.[4]

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.

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, at either an individual or group level of involvement. Revenue is used as a proxy for all categories.

Individual Level of Involvement Exclusions

S&P Global Business Involvement	S&P Global Category of Involvement Description	S&P DJI Individual Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Controversial Weapons	**Customized Weapons**: The 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%	N/A
	Related Products and Services: The 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	>0%	N/A

[3] The data must include all Scope 1, Scope 2, and Scope 3 (upstream and downstream) emissions.
[4] For more details on data coverage treatment, please see *Appendix B*.
[5] For history prior to May 2022, equivalent Sustainalytics data was used for exclusions based on business activities.

S&P Global Business Involvement	S&P Global Category of Involvement Description	S&P DJI Individual Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
	Weapons, Cluster Munitions, Depleted Uranium and Incendiary Weapons, and Nuclear Weapons.		
Military Contracting	**Integral Military Weapons:** The screen covers companies which are engaged in the manufacturing, assembling, sale and transportation of integral military weapons.	≥5%	N/A
	Weapon Related: The screen covers companies which are engaged in the manufacturing and sales of weapon-related products.	≥10%	N/A
Small Arms	**Production of Small Arms Weapons for Civilian Use:** The screen covers companies involved in the manufacturing of small arms weapon for civilian use.	>0%	N/A
	Production of Small Arms Weapons for Non-Civilian Use: The screen covers companies involved in the manufacturing of small arms weapon for non-civilian use.	>0%	N/A
	Production of Key Components: The screen covers companies involved in the manufacturing of key components for assault weapons.	>0%	N/A
	Retail and Distribution of Small Arms Weapons: The screen covers companies involved in the retail or distribution of small arms weapons for civilian customers.	≥5%	N/A
Tobacco	**Production:** The screen covers companies involved in the manufacturing of tobacco.	>0%	N/A
	Related Products and Services: The screen covers companies that supply essential products/services for the tobacco industry.	≥5%	N/A
	Retail and Distribution: The company derives revenues from the distribution and/or retail sale of tobacco products.	≥5%	N/A
Coal	**Thermal Coal Mining:** The screen covers companies that own/and or operate coal mines that engage in thermal coal mining.	≥5%	N/A
Thermal Coal	**Generation:** The screen covers companies involved in the electricity generation using coal power plants.	≥5%	N/A
Oil Sands or Tar Sands	**Extraction and/or Production:** The screen covers companies involved in the extraction and/or production of fossil fuels from Oil Sands/Tar Sands.	≥5%	N/A
Shale Oil and Gas	**Extraction and/or Production:** This screen involves companies that are involved in the extraction and/or production of Shale oil and gas.	≥ 5%	N/A

Group Level of Involvement Exclusions

S&P Global Business Involvement	S&P Global Category of Involvement Description	S&P DJI Group Level of Involvement Threshold
Military Contracting: • Integral Military Weapons • Weapon Related	**Integral Military Weapons**: The screen covers companies which are engaged in the manufacturing, assembling, sale and transportation of integral military weapons.	>10%
	Weapon Related: The screen covers companies which are engaged in the manufacturing and sales of weapon related products.	

S&P DJI Individual 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. 'Group Level of Involvement Thresholds' are a combined measure considering the sum of all involvement levels of the specified S&P Global Categories of 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 assessment 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 RepRisk for daily filtering, screening, and analysis of ESG risk incidents and controversial activities related to companies within the indices.[6] 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 into the index for at least one full calendar year, beginning with the subsequent rebalancing.

For more information on RepRisk, please refer to www.reprisk.com. This service is not considered a direct contribution to the index construction process.

[6] RepRisk, a leading 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, select the eligible companies in each index universe and form each index, subject to the optimization constraints below.

Constituent Weighting

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

$$\text{Minimize } \left(\frac{1}{n}\sum\left[\frac{(Optimized\ Weight_i - Underlying\ Weight_i)^2}{Underlying\ Weight_i}\right] + \frac{1}{k}\sum\left[\frac{(Optimized\ Sector\ Weight_i - Underlying\ Sector\ Weight_i)^2}{Underlying\ Sector\ Weight_i}\right] + \frac{1}{l}\sum\left[\frac{(Optimized\ Industry\ Weight_i - Underlying\ Industry\ Weight_i)^2}{Underlying\ Industry\ Weight_i}\right]\right)$$

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 transition risk, climate opportunities, and index construction constraints.

Table 1. Transition Risk Constraints

Constraint*	Index	Data Source
Total Weighted-average Carbon Intensity (WACI) Target	⩽ Total underlying WACI × 70% × Buffer**	Trucost
Scope 1 and 2 Weighted-average Carbon Intensity (WACI) Target	≤ Scope1 and 2 underlying WACI × 70% × Buffer**	Trucost
7% Decarbonization Trajectory Total WACI Target	⩽ Anchor Total WACI*** × $\frac{(1-7\%)^{(q/2)}}{1+Inf}$ × Buffer where: q = number of rebalancings since index anchor date Inf = Enterprise Value Including Cash (EVIC) growth of underlying index since index Anchor Date	Trucost
7% Decarbonization Trajectory Scope 1 and 2 WACI Target	≤ Anchor Scope 1 and 2 WACI**** × $\frac{(1-7\%)^{(q/2)}}{1+Inf}$ × Buffer where: q = number of rebalancings since index anchor date Inf = Enterprise Value Including Cash (EVIC) growth of underlying index since index Anchor Date	Trucost
High Climate Impact Sectors Revenue Proportion (HCISRP) *****	⩾ HCISRP of underlying index	Trucost

* Constraints are defined in *Constraint-Related Definitions* below.
** Where Buffer = 95% to represent a 5% margin to allow for drift between targeted and realized WACI.
*** Total WACI of index on the index's Anchor Date. Prior to the index's anchor date, the 7% decarbonization Trajectory Total WACI Target was not applicable.
**** Scope 1 and 2 WACI of index on the index's Anchor Date. Prior to the index's anchor date, the 7% decarbonization Trajectory Scope 1 and 2 WACI Target was calculated based on the index Inception Date.
***** For details about treatment of companies without Sector Revenues, please see *Appendix B*.

Table 2. Index Construction Constraints

Constraint	Index
Diversification Relative Company Weight	± 2% from underlying index company weight
Diversification Absolute Max Company Weight	≤ max(5%, underlying company weight)
Minimum Stock Weight Lower Threshold	Existing constituents: ≥ 0.01%[7] New constituents: ≥ max(0.01%, min(0.05%,0.5 × underlying stock weight))
Liquidity Max Stock Weight	$\leq \frac{\text{Hypothetical Days to Buy/Sell} \times \text{Daily Participation} \times \text{Liquidity}_i}{\text{Notional Portfolio Size}}$ where: Notional Portfolio Size = USD $1 billion Hypothetical Days to Buy/Sell = 1 Daily Participation = 10% Liquidity = 3-month Median Daily Value Traded

Constraint Relaxation Hierarchy

If the optimization fails to find a solution, the optimizer partially relaxes each constraint in the order listed below, and repeats, if necessary, until a solution is found. In each attempt at optimization the constraints are further relaxed in the stated order; however, the Index Committee may revise the order of relaxation hierarchy if a particular constraint prevents the optimizer from finding a solution.

The index constraint relaxation hierarchy follows the below order:

- Diversification Absolute Max Stock Weight
- Diversification Relative Stock Weight
- One-way Turnover Constraint[8] (if applicable, see below)

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

- Weighted-average Carbon Intensity (WACI) Target
- 7% Decarbonization Trajectory WACI Target
- High Climate Impact Sectors Revenue Proportion

Post Optimization Index Turnover Review and Related Turnover Constraints

The indicative one-way index turnover is calculated after the above optimization process. If the discretionary one-way turnover exceeds the turnover target[9], the turnover constraint becomes applicable, and the optimization process is re-triggered to include the One-way Turnover Constraint in conjunction with the Weight Ratio boundary. The Weight Ratio boundary ensures the resulting index weights from the application of One-Way Turnover Constraint maintain fair representation to the initial optimized weight.

Discretionary One-way Turnover = One-way Turnover – Weights of Drops

[7] Constraints relating to existing constituents do not apply to the historical rebalance on the index 'Anchor Date'. For more details on the 'Anchor Date', please see *Appendix A*.
[8] For details about relaxation of turnover constraint, please see *Appendix C.*
[9] Where the turnover target = 5%

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.

Table 3. Turnover Constraints

Constraint	Index
One-way Turnover	≤ Turnover Target + Weight of Drops
Weight Ratio Boundary *	≤ Buffer* + Relative Tolerance** × Initial Weight Ratio ≥ - Buffer* + 1/ Relative Tolerance** × Initial Weight Ratio Where: Buffer = 5% Relative Tolerance = 1.25

* Weight Ratio is defined as optimized stock weight divided by underlying stock weight.

Constraint-Related Definitions

Total Weighted-Average Carbon Intensity (WACI)[10]

$$\sum \mathrm{w_i} \times \frac{\mathrm{GHG1_i} + \mathrm{GHG2_i} + \mathrm{GHG3_i}}{\mathrm{EVIC_i}}$$

where:

w_i = Weight of the company i in the index

$GHG1_i$ = Scope 1 GHG emissions in tCO_2e for the company i

$GHG2_i$ = Scope 2 GHG emissions in tCO_2e for the company i

$GHG3_i$ = Scope 3 (upstream and downstream) GHG emissions in tCO_2e for the company i

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

The Scope 1 and 2 Weighted-Average Carbon Intensity calculates following the same formula for Total Weighted-Average Carbon Intensity but removes $GHG3_i$. This metric calculates using the GHG emissions dataset provided by Trucost.

High Climate Impact Sectors Revenue Proportion (HCISRP)

$$\frac{\sum w_i \times \frac{HCISR_i}{EVIC_i}}{\sum w_i \times \frac{TR_i}{EVIC_i}}$$

where:

w_i = Weight of the company i in the index

$HCISR_i$ = Revenue of the company i derived from High Climate Impact Sectors

TR_i = Total revenue of the company i

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

High Climate Impact Sectors are defined by the follow NACE sections:

- Agriculture, Forestry and Fishing

[10] Exclude companies without full GHG emissions coverage from the calculation.

- Mining and Quarrying
- Manufacturing
- Electricity, Gas, Steam and Air Conditioning Supply
- Water Supply; Sewerage, Waste Management and Remediation Activities
- Construction
- Wholesale and Retail Trade, Repair of Motor Vehicles and Motorcycles
- Transportation and Storage
- Real Estate Activities

NACE sections have been mapped to Trucost Sectors. This metric is calculated using the sector revenues dataset provided by Trucost.

For more information on High Climate Impact Sectors, including the classification of Trucost revenue sectors as either 'high' or 'low' climate impact sectors, please refer to the Trucost Climate Impact Sectors Classification.

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 the S&P Dow Jones Indices' Index Mathematics Methodology.

Index Maintenance

Rebalancing

The indices rebalance semi-annually, effective after the close of the third Friday of June and December. The rebalancing reference date for each rebalance is the third Friday of the prior month. 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.

S&P Dow Jones Indices monitors UNGC compliance on best effort basis until the initial announcement of the rebalancing results. If a company's UNGC compliance status changes any time prior to the rebalancing results announcement and no longer qualifies for the index S&P Dow Jones Indices may, at its discretion, exclude the company in conjunction with the rebalancing.

Semiannual Eligibility Reviews

Business Activities. 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 third Friday of March and September, using reference dates as of the last business days of each previous month. The review does not consider or include coverage changes.

UNGC. The indices review 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 and September using reference dates as of the last business days of each previous month. The review does not consider or include coverage changes.

Ongoing Maintenance

Index constituents are drawn from the underlying index or component indices. 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 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.

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.

Additions and Deletions

Additions. Except for spin-offs, no stocks are added to the indices between rebalance dates.

Spin-offs. 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 index, the stock is also removed from the respective S&P CTB Base+ Index simultaneously. Between rebalancings, a stock can be deleted from an index due to corporate events such as mergers, takeovers, delistings, suspensions, spin-offs/demergers, or bankruptcies.

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

Corporate Actions

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

Currency of Calculation and Additional Index Return Series

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 500 CTB Base+ Index	04/07/2025	12/16/2016	12/16/2016	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

An Index Committee maintains the indices. 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.

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 calculate 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's 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
S&P 500 CTB Base+ Index	Price Return	SPXCTPEP
	Total Return	SPXCTPET
	Net Total Return	SPXCTPEN

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 A

Index Anchor Date of Decarbonization Trajectory

The index ‘Anchor Date’ is the date of the reference index composition and base carbon intensity calculation used to determine the index’s decarbonization trajectory. Prior to the index ‘Anchor Date’ the index ‘First Value Date’ is used to determine the index’s decarbonization trajectory.

Index	First Value Date	Anchor Date	Launch Date
S&P 500 CTB Base+ Index	**12/16/2016**	**05/19/2023**	**04/07/2025**

Appendix B

Data Coverage Treatment

For companies without coverage for the data points described below, values are assigned according to the following table:

Data	Value Assigned
Sector Revenues	0

Appendix C

Turnover Constraint Relaxation

If any of the following conditions are met, relax the turnover threshold by 20% increments on a relative scale. The relaxation process proceeds iteratively until none of the following conditions are met.

a. Active share > initial active share × 1.2
b. Trigger any additional relaxation in the constraints relaxation hierarchy compared to the initial optimization results. However, the Index Committee may allow the soft constraints to be further relaxed beyond the initial optimization results if it is felt that a particular constraint is preventing the optimizer from finding a solution.
c. No feasible solution.

Appendix D

Methodology Changes

Methodology changes since November 6, 2025, are as follows:

Change	Effective Date (After Close)	Methodology Previous	Methodology Updated
Index name: S&P 500 CTB Base+ Index	11/06/2025	Index name is: S&P 500 Climate Transition Base+ Index	Index name is: S&P 500 CTB Base+ Index

Appendix E

ESG Disclosures

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[11]				
1.	**Name of the benchmark administrator.**	S&P DJI Netherlands B.V.		
2.	**Type of benchmark or family of benchmarks.[12]**	Equity		
3.	**Name of benchmark or family of benchmarks.**	S&P Paris-Aligned & Climate Transition (PACT) Index Family		
4.	**Does the benchmark methodology for the benchmark or family of benchmarks take into account ESG factors?**	Yes		
5.	**If the response to (4) is "Yes," the indices stated here take into account ESG factors.**	For a list of the benchmarks within this family that take in account ESG factors, please refer to the S&P DJI Methodology & Regulatory Database.		
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.**			
6.a Combined ESG factors		**ESG Factor[13]**	**S&P DJI ESG Factor**	**Comment**
		Weighted average ESG rating of the benchmark (voluntary).	*Weighted-average S&P Global ESG Score*	Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.
6.b List of environmental factors considered		Degree of exposure of the portfolio to the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council as a percentage of the total weight in the portfolio.	Transition Risk Constraints: *High Climate Impact Sectors Revenue Proportion (HCISRP)*	Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.
		Greenhouse gas (GHG) intensity of the benchmark.	Transition Risk Constraints: *Weighted-average*	Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.

[11] 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].

[12] 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.

[13] '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.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[11]			
		Carbon Intensity (WACI) Target; 7% Decarbonization Trajectory WACI Target	
	Percentage of GHG emissions reported versus estimated.		Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.
	N/A		Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.
	N/A	Transition Risk Constraints: *1.5°C Climate Scenario Transition Pathway Budget Index Alignment*	Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.
	N/A	Transition Risk Constraints: *Weight of Eligible Science Based Targets Companies*	Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.
	N/A	Climate Opportunities Constraints: *Green-to-Brown Revenue Share (GBR)*	Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.
	N/A		Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	N/A	Controversies Monitoring: Media and Stakeholder Analysis	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	N/A	Business Activities: *Thermal Coal*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	N/A	Business Activities: *Oil Sands*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	N/A		Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a 'controversial weapon'.	Business Activities: *Controversial Weapons*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
6.b List of social factors considered.	Weighted average percentage of benchmark constituents in the controversial weapons sector.	Business Activities: *Controversial Weapons*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	Weighted average percentage of benchmark constituents in the tobacco sector.	Business Activities: *Tobacco*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	Number of benchmark constituents subject to social violations (absolute number and relative divided by all	UNGC Non-Compliant Companies	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[11]			
	benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.		
	Weighted average ESG rating of the benchmark (voluntary).	*Weighted-average S&P Global ESG Score*	Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.
	N/A	Controversies Monitoring: Media and Stakeholder Analysis	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	N/A	Business Activities: *Small Arms*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	N/A	Business Activities: *Military Contracting*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
	Weighted average ESG rating of the benchmark (voluntary).	*Weighted-average S&P Global ESG Score*	Weighting. For more information, please refer to the *'Index Construction'* section of the methodology.
6.c **List of governance factors considered.**	N/A	Controversies Monitoring: Media and Stakeholder Analysis	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
7.	**Data and standards used.**		
7.a	**Data input: Data sources, verification and quality of data.**	The datasets are defined as either: - Reported: All data in the dataset are provided as disclosed by companies, or as stated in the public domain. - Modeled: All data are derived using a proprietary modelling process with only proxies used in the creation of the dataset. - Reported and Modeled: The dataset is either a mix of reported and Modeled data or is derived by the vendor using reported data/information in a proprietary scoring or determination process. The index methodology uses the following ESG datasets:	

	Data Source.	Dataset.
7.b	**S&P Trucost Limited (a part of S&P Global)** (external data source)	This methodology uses several datasets provided by S&P Trucost Limited: • Transition pathway model (Reported and Modeled) • Greenhouse gas emissions and emissions disclosure dataset (Reported and Modeled) • Green-to-brown share dataset (Reported and Modeled) • Trucost sector revenues dataset (Reported and Modeled) *For information on Trucost's methodology, please refer* here.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[11]		
	S&P Global (external data source)	Media & Stakeholder Analysis (Reported and Modeled) – S&P Global uses RepRisk, a leading provider of business intelligence on environmental, social, and governance risks, for daily filtering, screening, and analysis of controversies 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 will review constituents that have been flagged by S&P Global's MSA to evaluate the potential impact of controversial company activities on the composition of the indices. If a company is removed due to an MSA, that company is not eligible for re-entry into the index for one full calendar year, beginning with the subsequent rebalancing. *For more information about S&P Global's Media and Stakeholder Analysis, please refer to the MSA Methodology Guidebook, available via www.spglobal.com/esg/csa/csa-resources/csa-methodology.* S&P Global Business Involvement Screens (Reported and Modeled) – The dataset tracks the business activities, products and services that companies are involved in. The S&P Global Business Involvement Screens provide detailed assessments of common areas of investor concern pinpointing the precise level of involvement, from production to operations and distribution, to inform values-based investment strategies. *For more information about S&P Global's Business Involvement Screens, please refer to https://www.spglobal.com/esg/solutions/portfolio-analytics-businessinvolvement-analytics* ESG Score (Reported and Modeled) – 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 about the S&P Global ESG scores please refer here and https://www.spglobal.com/spdji/en/landing/investment-themes/esg-scores/.*
	Sustainalytics (external data source)	This methodology uses the following datasets provided by Sustainalytics, a global leader in sustainability research and analytics: • Global Standards Screening (Reported and Modeled) *For more information, please refer to www.sustainalytics.com.*
	Verification and quality of data.	The data quality process involves regular reviews of new data received, and includes comparison with previous data, outlier and error checks and escalation of suspect data to data vendors. S&P DJI also holds 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. Many of the third-party data used by S&P DJI is reviewed against secondary and tertiary data sources for cross comparison and validation. Some more thematic or specific datasets may not have a comparable data source that can be used for comparison, but these datasets are still reviewed for internal consistency and self-comparison over time.
7.c	**Reference standards.**	Data is sourced from Trucost, which uses the following standards: • *Scopes 1 and 2*: the GHG Protocol Corporate Standard. • *Scope 3 (upstream & downstream)*: The Corporate Value Chain Standard, which is a supplement to the GHG Protocol specific to Scope 3.
Appendix latest update:		N/A
Appendix updates:		N/A
Appendix first publication:		April 7, 2025

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.

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