

S&P Thematic Indices Consultation on Eligibility Criteria and Index Construction – Updated

NEW YORK, JULY 30, 2019: On May 31, 2019, S&P Dow Jones Indices (“S&P DJI”) published a consultation soliciting feedback from members of the investment community on potential changes to the S&P Global Clean Energy, S&P Global Timber & Forestry, S&P Global Eco, and S&P Global Water Indices.¹

Based on responses received, S&P DJI is updating the consultation and is soliciting feedback from members of the investment community on a potential change to the S&P Global Clean Energy Index. The S&P Global Eco Index would also be impacted as the S&P Global Clean Energy Index is part of the selection universe. No changes are being proposed or considered at this time for the S&P Global Timber & Forestry Index or the S&P Global Water Index.

In order to allow for an enhanced universe of potential candidates for index addition, S&P DJI is considering modifying the selection criteria of the S&P Global Clean Energy Index by excluding companies with a carbon intensity standard score greater than three. The standard score is calculated by subtracting the mean carbon intensity of the index’s existing constituents as of the rebalancing reference date from each constituent’s carbon intensity and then dividing the difference by the standard deviation. The top and bottom five percent are excluded from the mean and standard deviation calculations.

IMPACT ANALYSIS

Turnover. Using data from the April 2019 rebalancing, the table below shows the index’s actual turnover as well as the hypothetical turnover that would have resulted had the carbon intensity-related eligibility screen been in effect at that rebalancing.

Index	Turnover	
	Actual	Hypothetical
S&P Global Clean Energy Index	10.23%	17.82%

Carbon Scores Analysis. Using data from the April 2019 rebalancing, the table below shows the index’s actual carbon to revenue as well as the hypothetical carbon to revenue that would have resulted had the carbon intensity-related eligibility screen been in effect at that rebalancing.

Index	Carbon to Revenue (Metric tons CO ₂ e/USD 1 million revenues)	
	Actual	Hypothetical
S&P Global Clean Energy Index	593.11	265.44

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology change to the S&P Global Clean Energy Index, if adopted, prior to the market open on Monday, October 21, 2019, in conjunction with the semi-annual reconstitution.

¹ The original consultation can be found [here](#).

QUESTIONS

Please answer the following questions and provide S&P DJI with the reasoning behind your answers:

1. **Do you agree with the proposed change to the S&P Global Clean Energy Index to include a carbon intensity-related eligibility screen?**
2. **Should the proposed methodology change be adopted, do you agree with the proposed implementation date?**
3. **Do you have any other comments regarding the proposed change outlined above?**

Your participation in this consultation is important as we gather information from various market participants in order to properly evaluate your views and preferences. S&P DJI will make responses to consultations freely available upon request.² If you do not want your response to be made available, you must clearly state that in your response. Please respond to this survey by **August 16, 2019**. After this date, S&P DJI will no longer accept survey responses. Prior to the Index Committee's final review, S&P DJI will consider the issues and may request clarifications from respondents as part of that review. Alternative options to the proposed questions after the deadline require that the consultation be re-opened to the public.

To participate in this consultation, please visit the online survey available [here](#).

For further information about this consultation, please contact S&P Dow Jones Indices at index_services@spglobal.com.

Please be advised that all comments from this consultation will be reviewed and considered before a final decision is made; however, S&P DJI makes no guarantees or is under any obligation to comply with any of the responses. The survey may result in no changes or outcome of any kind. If S&P DJI decides to change the index methodology, an announcement will be posted on our website.

Thank you for taking the time to complete this survey.

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500[®] and the Dow Jones Industrial Average[®]. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies and governments to make decisions with confidence. For more information, visit www.spdji.com.

FOR MORE INFORMATION:

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² Individual and company names as well as contact details will be redacted.