S&P Dow Jones Indices

A Division of S&P Global

S&P PAB ESG Select Indices Methodology

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Introduction

Index Objective

The S&P PAB ESG Select Indices measure the performance of a targeted number of eligible equity securities, drawn from the underlying index, that are selected from some of the highest S&P Global ESG score-ranked companies to be collectively compatible with a 1.5ºC global warming climate scenario[1] at the index level. The indices apply exclusions based on companies' involvement in specific business activities, performance against the principles of the United Nations' Global Compact (UNGC), and involvement in relevant ESG controversies, as defined in *Eligibility Criteria*.

Highlights

Each S&P PAB ESG Index is an EU Paris-aligned Benchmark. The law prescribes minimum standards for the methodology of any index that is labelled an 'EU Paris-aligned Benchmark' (EU PAB), under Regulation (EU) 2019/2089 amending Regulation (EU) 2016/1011.[2] In the case of EU Paris-aligned Benchmarks, this includes a requirement that the underlying assets be selected, weighted or excluded so that the resulting benchmark's portfolio's carbon emissions are aligned with the Paris Agreement objectives.

The indices have the following key features:

- companies are selected based on S&P Global ESG Scores;
- reduced overall greenhouse gas (GHG, expressed in CO_2 equivalents) emissions intensity compared to its respective underlying parent index by at least 50% for PAB indices;
- 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, with no or limited overshoot, 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 its underlying index (to mitigate greenwashing).

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

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

For more information on S&P Global ESG Scores, please refer here.

All indices in the series feature the exclusion of companies from the underlying parent index with:

- involvement in specific business activities
- non-compliant UNGC Principle violations

1. A climate scenario of 1.5ºC above preindustrial levels has been deemed important by the IPCC: Masson-Delmotte, V., Zhai, P., Pörtner, H. O., Roberts, D., Skea, J., Shukla, P. R. Waterfield, T. (2018). Global warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C. IPCC, available at https://www.ipcc.ch/sr15/.
2. Pursuant to Articles 19a(2) and 19c(1) of Regulation (EU) 2016/2011, 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*.

- involvement in relevant ESG controversies

S&P PAB ESG Select Indices. In addition to those listed above, the indices incorporate the further exclusion of companies whose revenues from coal, oil, or natural gas exploration or processing activities exceed defined thresholds, and electricity generation companies that exceed a stated revenues threshold.

Climate-Related Data

S&P Trucost Limited (Trucost) Data Used: GHG Emissions and Sector Revenues.

For more 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, the index universe is all constituents of an underlying index, as defined below:

S&P PAB ESG Select Index Series	Underlying Index
S&P Eurozone 50 PAB ESG Select Index	S&P Eurozone LargeMidCap
S&P Transatlantic 100 PAB ESG Select Index	S&P 500 + S&P Eurozone LargeMidCap Index

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

Eligibility Factors

At each rebalancing reference date, companies in an index universe must satisfy the following to be eligible for index inclusion:

Listing.

- **S&P Eurozone PAB ESG Select Indices**: must be EUR-denominated.
- **S&P Transatlantic PAB ESG Select Indices**: must be U.S.-domiciled and USD-denominated, or Eurozone-domiciled and EUR-denominated.
- Have an S&P Global ESG Score.

Liquidity.

- **S&P Eurozone PAB ESG Select Indices** and **S&P Transatlantic 100 PAB ESG Select Indices**: must have a three-month Median Daily Value Traded (MDVT) of EUR €10 million.

Carbon Emissions Coverage.

- Have GHG Emissions data, as provided by Trucost.[1]

S&P Global ESG Score Coverage.

Index Exclusions

At each rebalancing reference date, exclude companies from the index universe as described below:

Exclusion Type	S&P PAB ESG Select Indices
Exclusions Based on Business Activities	Applicable
UNGC Principles Violation	Applicable
Fossil Fuel Operations and Power Generation	Applicable
Controversies: Media and Stakeholder Analysis	Applicable

Exclusions Based on Business Activities

As of each rebalancing reference date, exclude the following:

1. The data must include all Scope 1, Scope 2, and Scope 3 (upstream and downstream) emissions.

- companies without coverage
- companies involved in the following specific business activities, at the relevant level of involvement. Revenue is used as a proxy for all categories.

S&P Global Business Involvement	S&P Global Category of Involvement and Description	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Controversial Weapons	**Customized Weapons**: This screen covers companies involved in the manufacturing of the components of a weapon. These components are intended solely for use in the production and are essential for the functioning of Anti-Personnel Mines, Biological and Chemical Weapons, Blinding Laser Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons and Nuclear Weapons.	>0%	≥25%
Military Contracting	**Integral Military Weapons**: This screen covers companies which are involved in the manufacturing, assembling, sale and transportation of integral military weapons.	≥10%	N/A
	Weapon-related: This screen covers companies which are involved in the manufacturing and sales of weapon-related products.	≥10%	N/A
Tobacco	**Production**: The screen covers companies that are 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 screen covers companies involved in the retail and/or distribution of tobacco as part of their offerings.	≥5%	N/A

Level of Involvement refers to the company's direct exposure to such products, while Significant Ownership indicates where the company has indirect involvement via some specified level of ownership of a subsidiary company with involvement.

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

Exclusions Based on Sustainalytics' Global Standards Screening

Sustainalytics' Global Standards Screening (GSS) provides an assessment of a company's impact on stakeholders and the extent to which a company causes, contributes or is linked to violations of international norms and standards. The basis of the GSS 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 *http://www.sustainalytics.com/* for more information.

Exclusions Based on Revenue Thresholds in Fossil Fuel Operations and Power Generation

As of each rebalancing reference date, exclude companies considered for the PAB indices if the sum of revenues derived from the relevant Trucost sectors[2] breach the following thresholds:

Exclusion Type	Trucost Revenue Sectors	Revenue Threshold
Coal Exploration or Processing	Bituminous Coal and Lignite Surface Mining Bituminous Coal Underground Mining All Other Petroleum and Coal Products Manufacturing Pipeline Transportation	≥ 1%
Oil Exploration or Processing	All Other Petroleum and Coal Products Manufacturing Crude Petroleum and Natural Gas Extraction Drilling Oil and Gas Wells Support Activities for Oil and Gas Operations Petroleum Lubricating Oil and Grease Manufacturing Mining and Oil and Gas Field Machinery Manufacturing Tar Sands Extraction Petroleum Refineries Petrochemical Manufacturing Pipeline Transportation	≥ 10%
Natural Gas Exploration or Processing	Crude Petroleum and Natural Gas Extraction Drilling Oil and Gas Wells Support Activities for Oil and Gas Operations Mining and Oil and Gas Field Machinery Manufacturing Natural Gas Liquid Extraction Natural Gas Distribution Industrial Gas Manufacturing Pipeline Transportation	≥ 50%
Power Generation	Coal Power Generation Petroleum Power Generation Natural Gas Power Generation Biomass Power Generation	≥ 50%

Controversies: Media and Stakeholder Analysis Overlay

S&P Global Sustainable1 (S1) carries out daily filtering, screening, and analysis of ESG risk incidents and controversial activities related to constituent companies. When a risk is identified, S1 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 MSA-flagged constituents to evaluate the potential impact of controversial company activities on index composition. If the Index Committee decides to remove a flagged company, that company is ineligible for reentry into the index for at least one full calendar year, beginning with the subsequent rebalancing.

For more information on MSAs, please refer to S1's Media & Stakeholder Analysis Methodology, available [here](#).

Multiple Classes of Stock

Each company is represented once by the Designated Listing. For more information regarding the treatment of multiple share classes, please refer to Approach B within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology. All publicly listed multiple share class lines of a company are assigned and assessed using the same S&P Global ESG score.

2. These exclusions use a sector revenues dataset from Trucost

Index Construction

Constituent Selection

Target Count. Each index targets a specific constituent count selected from the index universe:

Index	Region	Target Count
S&P Eurozone 50 PAB ESG Select Index	N/A	50
S&P Transatlantic 100 PAB ESG Select Index	U.S.	50
	Eurozone	50

Carbon Intensity Target. The Carbon Intensity (CI) of company *i*, as of the rebalancing reference date *t*, is defined by:

$$CI_{i,t} = \frac{GHG1_i + GHG2_i + GHG3_i}{EVIC_{i,t}}$$

where:

$GHG1_i$ = 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[1] in tCO_2e for the company i

$EVIC_{i,t}$ = enterprise value including cash of the company i (in millions of US dollars) as at the rebalancing reference date, *t*

The Weighted Average Carbon Intensity (WACI) of an index is defined by:[2]

$$WACI = \sum w_{i,t} \times \frac{GHG1_i + GHG2_i + GHG3_i}{EVIC_{i,t}}$$

where:

$w_{i,t}$= weight of the company i in the index as of the rebalancing reference date *t*

This metric is calculated using the GHG emissions dataset provided by Trucost.

At each rebalancing date, each index's WACI must:

- Be 50% lower that the underlying index's weighted-average carbon intensity for PAB indices – these are the *'Relative WACI Targets'*.
- Be self-decarbonized to at least the level defined by its decarbonization trajectory target for the current rebalancing date, which is calculated using a 7% annual reduction rate (adjusted for

1. Scope 3 GHG emission have been included in the calculation of Carbon Intensity since the 'Anchor Date' of the indices. Prior to the 'Anchor Date' of the indices, carbon intensity has been calculated using only scope 1 and scope 2 GHG. Please see *Appendix B*
2. Exclude companies without full GHG emissions coverage from the calculation.

EVIC inflation) from the Index Anchor Date[3] – the '*Decarbonization Trajectory WACI Target.*'[4]

Relative WACI Target	Decarbonization Trajectory WACI Target
≤ UnderlyingWACI × 50% × Buffer* (PAB)	≤ AnchorWACI** × $\frac{(1-7\%)^{\wedge}(q/4)}{1+Inf}$ × Buffer* where: *q* = number of quarterly rebalancings since index anchor date *Inf* = Enterprise Value Including Cash (EVIC) growth of underlying index since index Anchor Date.

* The buffer is a constant, set at 95%.

** The '$AnchorWACI$' is defined as, and imposed to be, the $UnderlyingWACI$x 50% at the Index Anchor Date for PAB indices.

To ensure that the WACI of the indices satisfies both constraints, the '$TargetWACI$' is defined as the minimum between the Relative WACI Target and the Decarbonization Trajectory WACI Target.

Constituent Selection. At each rebalancing, select the target number of constituents from the eligible constituents of the index universe according to the following:

1. The constituents of the underlying index are assigned a status of either 'High' or 'Low Climate Impact' based on the NACE-to-GICS Sub-Industry Climate Impact Mapping.

   For more information on high/low climate impact mapping, please see here.

2. Calculate the total weight of the constituents of the underlying index that belong to High Climate Impact Sectors (HIW):

   $$UniverseHIW = \sum weight_i * ClimateImpact_i \begin{cases} High 1 \\ Low 0 \end{cases}$$

   where:

   $UniverseHIW$ = The total weight of constituents in the underlying index designated as belonging to a High Climate Impact Sector.

   $weight_i$ = The index weight of constituent *I* in the underlying index.

   $ClimateImpact_i$ = The climate impact designation of constituent *i.*

3. Calculate the High Impact Target (HIT) number of stocks by:

   a. For single target count indices:

      $$HIT = roundup(UniverseHIW * TargetCount)$$

      where:

      $HIT =$ The count of constituents with a High Climate Impact designation the index will target in its selection process.

      $TargetCount =$ The target count of the index, as specified in the *Target Count section*.

   b. **PAB ESG Select Indices:** The indices include specific target constituent counts for each region represented by the indices. Stocks are initially grouped into two groups according to

3. 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. Please see *Appendix B*for details on the 'Anchor Date' of the indices.

4. For more information on how the indices' decarbonization trajectories are calculated, please refer to Section 3.4 of the *S&P Paris-Aligned & Climate Transition (PACT™) Index Family Benchmark Statement*, available here.

country of domicile: U.S. and Eurozone. The *HIT* for each individual group is calculated separately by:

$$HIT(U.S.) = roundup(UniverseHIW * TargetCount(U.S.))$$

$$HIT(Eurozone) = roundup(UniverseHIW * TargetCount(Eurozone))$$

4. Select the HIT count, by highest S&P Global ESG Scores, among the eligible companies with "High Climate Impact" designation. For the indices with Multiple Target Counts, this is done for each individual group.
5. Select the rest of the of the constituents until the target count is reached by including the constituents with the highest S&P Global ESG Scores from the eligible companies not selected in step 4 (irrespective of their impact sector classification). For the indices with Multiple Target Counts, this is done for each individual group.

If the last selected company shares the same S&P Global ESG score as another company already selected in step 4 or 5, the company with the larger FMC is included in the index.

6. Calculate the weighted average carbon intensity of the selected constituents ('$SelectedWACI$'). For the indices with Multiple Target Counts, this is performed on the selection as a whole and not at an individual group level.
   a. If $SelectedWACI > TargetWACI$, drop the stock with the largest CI among the selected stocks, then repeat steps 4, 5, and 6 until the $SelectedWACI \leq TargetWACI$. The process repeats iteratively until $SelectedWACI \leq TargetWACI$.
   b. If $SelectedWACI \leq TargetWACI$, the stocks selected in step 5 become the constituents of each respective index.
7. **Single Target Count indices:** If in step 6, after excluding the stock with the largest CI, the number of eligible stocks drops below the Target Count, the Target Count for this rebalancing is decreased by one and the process resets and starts again from step 3. The process repeats iteratively until the constraints in step 6 are satisfied, provided the Target Count remains greater than or equal to the Minimum Count in the table below. If, after the minimum count is reached, the step 6 constraints still cannot be satisfied, no further relaxations take place and the TargetWACI constraint remains unmet.

Index	Minimum Count
S&P Eurozone 50 PAB ESG Select Index	40

Index	Region	Min Count
S&P Transatlantic 100 PAB ESG Select Index	U.S.	40
	Eurozone	40

Constituent Weightings

At each rebalancing, the indices equal weights constituents.

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 Non-Market Capitalization Weighted Indices and Capped Market Capitalization Weighted Indices sections, respectively, of S&P Dow Jones Indices' Index Mathematics Methodology.

Index Maintenance

Rebalancing

The indices rebalance quarterly, effective after the close of the third Friday of March, June, September, 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. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing will differ from these weights due to market movements.

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.

Additions and Deletions

Additions. Except for spin-offs, no stocks are added to the indices between rebalancing 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 removed after at least one day of regular way trading with the weight of the spin-off re-invested back into the parent company (with no divisor adjustment).

Deletions. If a stock is dropped from an underlying index, the stock is also removed from the respective S&P PACT ESG Select 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.

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.

Corporate Actions

For information on Corporate Actions, please refer to the Equal Weighted 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 Eurozone 50 PAB ESG Select Index	11/22/2021	12/31/2010	12/31/2010	1000
S&P Transatlantic 100 PAB ESG Select Index	01/17/2022	12/31/2010	12/31/2010	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 S&P Dow Jones Indices 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. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

For more information on Announcements, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

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, 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 exchange rates services are not published.

A complete holiday schedule for the year is available at *www.spglobal.com/spdji/*.

Rebalancing

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Contact Information

For any questions regarding an index, please contact: index_services@spglobal.com.

Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at www.spglobal.com/spdji/, major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

Tickers

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to the *S&P DJI Methodology & Regulatory Status Database* for a complete list of indices covered by this document.

Index	Return Type	BBG	RIC
S&P Eurozone 50 PAB ESG Select Index (EUR)	Price Return	SPZXPEEP	.SPZXPEEP
	Total Return	SPZXPEET	.SPZXPEET
	Net Total Return	SPZXPEEN	.SPZXPEEN
S&P Transatlantic 100 PAB ESG Select Index	Price Return	SPTPAEEN	.SPTPAEEN
	Total Return	SPTPAEET	.SPTPAEET
	Net Total Return	SPTPAEEN	.SPTPAEEN

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

Indices in this Methodology Employing Backward Data Assumption

S&P Eurozone 50 PAB ESG Select Index

S&P Transatlantic 100 PAB ESG Select Index

Backward Data Assumption

The index employs a “Backward Data Assumption” method for some datapoints used in the derivation of historical index membership prior to the Live Data Effective Date (defined below). The “Backward Data Assumption” method involves applying the earliest available actual live data point for an index constituent to all prior, historical instances of that constituent in the index universe.

Backward Data Assumption affects only the historical, hypothetical constituents of any index back-test. Only actual live data is ever used in live index rebalancings and in the historical rebalancing calculation of an index after its Live Data Effective Date.

For more information on S&P DJI’s principles and processes for using Backward Data Assumption, please refer to the FAQ.

Designated Datasets Subject to Backward Data Assumption

The Backward Data Assumption within the historical back-test, with respect to the indices identified above, applies only to designated datasets and associated time horizons as defined below. For each designated dataset, all historical rebalancing events prior to the Live Data Reference Date listed below are subject to use of the Backward Data Assumption.

Data Provider	Designated Dataset	Live Data Reference Date	Live Data Effective Date
Sustainalytics	Business Activity Exclusions	02/28/2020	04/01/2020

The Live Data Reference Date refers to the first rebalancing reference date from which only actual live data is used.

The Live Data Effective Date refers to the first date from which index constituents are determined solely on actual live data for each respective dataset.

Exclusions Based on Missing Coverage

This index excludes companies based on missing coverage with respect to the designated datasets above. However, for rebalancing dates prior to each respective Live Data Reference Date, the eligibility of companies is determined based on the coverage after applying the Backward Data Assumption and is not dictated by actual live data coverage.

Historical Coverage Assessment per Designated Dataset

Sustainalytics Business Activity Exclusions Coverage (with respect to underlying index universe)**:**

S&P Eurozone LargeMidCap Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2010	243	0	0.0%	230	99.1%
2011	252	0	0.0%	242	99.0%
2012	231	0	0.0%	224	98.8%
2013	245	213	95.9%	240	99.2%
2014	262	233	96.6%	259	99.4%
2015	274	251	98.9%	273	99.9%
2016	271	255	99.2%	271	100.0%
2017	267	256	99.5%	267	100.0%
2018	271	267	99.7%	271	100.0%
2019	254	252	99.8%	254	100.0%
2020	245	241	99.9%	n/a	n/a
2021	246	244	99.9%	n/a	n/a

S&P 500 + S&P Eurozone LargeMidCap Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2010	743	0	0.0%	729	99.8%
2011	752	0	0.0%	742	99.8%
2012	731	0	0.0%	724	99.8%
2013	745	708	98.7%	740	99.8%
2014	764	731	98.9%	761	99.9%
2015	780	751	99.4%	779	100.0%
2016	776	758	99.8%	776	100.0%
2017	772	759	99.9%	772	100.0%
2018	776	771	99.9%	776	100.0%
2019	759	753	99.7%	759	100.0%
2020	751	745	100.0%	n/a	n/a
2021	751	749	100.0%	n/a	n/a

Coverage for each Sustainalytics Category of Involvement may differ due to the initiation of coverage for each sub-dataset. Actual live data coverage for each sub-dataset is therefore zero before its respective Coverage Initiation Date provided below:

Sustainalytics Category of Involvement	Coverage Initiation Date
Controversial Weapons: Tailor-made and Essential	12/31/2012
Controversial Weapons: Significant ownership (Tailor-made and Essential)	12/31/2018
Military Contracting: Weapons	12/31/2012
Military Contracting: Weapon-related products and/or services	12/31/2012
Tobacco: Production	12/31/2012
Tobacco: Related Products/Services	12/31/2012
Tobacco: Retail	12/31/2012

Appendix B

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. It is the rebalancing reference date for the most recent index rebalancing prior to the index’s launch date.

Prior to the index ‘Anchor Date’ rebalancing reference date for the first index is used to determine the index’s decarbonization trajectory.

Index	First Value Date	Anchor Date	Launch Date
S&P Eurozone 50 PAB ESG Select Index	01/01/2011	08/31/2021	11/22/2021
S&P Transatlantic 100 PAB ESG Select Index	01/01/2011	11/30/2021	01/17/2022

If there are significant changes in the calculation methodology for GHG emissions, the index’s decarbonization trajectory will be re-anchored.

The GHG intensity is calculated using the same currency as the underlying assets of the benchmark.

Appendix C

Methodology Changes

Methodology changes since November 22, 2021, are as follows:

	Effective Date	Methodology	
Change	**(After Close)**	**Previous**	**Updated**
Index Names: • S&P Eurozone 50 PAB ESG Select Index • S&P Transatlantic 100 PAB ESG Select Index	11/06/2025	Index names are: • S&P Eurozone 50 Net Zero 2050 Paris-Aligned ESG Select Index • S&P Transatlantic 100 Net Zero 2050 Paris-Aligned ESG Select Index	Index names are: • S&P Eurozone 50 PAB ESG Select Index • S&P Transatlantic 100 PAB ESG Select Index
Exclusions Based on Business Activities: Data Provider	06/21/2024	Sustainalytics provides the data for exclusions based on business activities.	S&P Global provides the data for exclusions based on business activities.
ESG Score Data	06/21/2024	The index uses S&P DJI ESG Scores as part of the constituent selection process.	The index uses S&P Global ESG Scores as part of the constituent selection process.
All Indices: Rebalancing	09/15/2023	The indices rebalance quarterly, effective after the close of the last business day of March, June, September, and December. The rebalancing reference date for each rebalance is the last trading day of the prior month.	The indices rebalance quarterly, effective after the close of the third Friday of March, June, September, and December. The rebalancing reference date for each rebalance is the third Friday of the prior month.

Appendix D

EU BMR ESG Disclosures

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[1]				
1.	**Name of the Benchmark Administrator.**	S&P DJI Netherlands B.V.		
2.	**Type of benchmark or family of benchmarks.[2]**	Equity		
3.	**Name of the S&P Dow Jones Indices benchmark or family of benchmarks.**	S&P Paris-Aligned & Climate Transition (PACT) Indices		
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.**			
		ESG Factor[3]	**S&P DJI ESG Factor**	**Comment**
6.a Combined ESG Factors		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.		Greenhouse gas (GHG) intensity of the benchmark.	Carbon Intensity Target: *Relative WACI Target; 7% Decarbonization Trajectory WACI Target*	Selection. For more information, please refer to the *'Index Construction'* section of the methodology.
		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.	*'High Climate Impact' designations.*	Selection. For more information, please refer to the *'Index Construction'* section of the methodology.

1. 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].
2. The "type of benchmark" refers to the type of 'underlying asset', as selected from the list provided in Annex II to 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.
3. 'ESG factors' means the environmental, social and governance factors (i) referred to in Annex II of Commission Delegated Regulation (EU) 2020/1816; and (ii) additional ESG factors taken into account by the methodology. Where relevant this column also includes cross references to the mandatory exclusions under Article 12 Regulation (EU) 2020/1818.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[1]			
	Regulation (EU) 2020/1818. Article 12(1)(d): companies that derive 1 % or more of their revenues from exploration, mining, extraction, distribution or refining of hard coal and lignite.	Revenue Thresholds in Fossil Fuel Operations and Power Generation: *Coal Exploration or Processing*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology. Note: This exclusion applies to Paris-Aligned Benchmarks only.
	Regulation (EU) 2020/1818. Article 12(1)(e): companies that derive 10 % or more of their revenues from the exploration, extraction, distribution or refining of oil fuels.	Revenue Thresholds in Fossil Fuel Operations and Power Generation: *Oil Exploration or Processing*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology. Note: This exclusion applies to Paris-Aligned Benchmarks only.
	Regulation (EU) 2020/1818. Article 12(1)(f): companies that derive 50 % or more of their revenues from the exploration, extraction, manufacturing or distribution of gaseous fuels.	Revenue Thresholds in Fossil Fuel Operations and Power Generation: *Natural Gas Exploration or Processing*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology. Note: This exclusion applies to Paris-Aligned Benchmarks only.
	Regulation (EU) 2020/1818. Article 12(1)(g): companies that derive 50 % or more of their revenues from electricity generation with a GHG intensity of more than 100 g CO2 e/kWh.	Revenue Thresholds in Fossil Fuel Operations and Power Generation: *Power Generation*	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology. Note: This exclusion applies to Paris-Aligned Benchmarks only.
	Regulation (EU) 2020/1818. Article 12(2): companies that are found or estimated by them or by external data providers to significantly harm one or more of the environmental objectives referred to in Article 9 of Regulation (EU) 2020/852 of the European Parliament and of the Council (8), in accordance with the rules on estimations laid down in Article 13(2) of this Regulation	Controversies Monitoring: Media and Stakeholder Analysis	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
6.c List of Social factors considered.	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.
	Weighted average percentage of benchmark constituents in the	Business Activities: *Controversial Weapons*	Exclusion. For more information, please refer to the *'Eligibility Criteria'*

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EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[1]				
		controversial weapons sector. *Regulation (EU) 2020/1818.* *Article 12(1)(a): companies involved in any activities related to controversial weapons*		section of the methodology.
		Weighted average percentage of benchmark constituents in the tobacco sector. *Regulation (EU) 2020/1818.* *Article 12(1)(b): companies involved in any activities related to tobacco*	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 benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law. *Regulation (EU) 2020/1818. Article 12(1)(c): companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises.*	Sustainalytics Global Standards Screening: *UNGC Non-Compliant Companies*	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
		N/A	Controversies Monitoring: Media and Stakeholder Analysis	Exclusion. For more information, please refer to the *'Eligibility Criteria'* section of the methodology.
6.d **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**	The datasets are defined as either:		

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EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[1]		
	data.	• 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.
7.b	**Data Source.**	**Dataset.**
	S&P Trucost Limited (a part of S&P Global) (external data source)	This methodology uses several datasets provided by S&P Trucost Limited: • Greenhouse gas emissions and emissions disclosure dataset (Reported and Modeled) • Trucost sector revenues dataset (Reported and Modeled) *For more information on Trucost, please refer to Appendix A and http://www.trucost.com/.*
	S&P Global (external data source)	Media & Stakeholder Analysis (Reported and Modeled) – S&P Global Sustainable1 (S1) carries out daily filtering, screening, and analysis of ESG risk incidents and controversial activities related to companies within the indices. When a risk is identified, S1 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 MSA-flagged constituents to evaluate the potential impact of controversial company activities on index composition. If the Index Committee decides to remove a flagged company, 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 MSAs, please refer to S1's Media & Stakeholder Analysis Methodology, available here.* 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-business-involvement-analytics.*
	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.*
7.c	**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.

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EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY[1]		
7.d	**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:		March 2026 – Update reference to RepRisk and replaced with Sustainable1.
Appendix updates		May 2025 - Minor wording updates and additional ESG Factors included in the ESG Appendix. March 2024 – Changes to reflect methodology updates, effective June 2024 September 2023 – Added section 7c.
Appendix first publication:		November 2021

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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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No single clear, definitive test or framework (legal, regulatory, or otherwise) exists to determine ‘ESG’, ‘sustainable’, ‘good governance’, ‘no adverse environmental, social and/or other impacts’, or other equivalently labelled objectives. In the absence of well-defined market standards and due to the existence of multitude approaches, the exercise of judgment is necessary. Accordingly, different persons may classify the same investment, product and/or strategy differently regarding ‘ESG’, ‘sustainable’, ‘good governance’, ‘no adverse environmental, social and/or other impacts’, or other equivalently labelled objectives. Furthermore, the legal and/or market position on what constitutes an ‘ESG’, ‘sustainable’, ‘good governance’, ‘no adverse environmental, social and/or other impacts’, or other equivalently labelled objectives may change over time, especially as further regulatory or industry rules and guidance are issued and the ESG sustainable finance framework becomes more sophisticated.

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