

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

September 2020

Table of Contents

Introduction	3
Index Objective and Highlights	3
Index Series	3
Supporting Documents	3
Eligibility Criteria and Index Construction	4
Index Universe	4
Eligibility Screen	4
Multiple Classes of Stock	4
Constituent Selection	5
Constituent Weighting	5
Index Calculations	5
Index Maintenance	6
Rebalancing	6
Additions and Deletions	6
Corporate Actions	6
Currency of Calculation and Additional Index Return Series	6
Other Adjustments	7
Base Date and History Availability	7
Index Data	8
Calculation Return Types	8
Index Governance	9
Index Committee	9
Index Policy	10
Announcements	10
Pro-forma Files	10
Holiday Schedule	10
Rebalancing	10
Unexpected Exchange Closures	10
Recalculation Policy	10
Real-Time Calculation	11
Contact Information	11

Index Dissemination	12
Index Data	12
Web site	12
Appendix I - Trucost	13
Trucost Environmental Register Research Process	13
Appendix II – Methodology Changes	14
Disclaimer	15

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.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.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

As of the rebalancing reference date, the index universe is screened for the following by S&P Trucost Limited (“Trucost”):

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’).		
‘Other’ (non-Metallurgical) Coal	The company has proven and probable (2P) coal reserves used for all other non-metallurgical or thermal coal uses, such uses as chemical biproducts, 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.	2P Fossil Fuel Reserves ¹ (millions of tonnes (Mt)/ millions of barrels (mmbbl)/billion cubic feet (bcf)/ million barrels of oil equivalents (mmboe))	>0
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.		

At the rebalancing, spin-offs will be 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 in their own right. 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, and <http://www.trucost.com/> for more information on Trucost generally.

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 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 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.

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). If the spin-off is to remain in the underlying index, it subsequently remains in the index. If the spin-off is removed from the underlying index after at least one day of regular way trading (with a divisor adjustment), the spin is removed from the index.

For general information on spin-off treatment, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

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.

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

For general information on corporate action treatments, please refer to 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/Reuters foreign exchange rates are taken daily at 04:00 PM London time and used in the calculation of the index. These mid-market fixings are calculated by the WM Company based on Reuters' data and appear on Reuters 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: currency, currency hedged, decrement, fair value, inverse,

leveraged, and risk control versions. For a list of available indices, please refer to [S&P DJI's All Indices by Methodology Report](#).

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.spdji.com.

Other Adjustments

In cases where there is no achievable market price for a stock being deleted, it can be removed at a zero or minimal price at the Index Committee's discretion, in recognition of the constraints faced by investors in trading bankrupt or suspended stocks.

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

The S&P/TSX Canadian indices are maintained by the S&P/TSX Canadian Index Committee. The Index Committee is comprised of four members representing S&P Dow Jones Indices and three members representing the Toronto Stock Exchange (“TSX”). The Index Committee is chaired by a member designated by S&P Dow Jones Indices. Meetings are held regularly.

The Index Committee is responsible for setting rules and policies for the S&P/TSX Indices, determining the composition of the Indices and administering the methodology. In fulfilling its responsibilities, the Index Committee has full and complete discretion to amend, apply or exempt the application of the methodology and other index policies as circumstances may require, and add, remove or by-pass any security in determining the composition of any of the indices.

The Index Committee may rely on any information or documentation submitted to or gathered by it that the Index Committee believes to be accurate. Where a public document used by the Index Committee is available in both official languages, the Index Committee shall assume that the contents of both versions are identical. The Index Committee reserves the right to reinterpret publicly available information and to make changes to the index based on a new interpretation of that information at its sole and absolute discretion.

Index corrections and changes to index composition are implemented at such time and in such manner, as the Index Committee deems appropriate. The timing of any index change made in response to a correction shall be at the sole and absolute discretion of the Index Committee.

Stock prices, VWAPs, and prices used to calculate QMV shall be prices determined by trading on the TSX. 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.

S&P Dow Jones Indices considers information about changes to its Canadian 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. Press releases are released to major news services.

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 and 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.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.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.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 SAM'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 SAM will be brought to the governing Index Committee for possible immediate removal. In the event of removal, the constituent in question would not be eligible 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.

Disclaimer

Copyright © 2020 S&P Dow Jones Indices LLC. All rights reserved. STANDARD & POOR'S, S&P, S&P 500, S&P 500 LOW VOLATILITY INDEX, S&P 100, S&P COMPOSITE 1500, S&P MIDCAP 400, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, S&P TARGET DATE INDICES, GICS, SPIVA, SPDR and INDEXOLOGY are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"). DOW JONES, DJ, DJIA and DOW JONES INDUSTRIAL AVERAGE are registered trademarks of Dow Jones Trademark Holdings LLC ("Dow Jones"). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, S&P, S&P Trucost Limited, SAM (part of S&P Global), Dow Jones or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor, and S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other investment product or vehicle. S&P Dow Jones Indices LLC is not a tax advisor. A tax advisor should be consulted to evaluate the impact of any tax-exempt securities on portfolios and the tax consequences of making any particular investment decision. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof ("Content") may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be

liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Global keeps certain activities of its various divisions and business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

TSX is a trademark of TSX, Inc. and has been licensed for use by S&P Dow Jones Indices.