

S&P/TSX 60 Fossil Fuel Free Index *Methodology*

June 2022

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Introduction

Index Objective and Highlights

The S&P/TSX 60 Fossil Fuel Free Index measures the performance of companies in the S&P/TSX 60 (the “Underlying Index”) that do not own fossil fuel reserves. Index constituents are float-adjusted market capitalization weighted.

For more information on the S&P/TSX 60, please refer to the S&P/TSX Canadian Indices Methodology available at www.spglobal/spdji.com.

Index Series

The index is part of the S&P Global 1200 Fossil Fuel Free Index Series. Other indices in the S&P Global 1200 Fossil Fuel Free Index Series include the following:

1. S&P Global 1200 Fossil Fuel Free Index
2. S&P Asia 50 Fossil Fuel Free Index
3. S&P/ASX All Australian 50 Fossil Fuel Free Index
4. S&P Europe 350 Fossil Fuel Free Index
5. S&P 500 Fossil Fuel Free Index
6. S&P Latin America 40 Fossil Fuel Free Index
7. S&P/TOPIX 150 Fossil Fuel Free Index

For information on any of the indices listed above, please refer to their respective methodology document, available at www.spglobal/spdji.com.

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

This methodology was 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.

Eligibility Criteria and Index Construction

Index Universe

At each rebalancing, the index is constructed from the constituents of the index universe.

Eligibility Screen

At each rebalancing reference date, companies in the index universe with specific fossil fuel reserves, as measured by S&P Trucost Limited ("Trucost"), are ineligible for index inclusion.

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

Except for spin-offs, companies without Trucost coverage are ineligible for index inclusion until they receive such coverage.

For information on the Trucost methodology please refer to Appendix I.

Multiple Classes of Stock

All publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria. All publicly listed multiple share class lines of a company are assigned and assessed using the same S&P Global Trucost DJI ESG score. For more information regarding the treatment of multiple share classes, please refer to Approach A within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

¹ 2P, or 'proven and probable' reserves, are those with more than a 50% probability level of being recovered.

Constituent Selection

As of each rebalancing reference date, the eligible companies in the index universe are selected, and thus form the index.

Constituent Weighting

At each rebalancing the index is float-adjusted market capitalization weighted.

Index Calculations

The index is calculated by means of the divisor methodology used in all S&P Dow Jones Indices' equity indices.

For more information on index calculation, please refer to the Market Capitalization Weighted Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.

Index Maintenance

Rebalancing

The index rebalances quarterly, effective after the close of business on the third Friday of March, June, September, and December. The rebalancing reference dates are after the close of the third Friday of February, May, August, and November, respectively.

Changes to a constituent's shares and IWF are applied quarterly as part of the rebalancing process.

Corporate Actions

The index follows the methodology and maintenance procedures of the S&P/TSX 60 with respect to the treatment of corporate actions.

For information on S&P/TSX 60 corporate action treatment, please refer to the S&P/TSX Canadian Indices Methodology.

Spin-Offs. Spin-offs that remain in the S&P/TSX 60 will subsequently remain in the S&P/TSX 60 Fossil Fuel Free Index—provided the parent company is not currently excluded for ownership of fossil fuel reserves. Spin-offs removed from the S&P/TSX 60 after at least one day of regular way trading (with a divisor adjustment) are also removed from the S&P/TSX 60 Fossil Fuel Free Index. At the rebalancing, spin-offs are assigned the exclusion designations of the respective parent company as of the ex-date and will retain these designations until they are assessed by Trucost.

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

Additions and Deletions

Additions. Except for spin-offs, index additions are generally made only during rebalancings. A spin-off is added to all the indices of which the parent is a constituent at a zero price at the market close of the day before the ex-date (with no divisor adjustment).

Deletions. Index constituents may be removed from the index following a takeover, merger, delisting, bankruptcy, indefinite suspension, or if dropped from the underlying index. Index deletions are not replaced until the subsequent rebalancing.

In addition, if a company that is a constituent of both the underlying index and the S&P/TSX 60 Fossil Fuel Free Index acquires another constituent of the underlying index which is currently excluded from the S&P/TSX 60 Fossil Fuel Free Index due to ownership of fossil fuel reserves, the acquirer will be dropped from the S&P/TSX 60 Fossil Fuel Free Index on the action effective date.

Further information on the treatment of corporate actions in the S&P/TSX 60 Fossil Fuel Free Index is detailed in the Market Capitalization Indices section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Currency of Calculation and Additional Index Return Series

The index is calculated in Canadian and U.S. dollars.

WM/Refinitiv 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 the WM Company based on Refinitiv data and appear on Refinitiv pages WMRA.

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 the index calculation, 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/spdji.com.

Base Date and History Availability

Index history availability, base date, and base value are shown in the table below.

Index	Launch Date	First Value Date	Base Date	Base Value
S&P/TSX 60 Fossil Fuel Free Index	10/05/2015	12/30/2011	12/30/2011	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 index. The Index Committee meets regularly. All committee members are full-time professional members of S&P Dow Jones Indices' staff. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of the indices to the market, companies that are being considered as candidates for addition to an 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

Whenever possible, announcements of additions or deletions of stocks or other index adjustments are made five trading days before the adjustments are implemented. In those cases when it is not possible to trade a stock five days after an announcement, the announcement period may be shortened. However, the implementation of an index adjustment is never earlier than the market close of the day following the announcement.

Announcements of additions and deletions for the S&P/TSX Canadian indices are generally made at 05:15 PM. Eastern Time.

In addition, TMX Datalinx offers a fee-based subscription to Index Notices. The Index Notices provide the most detailed and comprehensive coverage of index changes. Complete data for index replication (including share counts, tickers and data on index levels and returns) are also available through TMX Datalinx. In order to subscribe, contact TMX Datalinx by phone at +1.416.947.4778 or by email at marketdata@tmx.com.

Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the index rebalances. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents as well as their corresponding weights and index shares effective for the upcoming rebalance. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing differs from these weights due to market movements.

Please visit www.spglobal/spdji.com for a complete schedule of rebalancing timelines and pro-forma delivery times.

Holiday Schedule

The S&P/TSX Canadian indices are calculated when the Canadian equity market is open.

A complete holiday schedule for the year is available on the TMX Web site at www.tmx.com.

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.

Real-Time Calculation

Real-time, intra-day, index calculations are executed for certain S&P/TSX Canadian indices whenever any of their primary exchanges are open. Real-time indices are not restated.

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

Index Dissemination

The TMX Group (TMX) serves as the distributor of both real-time and historical index data. In addition, index levels are available on S&P Dow Jones Indices' Web site at www.spglobal/spdji.com.

Index Data

Daily constituent and index level data are available from the Toronto Stock Exchange on subscription. Please contact Market Data at 416-947-4778 or, by email, at marketdata@tmx.com.

For further information, please refer to the TMX Web site at www.tmx.com.

Web site

For further information, please refer to S&P Dow Jones Indices' Web site at www.spglobal/spdji.com.

Appendix I - Trucost

Trucost Environmental Register Research Process

1. **Map company business segments.** Trucost maps company business segments to more than 450 business activities in the Trucost model. The model is based on the North American Industry Classification System (NAICS), but goes into greater granularity in some areas, such as power generating utilities.
2. **Estimate data-modelled profile.** Once company business segments have been mapped to Trucost sectors and their share of revenue apportioned to each, Trucost is able to efficiently generate a data-modelled profile for the company. Trucost uses its environmentally extended input-output (EEIO) model to estimate data for over 800 environmental and operational metrics across the entire operations of companies; from the raw materials they depend on in their supply chains to the electricity they purchase to power their operations.
3. **Collect public disclosure.** Trucost searches for environmental performance information in annual reports, sustainability reports, websites, and other publicly disclosed sources. Third party datasets, like disclosures to the CDP², are also reviewed. Trucost then standardizes reported environmental performance data to best practice guidelines so that it can be compared across companies, regions, and business activities. To correct errors in company reporting, data control procedures are applied, including sector specialist data reviews, automated outlier identifications and year-on-year comparisons. Wherever a material metric is not disclosed, Trucost uses the modelled value, to estimate the missing data fields.
4. **Engage with company.** Trucost then conducts an annual engagement with each company, providing the opportunity to verify environmental performance and provide additional information. Companies are further welcomed to contact Trucost analysts at any point in their environmental reporting cycle to provide their most recently available data. This supports Trucost's efforts to utilize the most up-to-date company information and to maximize data quality.

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

² CDP is a not-for-profit charity that surveys companies on Climate, Water, and Forestry issues and aggregates the collected disclosures. For more information see: <https://www.cdp.net/>.

Appendix II – Methodology Changes

Methodology changes since January 1, 2015, are as follows:

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Exclusion Screening Data Source	06/19/2020	SAM is the source for exclusion data.	Trucost is the source for exclusion data.
Scope of Quarterly Exclusion Screening	06/19/2020	FFR exclusion screening is performed on the entire index universe once per year as part of the June quarterly rebalancing. For the March, September and December quarterly rebalancings, only universe additions are subject to FFR exclusion screening.	FFR exclusion screening is performed on the entire index universe as part of each quarterly rebalancing.
Deletions: Removal of MSA Overlay	12/20/2019	Any constituent flagged by S&P Global's MSA may be removed if the Index Committee determines that the company in question is no longer eligible for index inclusion.	--
Trading Volume for Liquidity Calculation	07/31/2018	Canadian trading volume includes trading volume at the TSX, Aequitas (Lit and Neo), Alpha, CSE (Pure Trading), Lynx, Nasdaq CXC, Nasdaq CX2 and Omega. U.S. trading volume is determined using the composite volume.	Canadian and U.S. trading volume is determined using the composite volume. Canadian trading volume includes trading on the TSX, Aequitas (Lit and Neo), Alpha, CSE (Pure Trading), Instinet Canada, Liquidnet Canada, Lynx, Nasdaq CXC, Nasdaq CXD, Nasdaq CX2, Omega and TriAct Match Now.
Intra-rebalancing Drop Treatment	09/16/2016	Companies involved in environmental crisis situations are not dropped from the index between rebalancings.	Any constituent raised as an environmental Media and Stakeholder Analysis (MSA) case by S&P Global will be brought to the governing Index Committee for possible immediate removal. In the event of removal, the constituent in question is ineligible for re-entry into the index for one year beginning with the subsequent rebalancing.
Treatment of Spin-offs	10/01/2015	If the spun-off stock is to be added and if an achievable market price is available, it is used; if not, a theoretical price based on the spin-off terms is used. The price is adjusted to the Price of the Parent Company minus (Price of the Spun-off company/Share Exchange Ratio). Index shares change so that the company's weight remains the same as its weight before the spin-off.	The spun-off company is added to all the indices of which the parent is a constituent at a zero price at the market close of the day before the ex-date (with no divisor adjustment). If the spun-off company is to remain in the S&P/TSX 60, it will subsequently remain in the S&P/TSX 60 Fossil Fuel Free Index, provided the parent company is not currently excluded due to ownership of fossil fuel reserves. If the spun-off company is removed from the S&P/TSX 60 after at least one day of regular way trading (with a divisor adjustment), or if the parent company is currently excluded due to ownership of fossil fuel reserves, the S&P/TSX 60 Fossil Fuel Free Index will follow the same treatment.

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