

**S&P Dow Jones  
Indices**

A Division of **S&P Global**

# **S&P ESG Dividend Aristocrats Indices** *Methodology*

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# Introduction

## Index Objective

The S&P ESG Dividend Aristocrats® Indices measure the dividend yield-weighted performance of companies from an underlying index that meet specific ESG criteria and have followed a managed-dividends policy for a specified number of years.

## Index Family

The index family consists of:

- **S&P Developed ESG Dividend Aristocrats Index.** The index measures the dividend yield-weighted performance of 100 of the highest dividend yielding S&P DJI ESG Score-screened companies within the S&P Developed BMI that meet specific ESG criteria and have followed a managed-dividends policy of increasing or stable dividends for at least ten consecutive years.
- **S&P ESG High Yield Dividend Aristocrats Index.** The index measures the dividend yield-weighted performance of S&P DJI ESG Score-screened companies within the S&P Composite 1500 that meet specific ESG criteria and have followed a managed-dividends policy of consistently increasing dividends every year for at least 20 years.
- **S&P Global ESG Dividend Aristocrats Index.** The index measures the dividend yield-weighted performance of 100 of the highest dividend yielding S&P DJI ESG Score-screened companies within the S&P Global BMI that meet specific ESG criteria and have followed a managed-dividends policy of increasing or stable dividends for at least ten consecutive years.
- **S&P Global ESG Dividend Aristocrats Quality Income Index.** The index measures the dividend yield-weighted performance of 100 of the highest dividend yielding S&P DJI ESG Score-screened companies within the S&P Global BMI that meet specific ESG and fundamental criteria and have followed a managed-dividends policy of increasing or stable dividends for at least ten consecutive years.
- **S&P Euro ESG High Yield Dividend Aristocrats Index.** The index measures the dividend yield-weighted performance of 40 of the highest dividend yielding S&P DJI ESG Score-screened Eurozone companies within the S&P Europe BMI that meet specific ESG criteria and have followed a managed-dividends policy of increasing or stable dividends for at least ten consecutive years.

## ESG Highlights

The index uses S&P DJI ESG Scores as part of the constituent selection process. The index also applies exclusions based on companies' involvement in specific business activities, performance against the principles of United Nations' Global Compact, and involvement in relevant ESG controversies.

SAM (part of S&P Global) 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 the purposes of CSA assessment, companies are assigned to one of the industries defined by SAM and their assessment is conducted using that industry's CSA questionnaire, which is largely specific to each industry. SAM uses the Global Industry Classification Standard (GICS®) as its starting point for determining industry classification. At the industry group and sector levels, the SAM Industries match the GICS classifications, but some non-standard aggregations are done at the industry level.

Please see Appendix I for GICS-SAM industry mapping.

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

For more information on S&P DJI ESG Scores, please refer to the S&P DJI ESG Score Methodology.

## 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	<a href="#">Equity Indices Policies &amp; Practices</a>
S&P Dow Jones Indices' Index Mathematics Methodology	<a href="#">Index Mathematics Methodology</a>
S&P Dow Jones Indices' Float Adjustment Methodology	<a href="#">Float Adjustment Methodology</a>
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	<a href="#">GICS Methodology</a>
S&P DJI ESG Score Methodology	<a href="#">S&amp;P DJI ESG Score Methodology</a>

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

## S&P Developed ESG Dividend Aristocrats Index

**Index Universe.** To qualify for index inclusion, as of the rebalancing reference date, a stock must first be a member of the S&P Developed BMI.

*For more information on the S&P Developed BMI, please refer to the S&P Global BMI, S&P/IFCI Methodology, available at [www.spdji.com](http://www.spdji.com).*

**Eligibility Factors.** At each rebalancing, stocks in the underlying index must satisfy the following to be eligible for index inclusion, with the eligibility factors applied in three sequential steps.

### Step 1: Fundamental Data Screens

- **Market Capitalization:** Stocks must have a float-adjusted market capitalization (FMC) of at least US\$ 1 billion as of the rebalancing reference date.
- **Liquidity:** Stocks must have an average daily value traded (ADVT) of at least US\$ 5 million for the three-months prior to the rebalancing reference date.
- **Multiple Share Classes.** Each company is represented once by the listing with the highest dividend yield subject to meeting the eligibility criteria. In the event multiple lines meet the eligibility criteria and have similar dividend yields, the Designated Listing is selected.

*For more information regarding the treatment of multiple share classes, please refer to Approach C within the Multiple Share Classes section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

- **Stock Class.** All common and ordinary shares are eligible. Preferred stocks and preference shares are not eligible.
- **Listing Venues.** All local listings are eligible.
- **Dividend Growth.** Stocks must have increased dividends or maintained stable dividends every year for at least 10 consecutive years.
- **Payout Ratio.** Stocks must have a non-negative (greater than 0) dividend payout ratio. Non-constituents may have a maximum of 100% dividend payout ratio for addition to the index. A dividend payout ratio is considered negative when the annual Earnings Per Share (EPS) is negative.

The dividend payout ratio is calculated as the annual Dividend Per Share (DPS) divided by the annual EPS, using data from the last 12 months as of the rebalancing reference date.

- **Dividend Yield.** Stocks may have a maximum 10% indicated dividend yield as of the rebalancing reference date. The cap aims to exclude companies whose dividends may not be sustainable over time, as well as companies whose stock prices have deteriorated rapidly.

Calendar years and ex-dates are used for the dividend analysis. In situations where a dividend payment, or payments, deviates from the company's standard dividend payment cycle, S&P Dow Jones Indices will, at its discretion, allocate payments to the appropriate year in order to take a full cycle into account.

A dividend initiation or re-initiation does not count as a dividend increase. The initiation calendar year may include payment of all four quarterly dividends, or only one, two or three quarterly payments. Evaluations are made on a best-effort basis.

S&P Dow Jones Indices only considers cash dividend payments declared as regular by the paying company for index eligibility, selection, and weighting purposes. Cash dividend payments declared as special by the paying company, including recurring special cash dividends, are not considered. For both eligibility and weighting purposes, annualized cash dividend amounts, before withholding tax, are used.

For spin-offs, the yearly dividend increase history of the parent company is assigned to both the parent and spun-off company before the spin-off effective date. To determine annual dividend payments, the dividends of the parent and spun-off companies are combined until two full calendar year cycles of dividend payments are available for both post-spin-off companies. For evaluation purposes the combined dividend amount is adjusted by the spin-off ratio. Subsequent dividend comparisons are based on the annual dividend amounts of each respective company. For merger and acquisition events, S&P Dow Jones Indices, at its discretion, may retain the dividend history for newly formed entities from their predecessor companies.

S&P Dow Jones Indices only considers Basic EPS, Excluding/Before Extraordinary Items for index eligibility and selection purposes. EPS data is based on last twelve months (LTM), which is the sum of the last four quarters. If quarterly financial data is not provided, the LTM EPS of the company is evaluated from its latest semi-annual or annual report.

**Step 2: Exclusions Based on ESG Score.** Companies must have an S&P DJI ESG Score to be eligible. Companies in the index universe that satisfy the criteria in Step 1 with an S&P DJI ESG score that falls within the worst 25% of S&P DJI ESG scores are excluded from the index.

**Step 3: Exclusions Based on Business Activities & United Nations Global Compact.** As of each rebalancing reference date, companies with the following specific business activities, as determined by Sustainalytics, and/or companies with disqualifying United Nations Global Compact (“UNGC”) scores as determined by Arabesque, are excluded:

Sustainalytics Category of Involvement	Sustainalytics Category of Involvement Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold
Controversial Weapons: Tailor Made and Essential	The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%
Controversial Weapons: Significant Ownership (Tailor Made and Essential)	The company is involved (as above), through corporate ownership.		≥25% Ownership of Company
Thermal Coal: Extraction <sup>1</sup>	The company extracts thermal coal.	Revenue	≥5%
Thermal Coal: Power Generation <sup>2</sup>	The company generates electricity from thermal coal.		≥5%
Tobacco Products: Production	The company manufactures tobacco products.	Revenue	>0%
Tobacco Products: Related Products/Services	The company supplies tobacco-related products/services.		≥10%
Tobacco Products: Retail	The company derives revenues from the distribution and/or retail sale of tobacco products.		≥10%
Tobacco Products: Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in manufacturing tobacco products.		≥25%
Tobacco Products: Significant ownership (related products/services)	The company owns 10-50 per cent of another company with involvement in supplying tobacco-related products/services.		≥25%
Tobacco Products: Significant ownership (retail)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale of tobacco products.	≥25%	

<sup>1</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.

<sup>2</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.

S&P DJI 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.

Please refer to <http://www.sustainalytics.com/> for more information.

### **Low Global Compact (GC) Score**

- Arabesque's S-Ray™ universe is used to assess very poor performers in relation to the UN Global Compact Principles. Assessed companies are assigned a GC Score.
- The global S-Ray™ universe is ranked according to GC Score. All companies at or below the bottom 5% of the global S-Ray universe by GC Score rank are ineligible.
- The reference date for S-Ray™ GC Scores is the last business day of March.

UNGC information is provided by Arabesque S-Ray®, a global sustainability data provider. S-Ray combines big data on company-reported information, daily news and NGO campaigns in a quantitative algorithmic approach for the calculation of the UNGC score, which is based on the normative principles of the UN Global Compact: Human Rights, Labor Rights, the Environment and Anti-Corruption.

Please refer to <https://arabesque.com/s-ray/> for more information.

Companies without Sustainalytics or Arabesque coverage, are ineligible for index inclusion until they receive such coverage.

**Constituent Selection.** As of each rebalancing reference date, all stocks satisfying the eligibility criteria are ranked by indicated dividend yield, with the top 100 highest ranking stocks selected subject to the following diversification requirements:

- No more than 20 constituents per single country
- No more than 35 constituents per single GICS Sector

If the number of stocks from a country reaches 20, or the number of stocks from a sector reaches 35, the highest yielding stocks from other countries and/or sectors are selected until the number of index constituents reaches 100.

If the number of eligible constituents is fewer than 100, then:

1. Underlying index constituents with an FMC above US\$ 500 million, that also satisfy all other index eligibility criteria, are added in decreasing order of dividend yield until the target count is reached.
2. If at this point there are still not 100 constituents then underlying index constituents with a history of increased or stable dividends for more than seven consecutive years, that also satisfy all other eligibility criteria, are added in decreasing order of dividend yield until the target count is reached.

**Constituent Weightings.** At each rebalancing, the index is indicated annual dividend yield weighted, subject to the following constraints:

- a single constituent weight cap of 3%
- a single country weight cap of 25%
- a single GICS Sector weight cap of 25%

If any weight cap is breached, the excess weight is proportionally redistributed to uncapped constituents in the respective category. This process proceeds iteratively until no cap is breached.



## S&P ESG High Yield Dividend Aristocrats Index

**Index Universe.** To qualify for index inclusion, as of the rebalancing reference date, a stock must first be a member of the S&P High Yield Dividend Aristocrats Index.

For more information on the S&P High Yield Dividend Aristocrats, please refer to the S&P Global Dividend Aristocrats Methodology, available at [www.spdji.com](http://www.spdji.com).

**Eligibility Factors.** At each rebalancing, stocks in the underlying index must satisfy the following to be eligible for index inclusion, with the eligibility factors applied in two sequential steps.

**Step 1: Exclusions Based on ESG Score.** Companies must have an S&P DJI ESG Score to be eligible. Companies in the index universe that satisfy the criteria in Step 1 and have an S&P DJI ESG score that falls within the lowest 25% of stocks with an S&P DJI ESG score are excluded from the index.

**Step 2: Exclusions Based on Business Activities & United Nations Global Compact.** As of each rebalancing reference date, companies with the following specific business activities, as determined by Sustainalytics, and/or companies with disqualifying United Nations Global Compact (“UNGC”) scores as determined by Arabesque, are excluded:

Sustainalytics Category of Involvement	Sustainalytics Category of Involvement Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold
Controversial Weapons: Tailor Made and Essential	The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%
Controversial Weapons: Significant Ownership (Tailor Made and Essential)	The company is involved (as above), through corporate ownership.		≥25% Ownership of Company
Thermal Coal: Extraction <sup>3</sup>	The company extracts thermal coal.	Revenue	≥5%
Thermal Coal: Power Generation <sup>4</sup>	The company generates electricity from thermal coal.		≥5%
Tobacco Products: Production	The company manufactures tobacco products.	Revenue	>0%
Tobacco Products: Related Products/Services	The company supplies tobacco-related products/services.		≥10%
Tobacco Products: Retail	The company derives revenues from the distribution and/or retail sale of tobacco products.		≥10%
Tobacco Products: Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in manufacturing tobacco products.		≥25%
Tobacco Products: Significant ownership (related products/services)	The company owns 10-50 per cent of another company with involvement in supplying tobacco-related products/services.		≥25%
Tobacco Products: Significant ownership (retail)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale of tobacco products.		≥25%

S&P DJI 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.

Please refer to <http://www.sustainalytics.com/> for more information.

<sup>3</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.

<sup>4</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.

## Low Global Compact (GC) Score

- Arabesque's S-Ray™ universe is used to assess very poor performers in relation to the UN Global Compact Principles. Assessed companies are assigned a GC Score.
- The global S-Ray™ universe is ranked according to GC Score. All companies at or below the bottom 5% of the global S-Ray universe by GC Score rank are ineligible.
- The reference date for S-Ray™ GC scores is the last business day of March.

UNGC information is provided by Arabesque S-Ray®, a global sustainability data provider. S-Ray combines big data on company-reported information, daily news and NGO campaigns in a quantitative algorithmic approach for the calculation of the UNGC score, which is based on the normative principles of the UN Global Compact: Human Rights, Labor Rights, the Environment and Anti-Corruption.

Please refer to <https://arabesque.com/s-ray/> for more information.

Companies without Sustainalytics or Arabesque coverage, are ineligible for index inclusion until they receive such coverage.

**Constituent Selection.** All eligible stocks are selected and form the index.

**Constituent Weightings.** At each rebalancing, the index is indicated annual dividend yield weighted, subject to the following constraints:

- a single constituent weight cap of 4% of the total index weight
- the minimum initial portfolio size that can be turned over in a single day (based on ADVT) cannot be lower than US\$ 2 billion.

Basket liquidity capping sets a minimum portfolio size of US\$ 2 billion that must be turned over in a single day, based on the historical average value-traded pattern. The maximum weight parameter is the maximum weight of each stock at the rebalancing. These parameters can be changed depending upon market circumstances.

1. With data reflected on the rebalancing reference date, each company is weighted by indicated annual dividend yield.
2. If any company has a weight greater than 4% (where 4% is the maximum weight allowed in the index), that company has its weight capped at 4%.
3. All excess weight is proportionally redistributed to all uncapped stocks within the index.
4. After this redistribution, if the weight of any other stock(s), then, breaches 4%, the process is iterated until there are no stocks breaching the 4% weight limit.
5. A basket liquidity maximum weight (BL) for each company is, then, determined by dividing the US\$ three-month ADVT by the basket liquidity amount (US\$ 2 billion). This weight is the maximum weight allowed for each stock in the index.
6. If any company has a weight greater than its BL maximum weight, that company will have its weight reduced to its BL maximum weight.
7. All excess weight is proportionally redistributed to all uncapped stocks within the index.
8. If, after this redistribution, the weight of any other stock(s) in the index exceeds its BL maximum weight, the process is iterated until no stock breaches its BL maximum weight.
9. The basket liquidity and maximum weight constraints are subject to change based on market conditions. If the basket liquidity rule cannot be satisfied for all index constituents after all possible iterations are completed, one or more of these constraints may be changed to ensure that the constraint is satisfied for all constituents.

## S&P Global ESG Dividend Aristocrats Index

**Index Universe.** To qualify for index inclusion, as of the rebalancing reference date, a stock must first be a member of the S&P Global BMI.

*For more information on the S&P Global BMI, please refer to the S&P Global BMI, S&P/IFCI Methodology, available at [www.spdji.com](http://www.spdji.com).*

**Eligibility Factors.** At each rebalancing, stocks in the underlying index must satisfy the following to be eligible for index inclusion, with the eligibility factors applied in three sequential steps.

### Step 1: Fundamental Criteria.

- **Market Capitalization:** Stocks must have a float-adjusted market capitalization (FMC) of at least US\$ 1 billion as of the rebalancing reference date.
- **Liquidity:** Stocks must have an average daily value traded (ADVT) of at least \$5 million for the three months prior to the rebalancing reference date.
- **Multiple Share Classes.** Each company is represented once by the listing with the highest dividend yield subject to meeting the eligibility criteria. In the event multiple lines meet the eligibility criteria and have similar dividend yields, the Designated Listing is selected.

*For more information regarding the treatment of multiple share classes, please refer to Approach C within the Multiple Share Classes section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

- **Stock Class.** All common and ordinary shares are eligible. Preferred stocks and preference shares are not eligible.
- **Listing Venues.** All local listings are eligible. However, companies domiciled in either Russia or India will have their local listing included in the index only if they have an ADR or GDR listing trading in a developed market meeting liquidity requirements.

All mainland China listed stocks are excluded from the index. However, any Hong-Kong listed shares included in the S&P Global BMI are eligible for inclusion.

- **Dividend Growth.** Stocks must have increased dividends or maintained stable dividends every year for at least 10 consecutive years.
- **Payout Ratio.** Stocks must have a non-negative (greater than 0) dividend payout ratio. Non-constituents may have a maximum of 100% dividend payout ratio for addition to the index. A dividend payout ratio is considered negative when the annual Earnings Per Share (EPS) is negative.

The dividend payout ratio is calculated as the annual Dividend Per Share (DPS) divided by the annual EPS, using data from the last 12 months as of the rebalancing reference date.

- **Dividend Yield.** Stocks may have a maximum 10% indicated annual dividend yield as of the rebalancing reference date. The cap aims to exclude companies whose dividends may not be sustainable over time, as well as companies whose stock prices have deteriorated rapidly.

Calendar years and ex-dates are used for the dividend analysis. In situations where a dividend payment, or payments, deviates from the company's standard dividend payment cycle, S&P Dow Jones Indices will, at its discretion, allocate payments to the appropriate year in order to take a full cycle into account.

S&P Dow Jones Indices only considers cash dividend payments declared as regular by the paying company for index eligibility, selection, and weighting purposes. Cash dividend payments declared as special by the paying company, including recurring special cash dividends, are not considered. For both eligibility and weighting purposes, annualized cash dividend amounts, before withholding tax, are used.

For spin-offs, the yearly dividend increase history of the parent company is assigned to both the parent and spun-off company before the spin-off effective date. To determine annual dividend payments, the dividends of the parent and spun-off companies are combined until two full calendar year cycles of dividend payments are available for both post-spin-off companies. For evaluation purposes the combined dividend amount is adjusted by the spin-off ratio. Subsequent dividend comparisons are based on the annual dividend amounts of each respective company. For merger and acquisition events, S&P Dow Jones Indices, at its discretion, may retain the dividend history for newly formed entities from their predecessor companies.

S&P Dow Jones Indices only considers Basic EPS, Excluding/Before Extraordinary Items for index eligibility and selection purposes. EPS data is based on last twelve months (LTM), which is the sum of the last four quarters. If quarterly financial data is not provided, the LTM EPS of the company is evaluated from its latest semi-annual or annual report.

**Step 2: Exclusions Based on ESG Score.** Companies must have an S&P DJI ESG Score to be eligible. Companies in the index universe that satisfy the criteria in Step 1 and have an S&P DJI ESG score that falls within the lowest 25% of stocks with an S&P DJI ESG score are excluded from the index.

**Step 3: Exclusions Based on Business Activities & United Nations Global Compact.** As of each rebalancing reference date, companies with the following specific business activities, as determined by Sustainalytics, and/or companies with disqualifying United Nations Global Compact (“UNGC”) scores as determined by Arabesque, are excluded:

Sustainalytics Category of Involvement	Sustainalytics Category of Involvement Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold
Controversial Weapons: Tailor Made and Essential	The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%
Controversial Weapons: Significant Ownership (Tailor Made and Essential)	The company is involved (as above), through corporate ownership.		≥25% Ownership of Company
Thermal Coal: Extraction <sup>5</sup>	The company extracts thermal coal.	Revenue	≥5%
Thermal Coal: Power Generation <sup>6</sup>	The company generates electricity from thermal coal.		≥5%
Tobacco Products: Production	The company manufactures tobacco products.	Revenue	>0%
Tobacco Products: Related Products/Services	The company supplies tobacco-related products/services.		≥10%
Tobacco Products: Retail	The company derives revenues from the distribution and/or retail sale of tobacco products.		≥10%
Tobacco Products: Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in manufacturing tobacco products.		≥25%
Tobacco Products: Significant ownership (related products/services)	The company owns 10-50 per cent of another company with involvement in supplying tobacco-related products/services.		≥25%
Tobacco Products: Significant ownership (retail)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale of tobacco products.		≥25%

S&P DJI 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.

<sup>5</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.

<sup>6</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.

Please refer to <http://www.sustainalytics.com/> for more information.

### Low Global Compact (GC) Score

- Arabesque's S-Ray™ universe is used to assess very poor performers in relation to the UN Global Compact Principles. Assessed companies are assigned a GC Score.
- The global S-Ray™ universe is ranked according to GC Score. All companies at or below the bottom 5% of the global S-Ray universe by GC Score rank are ineligible.
- The reference date for S-Ray™ GC scores is the last business day of March.

UNGC information is provided by Arabesque S-Ray®, a global sustainability data provider. S-Ray combines big data on company-reported information, daily news and NGO campaigns in a quantitative algorithmic approach for the calculation of the UNGC score, which is based on the normative principles of the UN Global Compact: Human Rights, Labor Rights, the Environment and Anti-Corruption.

Please refer to <https://arabesque.com/s-ray/> for more information.

Companies without Sustainalytics or Arabesque coverage, are ineligible for index inclusion until they receive such coverage.

**Constituent Selection.** At each rebalancing, all stocks satisfying the eligibility criteria are ranked by indicated annual dividend yield, with the top 100 highest ranking stocks selected, subject to the following constraints:

- No more than 20 constituents per single country
- No more than 35 constituents per single GICS Sector

If the number of stocks from a country reaches 20, or the number of stocks from a sector reaches 35, the highest yielding stocks from other countries and/or sectors are selected until the number of index constituents reaches 100.

If the number of eligible constituents is fewer than 100, then:

1. Underlying index constituents with an FMC above US\$ 500 million, that also satisfy all other index eligibility criteria, are added in decreasing order of dividend yield until target count is reached.
2. If at this point there are still not 100 constituents then underlying index constituents with a history of increased or stable dividends for more than seven consecutive years, that also satisfy all other eligibility criteria, are added in decreasing order of dividend yield until the target count is reached.

**Constituent Weightings.** At each rebalancing the index is weighted by indicated annual dividend yield, subject to the following constraints:

- a single constituent weight cap of 3%
- a single country weight cap of 25%
- a single GICS Sector weight cap of 25%

If any weight cap is breached, the excess weight is proportionally redistributed to uncapped constituents in the respective category. This process proceeds iteratively until no cap is breached.

## S&P Global ESG Dividend Aristocrats Quality Income Index

**Index Universe.** To qualify for index inclusion, as of the rebalancing reference date, a stock must first be a member of the S&P Global BMI.

*For more information on the S&P Global BMI, please refer to the S&P Global BMI, S&P/IFCI Methodology, available at [www.spdji.com](http://www.spdji.com).*

**Eligibility Factors.** At each rebalancing, stocks in the underlying index must satisfy the following to be eligible for index inclusion, with the eligibility factors applied in three sequential steps.

### Step 1: Fundamental Criteria.

- **Market Capitalization:** Stocks must have a float-adjusted market capitalization (FMC) of at least US\$ 1 billion as of the rebalancing reference date.
- **Liquidity:** Stocks must have an average daily value traded (ADVT) of at least \$5 million for the three months prior to the rebalancing reference date.
- **Multiple Share Classes.** Each company is represented once by the listing with the highest dividend yield subject to meeting the eligibility criteria. In the event multiple lines meet the eligibility criteria and have similar dividend yields, the Designated Listing is selected.

*For more information regarding the treatment of multiple share classes, please refer to Approach C within the Multiple Share Classes section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

- **Stock Class.** All common and ordinary shares are eligible. Preferred stocks and preference shares are not eligible.
- **Listing Venues.** All local listings are eligible. However, companies domiciled in either Russia or India will have their local listing included in the index only if they have an ADR or GDR listing trading in a developed market meeting liquidity requirements.

All mainland China listed stocks are excluded from the index. However, any Hong-Kong listed shares included in the S&P Global BMI are eligible for inclusion.

- **Dividend Growth.** Stocks must have increased dividends or maintained stable dividends every year for at least 10 consecutive years.
- **Payout Ratio.** Stocks must have a non-negative (greater than 0) dividend payout ratio. Non-constituents may have a maximum of 100% dividend payout ratio for addition to the index. A dividend payout ratio is considered negative when the annual Earnings Per Share (EPS) is negative.

The dividend payout ratio is calculated as the annual Dividend Per Share (DPS) divided by the annual EPS, using data from the last 12 months as of the rebalancing reference date

- **Dividend Yield.** Stocks may have a maximum 10% indicated annual dividend yield as of the rebalancing reference date. The cap aims to exclude companies whose dividends may not be sustainable over time, as well as companies whose stock prices have deteriorated rapidly.

Calendar years and ex-dates are used for the dividend analysis. In situations where a dividend payment, or payments, deviates from the company's standard dividend payment cycle, S&P Dow Jones Indices will, at its discretion, allocate payments to the appropriate year in order to take a full cycle into account.

S&P Dow Jones Indices only considers cash dividend payments declared as regular by the paying company for index eligibility, selection, and weighting purposes. Cash dividend payments declared as special by the paying company, including recurring special cash dividends, are not considered. For both eligibility and weighting purposes, annualized cash dividend amounts, before withholding tax, are used.

For spin-offs, the yearly dividend increase history of the parent company is assigned to both the parent and spun-off company before the spin-off effective date. To determine annual dividend payments, the dividends of the parent and spun-off companies are combined until two full calendar year cycles of dividend payments are available for both post-spin-off companies. For evaluation purposes the combined dividend amount is adjusted by the spin-off ratio. Subsequent dividend comparisons are based on the annual dividend amounts of each respective company. For merger and acquisition events, S&P Dow Jones Indices, at its discretion, may retain the dividend history for newly formed entities from their predecessor companies.

S&P Dow Jones Indices only considers Basic EPS, Excluding/Before Extraordinary Items for index eligibility and selection purposes. EPS data is based on last twelve months (LTM), which is the sum of the last four quarters. If quarterly financial data is not provided, the LTM EPS of the company is evaluated from its latest semi-annual or annual report.

- **Return on Equity (ROE).** Stocks must have positive ROE, where:

$$ROE = \frac{\text{Earnings}}{\text{Book Value of Equity}}$$

Earnings and Book Value of Equity use data from the last 12 months as of the rebalancing reference date.

**Cash Flow from Operations.** All stocks must have positive cash flow from operations using data from the last 12 months as of the rebalancing reference date (the last business day of December) to be eligible, except for those classified within the GICS Financials Sector (Code: 40) which are exempt from this requirement.

**Step 2: Exclusions Based on ESG Score.** Companies must have an S&P DJI ESG Score to be eligible. Companies in the index universe that satisfy the criteria in Step 1, and have an S&P DJI ESG score that falls within the lowest 25% of stocks with an S&P DJI ESG score are excluded from the index.

**Step 3: Exclusions Based on Business Activities & United Nations Global Compact.** As of each rebalancing reference date, companies with the following specific business activities, as determined by Sustainalytics, and/or companies with disqualifying United Nations Global Compact (“UNGC”) scores as determined by Arabesque, are excluded:

Sustainalytics Category of Involvement	Sustainalytics Category of Involvement Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold
Controversial Weapons: Tailor Made and Essential	The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%
Controversial Weapons: Significant Ownership (Tailor Made and Essential)	The company is involved (as above), through corporate ownership.		≥25% Ownership of Company
Thermal Coal: Extraction <sup>7</sup>	The company extracts thermal coal.	Revenue	≥5%
Thermal Coal: Power Generation <sup>8</sup>	The company generates electricity from thermal coal.		≥5%
Tobacco Products: Production	The company manufactures tobacco products.	Revenue	>0%
Tobacco Products: Related Products/Services	The company supplies tobacco-related products/services.		≥10%

<sup>7</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.

<sup>8</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.



Sustainalytics Category of Involvement	Sustainalytics Category of Involvement Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold
Tobacco Products: Retail	The company derives revenues from the distribution and/or retail sale of tobacco products.		≥10%
Tobacco Products: Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in manufacturing tobacco products.		≥25%
Tobacco Products: Significant ownership (related products/services)	The company owns 10-50 per cent of another company with involvement in supplying tobacco-related products/services.		≥25%
Tobacco Products: Significant ownership (retail)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale of tobacco products.		≥25%

S&P DJI 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.

Please refer to <http://www.sustainalytics.com/> for more information.

### Low Global Compact (GC) Score

- Arabesque's S-Ray™ universe is used to assess very poor performers in relation to the UN Global Compact Principles. Assessed companies are assigned a GC Score.
- The global S-Ray™ universe is ranked according to GC Score. All companies at or below the bottom 5% of the global S-Ray universe by GC Score rank are ineligible.
- The reference date for S-Ray™ GC scores is the last business day of March.

UNGC information is provided by Arabesque S-Ray®, a global sustainability data provider. S-Ray combines big data on company-reported information, daily news and NGO campaigns in a quantitative algorithmic approach for the calculation of the UNGC score, which is based on the normative principles of the UN Global Compact: Human Rights, Labor Rights, the Environment and Anti-Corruption.

Please refer to <https://arabesque.com/s-ray/> for more information.

Companies without Sustainalytics or Arabesque coverage, are ineligible for index inclusion until they receive such coverage.

**Constituent Selection.** As of each rebalancing reference date, all stocks satisfying the eligibility criteria are ranked by indicated annual dividend yield, with the top 100 highest ranking stocks selected.

If the number of eligible constituents is fewer than 100, then:

1. Underlying index constituents with an FMC above US\$ 500 million, that also satisfy all other index eligibility criteria, are added in decreasing order of dividend yield until target count is reached.
2. If at this point there are still not 100 constituents then underlying index constituents with a history of increased or stable dividends for more than seven consecutive years, that also satisfy all other eligibility criteria, are added in decreasing order of dividend yield until the target count is reached.

**Constituent Weightings.** At each rebalancing, constituents are initially indicated annual dividend yield weighted, subject to the following constraints:

- the minimum weight of each constituent must be 0.05%
- single constituent weights are capped at 3%.
- single GICS Sector weights are capped at 25%.



The constraints above are satisfied by using an optimization procedure that chooses final weights in such a way as to minimize the sum of the squared difference of capped weight and uncapped weight, subject to the constraints.

The index weights are further capped to maintain a country allocation similar to that of the S&P Global BMI for the S&P Global ESG Dividend Aristocrats Quality Income Index. Any excess weight is proportionally redistributed to all uncapped constituents. For each country ( $c$ ) the weight in the index ( $IW_c$ ) is capped relative to its weight in the BMI ( $BMIW_c$ ) as follows:

- If  $10\% \leq BMIW_c$ , then the index weight of the country is capped by:

$$BMIW_c - 10\% \leq IW_c \leq BMIW_c + 10\%$$

- If  $5\% \leq BMIW_c < 10\%$ , then the index weight of the country is capped by:

$$IW_c \leq BMIW_c + 10\%$$

- If  $1\% \leq BMIW_c < 5\%$ , then the index weight of the country is capped by:

$$IW_c \leq 3 * BMIW_c$$

- If  $BMIW_c < 1\%$ , then the index weight of the country is capped by:

$$IW_c \leq 3\%$$

If the optimization fails to satisfy the above capping constraints, the following steps are performed:

1. Increase the cap on the weight of each country by 2% and decrease the floor on the weight of each country by 2%.
2. If the optimization still fails, Increase the cap on the weight of each GICS Sector by 2.5%.
3. If the optimization still fails, Increase the cap on the weight of each index constituent by 1%.
4. If there is still no solution after Step 3, return to Step 1 and rerun the process until the optimization works.

## S&P Euro ESG High Yield Dividend Aristocrats Index

**Index Universe.** To qualify for index inclusion, as of the rebalancing reference date, a stock must first be a member of the S&P Europe BMI.

For more information on the S&P Europe BMI, please refer to the S&P Global BMI, S&P/IFCI Methodology, available at [www.spdji.com](http://www.spdji.com).

**Eligibility Factors.** At each rebalancing, stocks in the underlying index must satisfy the following to be eligible for index inclusion, with the eligibility factors applied in three sequential steps:

### Step 1: Fundamental Criteria.

- **Market Capitalization:** Stocks must have a float-adjusted market capitalization (FMC) of at least US\$ 1 billion (US\$ 800 million for current constituents) as of the rebalancing reference date.
- **Liquidity:** Stocks must have a median daily value traded (MDVT) of at least \$5 million (US\$ 4 million for current constituents) for the three months prior to the rebalancing reference date.
- **Multiple Share Classes.** Each company is represented once by the listing with the highest dividend yield subject to meeting the eligibility criteria. In the event multiple lines meet the eligibility criteria and have similar dividend yields, the Designated Listing is selected.

*For more information regarding the treatment of multiple share classes, please refer to Approach C within the Multiple Share Classes section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

- **Stock Class.** All common and ordinary shares are eligible. Preferred stocks and preference shares are not eligible.
- **Listing Venues.** A company must have a Eurozone<sup>9</sup> country classification, and trade in euros on a Eurozone domiciled exchange.
- **Dividend Growth.** Stocks must have increased dividends or maintained stable dividends every year for at least 10 consecutive years.
- **Payout Ratio.** Stocks must have a non-negative (greater than 0) dividend payout ratio. Non-constituents may have a maximum of 100% dividend payout ratio for addition to the index. A dividend payout ratio is considered negative when the annual Earnings Per Share (EPS) is negative.

The dividend payout ratio is calculated as the annual Dividend Per Share (DPS) divided by the annual EPS, using data from the last 12 months as of the rebalancing reference date.

- **Dividend Yield.** Stocks may have a maximum 10% indicated annual dividend yield as of the rebalancing reference date. The cap aims to exclude companies whose dividends may not be sustainable over time, as well as companies whose stock prices have deteriorated rapidly.

LTM (Last Twelve Months) and ex-dates are used for the dividend analysis, with the data being reviewed at every rebalancing. In situations where a dividend payment, or payments, deviates from the company's standard dividend payment cycle, S&P Dow Jones Indices will, at its discretion, allocate payments to the appropriate year in order to take a full cycle into account.

A dividend initiation or re-initiation does not count as a dividend increase. For example, the initiation calendar year may include payment of all four quarterly dividends, or only one, two or three quarterly payments. Evaluations are made on a best-effort basis.

S&P Dow Jones Indices only considers cash dividend payments declared as regular by the paying company for index eligibility, selection, and weighting purposes. Cash dividend payments declared as special by the paying company, including recurring special cash dividends, are not considered. For both eligibility and weighting purposes, annualized cash dividend amounts, before withholding tax, are used.

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<sup>9</sup> The Eurozone is defined as all the countries that use the euro as their national currency.

For spin-offs, the yearly dividend increase history of the parent company is assigned to both the parent and spun-off company before the spin-off effective date. To determine annual dividend payments, the dividends of the parent and spun-off companies are combined until two full calendar year cycles of dividend payments are available for both post-spin-off companies. For evaluation purposes the combined dividend amount is adjusted by the spin-off ratio. Subsequent dividend comparisons are based on the annual dividend amounts of each respective company. For merger and acquisition events, S&P Dow Jones Indices, at its discretion, may retain the dividend history for newly formed entities from their predecessor companies.

S&P Dow Jones Indices only considers Basic EPS, Excluding/Before Extraordinary Items for index eligibility and selection purposes. EPS data is based on last twelve months (LTM), which is the sum of the last four quarters. If quarterly financial data is not provided, the LTM EPS of the company is evaluated from its latest semi-annual or annual report.

**Step 2: Exclusions Based on ESG Score.** Companies must have an S&P DJI ESG Score to be eligible. Companies in the index universe that satisfy the criteria in Step 1 and have an S&P DJI ESG score that falls within the lowest 25% of stocks with an S&P DJI ESG score are excluded from the index.

**Step 3: Exclusions Based on Business Activities & United Nations Global Compact.** As of each rebalancing reference date, companies with the following specific business activities, as determined by Sustainalytics, and/or companies with disqualifying United Nations Global Compact (“UNGC”) scores as determined by Arabesque, are excluded:

Sustainalytics Category of Involvement	Sustainalytics Category of Involvement Description	Sustainalytics Involvement Proxy	S&P DJI Level of Involvement Threshold
Controversial Weapons: Tailor Made and Essential	The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	NA	>0%
Controversial Weapons: Significant Ownership (Tailor Made and Essential)	The company is involved (as above), through corporate ownership.		≥25% Ownership of Company
Thermal Coal: Extraction <sup>10</sup>	The company extracts thermal coal.	Revenue	≥5%
Thermal Coal: Power Generation <sup>11</sup>	The company generates electricity from thermal coal.		≥5%
Tobacco Products: Production	The company manufactures tobacco products.	Revenue	>0%
Tobacco Products: Related Products/Services	The company supplies tobacco-related products/services.		≥10%
Tobacco Products: Retail	The company derives revenues from the distribution and/or retail sale of tobacco products.		≥10%
Tobacco Products: Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in manufacturing tobacco products.		≥25%
Tobacco Products: Significant ownership (related products/services)	The company owns 10-50 per cent of another company with involvement in supplying tobacco-related products/services.		≥25%
Tobacco Products: Significant ownership (retail)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale of tobacco products.		≥25%

S&P DJI 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.

<sup>10</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.

<sup>11</sup> Thermal coal exclusions apply only since the January 2020 rebalancing.

Please refer to <http://www.sustainalytics.com/> for more information.

### Low Global Compact (GC) Score

- Arabesque's S-Ray™ universe is used to assess very poor performers in relation to the UN Global Compact Principles. Assessed companies are assigned a GC Score.
- The global S-Ray™ universe is ranked according to GC Score. All companies at or below the bottom 5% of the global S-Ray universe by GC Score rank are ineligible.
- The reference date for S-Ray™ GC scores is the last business day of March.

UNGC information is provided by Arabesque S-Ray®, a global sustainability data provider. S-Ray combines big data on company-reported information, daily news and NGO campaigns in a quantitative algorithmic approach for the calculation of the UNGC score, which is based on the normative principles of the UN Global Compact: Human Rights, Labor Rights, the Environment and Anti-Corruption.

Please refer to <https://arabesque.com/s-ray/> for more information.

Companies without Sustainalytics or Arabesque coverage, are ineligible for index inclusion until they receive such coverage.

**Constituent Selection.** At each rebalancing, all stocks satisfying the eligibility criteria are ranked by indicated annual dividend yield, with the top 40 highest ranking stocks selected and forming the index.

If fewer than 40 stocks in the index universe satisfy the eligibility criteria then the minimum float-adjusted market capitalization is lowered from US\$ 1 billion to US\$ 500 million.

S&P Europe BMI constituent stocks that have a float-adjusted market capitalization above US\$ 500 million, that also satisfy all other index eligibility criteria, are added in decreasing order of dividend yield until the index constituent count of 40 is met.

S&P Europe BMI constituent stocks with a history of increased or stable dividends for more than nine consecutive years, also satisfying all other index eligibility criteria, are added in decreasing order of dividend yield until the targeted constituent count is met. The nine consecutive year condition will be reduced year by year to seven consecutive years if required until the targeted constituent count of 40 is met.

If, after these steps the target stock count is not reached, the ESG Score-based eligibility criteria will be relaxed to 20% and the selection process will be restarted, including the previously relaxed FMC and dividend growth rules. All previously selected constituents remain selected.

If, after all the previous relaxation steps have taken place, the index constituent count of 40 is not reached, the selected constituents will form the index with no further additions.

**Constituent Weightings.** At each rebalancing the index is indicated annual dividend yield weighted, subject to the following constraints:

- The weights of individual securities are capped at the lower of 5% or five times the constituent's liquidity weight.<sup>12</sup>
- A single country weight cap of 30%
- A single GICS Sector weight cap of 30%

If any constraint is breached, the excess weight is proportionally redistributed to uncapped constituents in the respective category. This process proceeds iteratively until no cap is breached.

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<sup>12</sup> Liquidity Weight Cap = 5 \* (Stock Liquidity / Aggregate Liquidity of all Stocks), where Stock Liquidity = Three-month MDVT.

# Index Maintenance

## Index Calculations

The indices calculate by means of the divisor method used for all of S&P Dow Jones Indices' equity indices.

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

## Rebalancing

The indices rebalance annually, effective after the close of business on the dates indicated in the table below. The rebalancing reference date for the data used in the review is reported below for each index. At this rebalancing, an updated universe is created and all eligibility screens are applied.

S&P Index	Effective Date	Reference Date
S&P Developed ESG Dividend Aristocrats Index	After the close of the last business date in January	The last business day of December
S&P ESG High Yield Dividend Aristocrats Index	After the close of the last business date in January	The last business day of December
S&P Global ESG Dividend Aristocrats Index	After the close of the last business date in January	The last business day of December
S&P Global ESG Dividend Aristocrats Quality Income Index	After the close of the last business date in January	The last business day of December
S&P Euro ESG High Yield Dividend Aristocrats Index	After the close of the third Friday in June	The last business day of May

**Reweighting.** In addition to the annual rebalancing and the monthly dividend review (see below), the indices also undergo additional review to ensure adherence to the constituent weighting criteria. Any changes due to the realignment of constituent weights with the weighting criteria or the removal of stocks no longer eligible for index inclusion become effective after the close of the reweighting effective date as defined in the table below. If weights require realignment, as of the reference date, the excess weight is redistributed among other stocks based on current constituent weights. The reference date is the last business day of the month prior to the rebalancing month.

At each rebalancing, stocks are weighted and assigned index shares using the closing prices as of seven business days prior to the last business day of the rebalancing month as the reference price. For the S&P Euro ESG High Yield Dividend Aristocrats Index, the reference date for the price is the business day prior to the second Friday of the rebalancing month. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing differs from the target weights due to market movements.

S&P Index	Effective Date
S&P Developed ESG Dividend Aristocrats Index	After the close of the Last business day in July
S&P ESG High Yield Dividend Aristocrats Index	After the close of the Last business day in April, July and October
S&P Global ESG Dividend Aristocrats Index	After the close of the Last business day in July
S&P Global ESG Dividend Aristocrats Quality Income Index	After the close of the Last business day in July
S&P Euro ESG High Yield Dividend Aristocrats Index	Third Friday of March, September, and December

## Additions and Deletions

**Additions.** Except for spin-offs (see table below), no additions are made to the index between rebalancings.

**Deletions.** Constituents are removed from the index between rebalancings if the stock is removed from its underlying index due to corporate events such as mergers, acquisitions, takeovers, or delisting.

## Controversies: Media and Stakeholder Analysis Overlay

In addition to the above, SAM uses RepRisk, a leading provider of business intelligence on environmental, social, and governance risks, for daily filtering, screening, and analysis of controversies related to companies within the indices.

In cases where risks are presented, SAM releases a Media and Stakeholder Analysis (MSA) which includes a range of issues such as economic crime and corruption, fraud, illegal commercial practices, human rights issues, labor disputes, workplace safety, catastrophic accidents, and environmental disasters.

The Index Committee will review constituents that flagged by SAM's MSA to evaluate the potential impact of controversial company activities on the composition of the indices. In the event that the Index Committee decides to remove a company in question, that company would not be eligible for re-entry into the index for one full calendar year, beginning with the subsequent rebalancing.

*For more information on RepRisk, please refer to [www.reprisk.com](http://www.reprisk.com). This service is not considered a direct contribution to the index construction process.*

## Monthly Dividend Review

Index constituents are reviewed on a monthly basis for ongoing eligibility. For more information regarding the monthly dividend review, please refer to Approach A in the Monthly Review for Ongoing Eligibility in Dividend Focused Indices section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Corporate Actions

Corporate Action	Adjustment Made to Index	Divisor Adjustment?
Spin-off	In general, both the parent and spin-off companies remain in the index until the next rebalancing, provided that each indicates it will continue and/or initiate a consistent dividend paying policy.	
Rights Offering	The price is adjusted to the Price of the Parent Company minus (the Price of the Rights Offering/Rights Ratio). Index shares change so that the company's weight remains the same as its weight before the rights offering.	No
Stock dividend, stock split, reverse stock split	Index shares are multiplied by and price is divided by the split factor.	No
Share Issuance, Share Repurchase, Equity Offering or Warrant Conversion	None.	No
Special Dividends	Price of the stock making the special dividend payment is reduced by the per share special dividend amount after the close of trading on the day before the dividend ex-date.	Yes
Constituent Change	There are no intra-rebalancing additions.	-
	Deletions due to delistings, acquisition or any other corporate event resulting in the deletion of the stock from the index causes the weights of the rest of the stocks in the index to change. Relative weights stay the same.	Yes

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

### Currency of Calculation and Additional Index Return Series

S&P Dividend Aristocrats ESG Index	Currency
S&P Developed ESG Dividend Aristocrats Index	USD
S&P ESG High Yield Dividend Aristocrats Index	USD
S&P Global ESG Dividend Aristocrats Index	USD
S&P Global ESG Dividend Aristocrats Quality Income Index	USD
S&P Euro ESG High Yield Dividend Aristocrats index	EUR

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: currency, currency hedged, decrement, fair value, inverse, leveraged, and risk control versions. For a list of available indices, please refer to the [S&P DJJ 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.spdji.com](http://www.spdji.com).

### Base Date 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 Developed ESG Dividend Aristocrats Index	11/09/2020	01/31/2011	01/31/2020	100
S&P ESG High Yield Dividend Aristocrats Index	03/01/2021	01/31/2011	01/31/2011	100
S&P Global ESG Dividend Aristocrats Index	03/22/2021	01/31/2011	01/31/2011	100
S&P Global ESG Dividend Aristocrats Quality Income Index	03/01/2021	01/31/2011	01/31/2011	100
S&P Euro ESG High Yield Dividend Aristocrats index	04/06/2021	06/18/2010	06/18/2010	100

# 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 may review 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, please refer to the Announcements section of 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 and their corresponding weights and index shares effective for the upcoming rebalancing.

*Please visit [www.spdji.com](http://www.spdji.com) for a complete schedule of rebalancing timelines and pro-forma delivery times.*

## Holiday Schedule

The indices are calculated daily, throughout the calendar year. The only days the indices are not calculated or files are not distributed are on days when all exchanges where the indices' constituents are listed are officially closed.

*A complete holiday schedule for the year is available at [www.spdji.com](http://www.spdji.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.

*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](mailto:index_services@spglobal.com).

# Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at [www.spdji.com](http://www.spdji.com), 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	Bloomberg
S&P Developed ESG Dividend Aristocrats Index (USD)	Price Return	SPWDDEUP
	Total Return	SPWDDEUT
	Net Total Return	SPWDDEUN
S&P ESG High Yield Dividend Aristocrats Index (USD)	Price Return	SPEHYDUP
	Total Return	SPEHYDUT
	Net Total Return	SPEHYDUN
S&P Global ESG Dividend Aristocrats Index (USD)	Price Return	--
	Total Return	--
	Net Total Return	--
S&P Global ESG Dividend Aristocrats Quality Income Index (USD)	Price Return	SPGEDAUP
	Total Return	SPGEDAUT
	Net Total Return	SPGEDAUN
S&P Euro ESG High Yield Dividend Aristocrats Index (EUR)	Price Return	--
	Total Return	--
	Net Total Return	--

## Index Data

Daily constituent and index level data are available via subscription.

For product information, please contact S&P Dow Jones Indices, [www.spdji.com/contact-us](http://www.spdji.com/contact-us).

## S&P DJI ESG Score Data

Company-level S&P DJI ESG score data is available via subscription.

For product information, please contact S&P Dow Jones Indices, [www.spdji.com/contact-us](http://www.spdji.com/contact-us).

## Web site

For further information, please refer to S&P Dow Jones Indices' Web site at [www.spdji.com](http://www.spdji.com).

# Appendix I

## SAM Industries

GICS Sub-Industry	GICS Code	SAM Industry
Auto Parts & Equipment	25101010	ATX Auto Components
Tires & Rubber	25101020	
Automobile Manufacturers	25102010	AUT Automobiles
Motorcycle Manufacturers	25102020	
Home Furnishings	25201020	DHP Household Durables
Household Appliances	25201040	
Housewares & Specialties	25201050	
Homebuilding	25201030	HOM Homebuilding
Consumer Electronics	25201010	LEG Leisure Equipment & Products and Consumer Electronics
Leisure Products	25202010	
Footwear	25203020	TEX Textiles, Apparel & Luxury Goods
Textiles	25203030	
Apparel, Accessories & Luxury Goods	25203010	
Specialized Consumer Services	25302020	CSV Diversified Consumer Services
Education Services	25302010	
Restaurants	25301040	REX Restaurants & Leisure Facilities
Leisure Facilities	25301030	
Hotels, Resorts & Cruise Lines	25301020	TRT Hotels, Resorts & Cruise Lines
Casinos & Gaming	25301010	CNO Casinos & Gaming
Advertising	50201010	PUB Media, Movies & Entertainment
Broadcasting	50201020	
Publishing	50201040	
Cable & Satellite	50201030	
Movies & Entertainment	50202010	
Distributors	25501010	
Internet & Direct Marketing Retail	25502020	
Department Stores	25503010	
General Merchandise Stores	25503020	
Apparel Retail	25504010	
Specialty Stores	25504040	
Automotive Retail	25504050	
Homefurnishing Retail	25504060	
Home Improvement Retail	25504030	
Computer & Electronics Retail	25504020	
Food Retail	30101030	FDR Food & Staples Retailing
Hypermarkets & Super Centers	30101040	
Drug Retail	30101010	
Food Distributors	30101020	BVG Beverages
Brewers	30201010	
Soft Drinks	30201030	
Distillers & Vintners	30201020	FOA Food Products
Agricultural Products	30202010	
Packaged Foods & Meats	30202030	TOB Tobacco
Tobacco	30203010	
Household Products	30301010	HOU Household Products
Personal Products	30302010	COS Personal Products

GICS Sub-Industry	GICS Code	SAM Industry
Oil & Gas Equipment & Services	10101020	OIE Energy Equipment & Services
Oil & Gas Drilling	10101010	
Integrated Oil & Gas	10102010	
Oil & Gas Exploration & Production	10102020	OGX Oil & Gas Upstream & Integrated
Oil & Gas Refining & Marketing	10102030	OGR Oil & Gas Refining & Marketing
Oil & Gas Storage & Transportation	10102040	PIP Oil & Gas Storage & Transportation
Coal & Consumable Fuels	10102050	COL Coal & Consumable Fuels
Regional Banks	40101015	BNK Banks
Diversified Banks	40101010	
Thriffs & Mortgage Finance	40102010	
Diversified Capital Markets	40203030	FBN Diversified Financial Services and Capital Markets
Investment Banking & Brokerage	40203020	
Asset Management & Custody Banks	40203010	
Mortgage REITs	40204010	
Financial Exchanges & Data	40203040	
Consumer Finance	40202010	
Specialized Finance	40201040	
Multi-Sector Holdings	40201030	
Other Diversified Financial Services	40201020	
Reinsurance	40301050	
Multi-line Insurance	40301030	
Property & Casualty Insurance	40301040	
Insurance Brokers	40301010	
Life & Health Insurance	40301020	
Diversified REITs	60101010	REA Real Estate
Industrial REITs	60101020	
Hotel & Resort REITs	60101030	
Office REITs	60101040	
Health Care REITs	60101050	
Residential REITs	60101060	
Retail REITs	60101070	
Specialized REITs	60101080	
Diversified Real Estate Activities	60102010	
Real Estate Operating Companies	60102020	
Real Estate Development	60102030	
Real Estate Services	60102040	
Health Care Supplies	35101020	MTC Health Care Equipment & Supplies
Health Care Equipment	35101010	HEA Health Care Providers & Services
Health Care Facilities	35102020	
Health Care Distributors	35102010	
Managed Health Care	35102030	
Health Care Services	35102015	
Health Care Technology	35103010	MTC Health Care Equipment & Supplies
Biotechnology	35201010	BTC Biotechnology
Life Sciences Tools & Services	35203010	LIF Life Sciences Tools & Services
Pharmaceuticals	35202010	DRG Pharmaceuticals
Aerospace & Defense	20101010	ARO Aerospace & Defense
Building Products	20102010	BLD Building Products
Construction & Engineering	20103010	CON Construction & Engineering
Heavy Electrical Equipment	20104020	IEQ Machinery and Electrical Equipment
Electrical Components & Equipment	20104010	ELQ Electrical Components & Equipment
Industrial Conglomerates	20105010	IDD Industrial Conglomerates
Industrial Machinery	20106020	IEQ Machinery and Electrical Equipment
Construction Machinery & Heavy Trucks	20106010	
Agricultural & Farm Machinery	20106015	
Trading Companies & Distributors	20107010	TCD Trading Companies & Distributors

<b>GICS Sub-Industry</b>	<b>GICS Code</b>	<b>SAM Industry</b>
Office Services & Supplies	20201060	ICS Commercial Services & Supplies
Diversified Support Services	20201070	
Commercial Printing	20201010	
Security & Alarm Services	20201080	
Environmental & Facilities Services	20201050	
Research & Consulting Services	20202020	PRO Professional Services
Human Resource & Employment Services	20202010	
Airlines	20302010	AIR Airlines
Air Freight & Logistics	20301010	TRA Transportation and Transportation Infrastructure
Marine	20303010	
Railroads	20304010	
Trucking	20304020	
Airport Services	20305010	
Highways & Railtracks	20305020	
Marine Ports & Services	20305030	
Semiconductors	45301020	SEM Semiconductors & Semiconductor Equipment
Semiconductor Equipment	45301010	
Data Processing & Outsourced Services	45102020	TSV IT services
Internet Services & Infrastructure	45102030	
IT Consulting & Other Services	45102010	
Systems Software	45103020	SOF Software
Application Software	45103010	
Interactive Media & Services	50203010	IMS Interactive Media, Services & Home Entertainment
Interactive Home Entertainment	50202020	
Communications Equipment	45201020	CMT Communications Equipment
Electronic Components	45203015	ITC Electronic Equipment, Instruments & Components
Technology Distributors	45203030	
Electronic Manufacturing Services	45203020	
Electronic Equipment & Instruments	45203010	
Technology Hardware, Storage & Peripherals	45202030	THQ Computers & Peripherals and Office Electronics
Commodity Chemicals	15101010	CHM Chemicals
Specialty Chemicals	15101050	
Fertilizers & Agricultural Chemicals	15101030	
Industrial Gases	15101040	
Diversified Chemicals	15101020	
Construction Materials	15102010	
Paper Packaging	15103020	CTR Containers & Packaging
Metal & Glass Containers	15103010	
Gold	15104030	MNX Metals & Mining
Steel	15104050	STL Steel
Aluminum	15104010	ALU Aluminum
Precious Metals & Minerals	15104040	MNX Metals & Mining
Diversified Metals & Mining	15104020	
Copper	15104025	
Silver	15104045	
Paper Products	15105020	FRP Paper & Forest Products
Forest Products	15105010	
Alternative Carriers	50101010	TLS Telecommunication Services
Integrated Telecommunication Services	50101020	
Wireless Telecommunication Services	50102010	
Gas Utilities	55102010	GAS Gas Utilities
Electric Utilities	55101010	ELC Electric Utilities
Independent Power Producers & Energy Traders	55105010	
Renewable Electricity	55105020	
Multi-Utilities	55103010	
Water Utilities	55104010	MUW Multi and Water Utilities

# Appendix II

## Indices in this Methodology Employing Backward Data Assumption

S&P Developed ESG Dividend Aristocrats Index  
S&P ESG High Yield Dividend Aristocrats Index  
S&P Global ESG Dividend Aristocrats Index  
S&P Global ESG Dividend Aristocrats Quality Income Index  
S&P Euro ESG High Yield Dividend Aristocrats 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 visit our [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.

**S&P Developed ESG Dividend Aristocrats Index, S&P ESG High Yield Dividend Aristocrats, S&P Global ESG Dividend Aristocrats Index and S&P Global ESG Dividend Aristocrats Quality Income Index.** The relevant dates are as follows:

Data Provider	Designated Dataset	Live Data Reference Date	Live Data Effective Date
Sustainalytics	Business Activity Exclusions	12/31/2019	02/03/2020
Arabesque	GC Score	12/31/2019	02/03/2020

**S&P Euro ESG High Yield Dividend Aristocrats index.** The relevant dates are as follows:

Data Provider	Designated Dataset	Live Data Reference Date	Live Data Effective Date
Sustainalytics	Business Activity Exclusions	05/31/2020	07/01/2020
Arabesque	GC Score	05/31/2020	07/01/2020

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

**Arabesque UNGC Coverage** (with respect to underlying index universe):

### S&P Developed ESG Dividend Aristocrats Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2010	7209	2927	81.3%	4638	85.0%
2011	7520	3184	80.4%	4862	84.0%
2012	7906	3223	81.7%	5000	85.4%
2013	7359	3142	81.3%	4944	85.4%
2014	7799	3161	82.7%	5161	87.7%
2015	8365	3200	82.2%	5445	87.7%
2016	8647	3952	85.4%	5598	88.4%
2017	8590	3995	84.7%	5635	88.5%
2018	8106	5128	86.4%	5456	87.2%
2019	8189	5192	86.7%	5413	87.2%
2020	7788	5087	85.2%	Na	Na

### S&P ESG High Yield Dividend Aristocrats Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2010	50	42	82.2%	50	100.0%
2011	60	53	93.0%	60	100.0%
2012	60	53	93.3%	60	100.0%
2013	81	77	96.7%	81	100.0%
2014	83	78	95.9%	83	100.0%
2015	95	86	92.8%	95	100.0%
2016	99	99	100.0%	99	100.0%
2017	106	104	99.0%	106	100.0%
2018	107	106	99.9%	106	99.9%
2019	111	109	97.9%	109	97.9%
2020	112	109	95.3%	Na	Na

### S&P Global ESG Dividend Aristocrats Index and S&P Global ESG Dividend Aristocrats Quality Income Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2010	9463	3327	89.4%	5723	95.5%
2011	10060	3955	90.6%	6021	95.2%
2012	10704	4098	91.1%	6260	95.6%
2013	9964	4109	91.2%	6231	96.0%
2014	10537	4166	90.6%	6501	96.1%
2015	11498	4288	90.3%	6864	96.3%
2016	11803	5052	92.7%	6995	96.3%
2017	11629	5065	92.6%	6999	96.8%
2018	11303	6315	95.4%	6827	96.5%
2019	11271	6388	95.8%	6707	96.5%
2020	11915	6557	93.7%	Na	Na



S&P Euro ESG High Yield Dividend Aristocrats index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2010	1712	928	94.0%	1319	97.0%
2011	1703	922	93.6%	1332	97.1%
2012	1714	930	93.9%	1337	97.0%
2013	1565	909	94.5%	1284	97.5%
2014	1628	903	93.9%	1339	97.5%
2015	1778	908	93.5%	1439	97.7%
2016	1833	968	93.6%	1506	98.1%
2017	1829	948	92.1%	1538	98.9%
2018	1662	1331	97.7%	1447	99.0%
2019	1640	1299	96.8%	1427	98.6%
2020	1525	1319	94.5%	NA	NA

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

S&P Developed ESG Dividend Aristocrats Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2010	7209	0	0.0%	5516	85.3%
2011	7520	0	0.0%	5828	84.6%
2012	7906	0	0.0%	6126	86.3%
2013	7359	3077	80.1%	6050	86.3%
2014	7799	3227	81.9%	6537	88.9%
2015	8365	5168	86.9%	7091	89.0%
2016	8647	5718	88.2%	7494	90.1%
2017	8590	5973	88.7%	7553	90.2%
2018	8106	7033	88.9%	7342	89.2%
2019	8189	7306	89.2%	7334	89.2%
2020	7788	6943	88.3%	NA	NA

S&P ESG High Yield Dividend Aristocrats Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2010	50	0	0.0%	50	100.0%
2011	60	0	0.0%	60	100.0%
2012	60	0	0.0%	60	100.0%
2013	81	76	95.7%	81	100.0%
2014	83	77	94.8%	83	100.0%
2015	95	95	100.0%	95	100.0%
2016	99	99	100.0%	99	100.0%
2017	106	106	100.0%	106	100.0%
2018	107	107	100.0%	107	100.0%
2019	111	111	100.0%	111	100.0%
2020	112	112	100.0%	NA	NA

S&P Global ESG Dividend Aristocrats Index and S&P Global ESG Dividend Aristocrats Quality Income Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2010	9463	0	0.0%	7142	96.1%
2011	10060	0	0.0%	7657	96.3%
2012	10704	0	0.0%	8125	97.0%
2013	9964	4148	90.2%	8018	97.4%
2014	10537	4371	90.1%	8681	97.9%
2015	11498	6467	95.4%	9534	98.4%
2016	11803	7143	96.2%	10069	98.9%
2017	11629	7734	97.3%	10151	99.4%
2018	11303	9473	99.0%	10042	99.5%
2019	11271	9867	99.5%	9907	99.5%
2020	11915	10091	99.2%	NA	NA

S&P Euro ESG High Yield Dividend Aristocrats index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data Stock Count	Point-in-Time Data Index Weight	After Using the Data Assumption Stock Count	After Using the Data Assumption Index Weight
2010	1712	0	0.0%	1354	96.4%
2011	1703	0	0.0%	1394	96.9%
2012	1714	0	0.0%	1430	97.2%
2013	1565	933	91.4%	1362	97.1%
2014	1628	1065	95.7%	1443	97.7%
2015	1778	1102	95.4%	1582	97.9%
2016	1833	1261	96.3%	1686	98.3%
2017	1829	1694	99.5%	1732	99.6%
2018	1662	1609	99.7%	1618	99.8%
2019	1640	1597	99.8%	1601	99.8%
2020	1525	1425	99.7%	NA	NA

Coverage for each Sustainability 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:

Sustainability 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
Thermal Coal: Extraction	12/31/2015
Thermal Coal: Power Generation	12/31/2015
Tobacco Products: Production	12/31/2012
Tobacco Products: Related Products/Services	12/31/2012
Tobacco Products: Retail	12/31/2012
Tobacco Products: Significant ownership (production)	12/31/2018
Tobacco Products: Significant ownership (related products/services)	12/31/2018
Tobacco Products: Significant ownership (retail)	12/31/2018

# Appendix III

## Methodology Changes

Methodology changes since November 9, 2020 are as follows:

Change	Effective Date (After Close)	Previous	Methodology Updated
Monthly Dividend Review	02/19/2021	<p>S&amp;P Dow Jones Indices reviews index constituents on a monthly basis. If S&amp;P Dow Jones Indices determines an index constituent has eliminated, suspended its dividend or omitted a payment, it will be removed from the index effective prior to the open of the first business day of the following month.</p> <p>In addition, constituent stocks are reviewed on a monthly basis for dividend cuts. Constituent stocks may, at the discretion of the Index Committee, be removed effective prior to the open of the first business day of the following month if the constituent company lowers but does not eliminate its dividend, its new yield is significantly lower than the lowest yielding constituent, and the index committee can determine based on current information that the company will not qualify for inclusion at the next rebalancing.</p>	<p>Index constituents are reviewed on a monthly basis for ongoing eligibility. For more information regarding the monthly dividend review, please refer to Approach A in the Monthly Review for Ongoing Eligibility in Dividend Focused Indices section of S&amp;P Dow Jones Indices' Equity Indices Policies &amp; Practices Methodology.</p>

# Disclaimer

## Performance Disclosure/Back-Tested Data

S&P Dow Jones Indices defines various dates to assist our clients in providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index's Launch Date are considered back-tested. S&P Dow Jones Indices defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company's public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed "Date of introduction") is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index's public release date.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index's launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. 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.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate S&P DJI's ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using "Backward Data Assumption" (or pulling back) of ESG data for the calculation of back-tested historical performance. "Backward Data Assumption" is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as "product involvement") were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on "Backward Data Assumption" please refer to the [FAQ](#). The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used.

Index returns shown do not represent the results of actual trading of investable assets/securities. S&P Dow Jones Indices maintains the index and calculates the index levels and performance shown or

discussed but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US \$100,000 investment for a 12-month period (or US \$10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US \$1,650), the net return would be 8.35% (or US \$8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US \$5,375, and a cumulative net return of 27.2% (or US \$27,200).

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