

Frequently Asked Questions

iBoxx ESG Index Series

Company Background

- 1. Who is S&P Dow Jones Indices (S&P DJI), and how did iBoxx become part of the S&P DJI brand?** S&P Dow Jones Indices (S&P DJI) is home to iconic financial market indicators, such as the [S&P 500®](#) and the [Dow Jones Industrial Average®](#). Through the merger with IHS Markit, the iBoxx brand became part of S&P DJI, bringing with it the widely recognized fixed income benchmarks across corporate credit, tradeable and sovereign bond indices.

Sustainability at S&P DJI

S&P DJI has been a pioneer in environmental, social and governance (ESG) indexing for 20 years, starting with the 1999 launch of the [Dow Jones Sustainability World Index](#). Today, we offer an extensive range of indices to fit varying risk/return and ESG expectations, from broad-based sustainability and low-carbon climate approaches to thematic strategies.

- 2. Who is S&P DJI's ESG data provider?** S&P Global, a parent company of S&P DJI, provides the data that powers S&P DJI's globally recognized equity and fixed income indices. iBoxx also collaborates with external partners to leverage a multitude of ESG datasets to fulfill specific client demands.

iBoxx ESG Indices

- 3. What is the iBoxx ESG Index Series?** The iBoxx ESG Index Series is a set of market-capitalization-weighted indices that target securities meeting specific sustainability criteria on corporate bond indices. The index series includes suites across the following two ranges:
 - iBoxx Corporates SRI¹ Screened
 - iBoxx Corporates ESG

¹ SRI stands for Socially Responsible Investment.

- 4. Why was the iBovx ESG Index Series created?** The iBovx ESG Index Series was launched to provide an ESG-oriented and investable expansion of leading market benchmarks, such as the iBovx corporate bond indices across currencies, including the euro (EUR), U.S. dollar (USD) and pound sterling (GBP), and across the investment grade and high yield universes.
- 5. What indices are in the iBovx ESG Index Series?** The iBovx index series consists of the following index families:
- iBovx USD Corporates SRI Screened
 - iBovx EUR Corporates SRI Screened
 - iBovx GBP Corporates SRI Screened
 - iBovx USD High Yield Corporates Developed Markets SRI Screened
 - iBovx EUR High Yield Corporates SRI Screened
 - iBovx USD Corporates ESG
 - iBovx EUR Corporates ESG
 - iBovx GBP Corporates ESG
 - iBovx USD High Yield Developed Markets Corporates ESG
 - iBovx EUR High Yield Corporates ESG

Each index family includes a comprehensive suite of subindices spanning across maturities, ratings and sectors. Further indices or index families may be available in the future.

- 6. What exclusions are incorporated in the iBovx ESG Index Series?** The iBovx ESG Index Series leverages four datasets across the two versions available, as seen in Exhibit 1. Therefore, the iBovx Corporates SRI Screened Indices version can be considered a subset of the iBovx Corporates ESG Indices.

Exhibit 1: Datasets of the iBoxx ESG Index Series

Dataset	iBoxx Corporates SRI Screened	iBoxx Corporates ESG
I. Sustainalytics Global Standards Screening (GSS)	✓	✓
II. Sustainalytics Controversies Exclusions	✓	✓
III. Sustainalytics Product Involvement Exclusions	✓	✓
IV. Sustainalytics ESG Risk Ratings	-	✓

Source: S&P Dow Jones Indices LLC. Table is provided for illustrative purposes.

These datasets cover the following:

- I. **Sustainalytics Global Standards Screening (GSS)** provides an assessment of a company’s impact on stakeholders and the extent to which a company causes, contributes or is linked to violations of international norms and standards. The basis of the GSS assessments is the United Nations Global Compact (UNGC) Principles.
- II. **Sustainalytics Controversies Exclusions** exclude companies involved in controversies.
- III. **Sustainalytics Product Involvement Exclusions** exclude companies involved in specific business activities and companies owning other enterprises involved in these specific business activities.
- IV. **Sustainalytics ESG Risk Ratings** exclude companies that are categorized with a “Severe” or “High” ESG risk rating.

Further details of these methodologies can be found on the [index documentation page](#).

7. **How were these exclusions and their respective thresholds determined?** The iBoxx ESG Index Series uses an adapted version of the methodology used for the S&P 500 ESG Leaders Indices.

The same levels of thresholds are used for most of the screens.

The key differences are as follows:

- For III. Sustainalytics Product Involvement Exclusions, the iBoxx ESG Index Series additionally includes screens for “Adult Entertainment” and “Genetically Modified Plants and Seeds.”
- For IV. Sustainalytics ESG Risk Ratings, exclusions are determined by screening for “Severe” and “High-Risk” companies from the headline indices, which differs from the S&P 500 ESG Leaders Index that takes into consideration industry groups.

The overall screens are widely accepted as prominent ESG screens used in responsible investing practices. These index series exhibit only one view of an ESG-themed investable universe. It is one of many possibilities from S&P DJI's iBoxx ESG Indices.

Details for each of the screens and their thresholds can be found on the [index documentation page](#).

Details for the S&P 500 ESG Leaders Index can be found [here](#).

- 8. How have the indices performed relative to their benchmarks?** Index performance statistics are presented for all iBoxx indices via the S&P DJI [website](#) or upon request: spglobal.com/spdji/en/contact-us
- 9. What ESG data provider are the indices using?** The iBoxx ESG Index Series uses Sustainalytics for all the screens.
- 10. What makes these indices unique?** The iBoxx ESG Index Series offers an expansion of corporate credit index offerings, taking into consideration sustainability criteria within the robust iBoxx ecosystem. All the indices offer the wide granularity and customization options typical to iBoxx. The indices also leverage an existing tested methodology used in other S&P DJI indices.
- 11. Can the thresholds of the Sustainalytics Product Involvement Exclusions be changed, and can these indices be customized?** The S&P DJI framework supports a variety of index customization options. For further information on methodology or options for customizations, please contact your S&P DJI account representative, or visit spglobal.com/spdji/en/contact-us.
- 12. How often are these indices rebalanced, and what are the rules around reconstitution?** The indices rebalance monthly, effective after the close on the last business day of the month. Full details about rebalance and cutoff dates can be found [here](#).
- 13. How much live and back-tested index data is available?** The iBoxx ESG Index Series was launched in Q1 2024. The first value date for the iBoxx ESG Index Series is Jan. 31, 2016. Data is available for the index back to this date, while live performance data is available for each index from its launch date.

- 14. Is the methodology treatment the same for the back-tested data as after the launch date?** The back-tested data for the iBoxx ESG Index Series applies different rules for coverage before and after Sept. 30, 2020. Full details are included in index guides found [here](#).
- 15. How are companies with a lack of coverage treated?** Companies with missing coverage are excluded from the indices only after Sept. 30, 2020. No exclusions due to coverage are applied for back-tested data between Jan. 31, 2016, and Sept. 30, 2020.
- 16. What is the ESG data coverage in each index?** ESG data coverage varies per index series and the point in time taken. The index guide provides a snapshot of this data. More granular data is available upon request via spglobal.com/spdji/en/contact-us.

Index Data & Licensing

- 17. Do subscribers to the iBoxx ESG Index Series automatically receive the underlying ESG data?** No, as access to the Sustainalytics requires a separate license with the data provider. For further information, please contact your S&P DJI account representative, or visit our website.
- 18. Where can the data for these indices be found?** iBoxx ESG Index Series data is calculated and delivered daily. Please reference the methodology documentation for delivery details at <https://www.markit.com/Documentation/Product/IBoxx>
- 19. What does SFTP mean?** Secured File Transfer Protocol (SFTP) is a secured means of transferring data files on a Secure Shell (SSH) data stream. SFTP is a secure version of File Transfer Protocol (FTP) and is part of the SSH Protocol. This term is also known as SSH FTP.
- 20. Is a license from S&P DJI needed in order to use the indices and their data?** Yes, in order to access, receive, use or distribute all index data or any related information, a subscription or license agreement with S&P DJI is required for these specific iBoxx indices.
- 21. Is a license from S&P DJI needed to use the indices in connection with financial products?** Yes, in order to use the indices in connection with a financial product or transaction, a license agreement with S&P DJI is required for these specific iBoxx indices.
- 22. Are constituent lists available for these indices?** For information on the iBoxx ESG Index Series constituents or scores, please contact your S&P DJI account representative or visit spglobal.com/spdji/en/contact-us.

ESG Indices Disclaimer

S&P DJI provides indices that seek to select, exclude, and/or weight index constituents based on, but not limited to, certain environmental, social or governance (ESG) indicators, or a combination of those indicators, including the following: environmental indicators (including the efficient use of natural resources, the production of waste, greenhouse gas emissions, or impact on biodiversity); social indicators (such as, inequality and investment in human capital); governance indicators (such as sound management structures, employee relations, remuneration of staff, tax compliance, respect for human rights, anti-corruption and anti-bribery matters), specific sustainability or values-related company involvement indicators (for example, production/distribution of controversial weapons, tobacco products, or thermal coal), or controversies monitoring (including research of media outlets to identify companies involved in ESG-related incidents).

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Prospective users of an S&P DJI ESG Index are encouraged to read the relevant index methodology and related disclosures carefully to determine whether the index is suitable for their potential use case or investment objective.

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