

## S&P BOCHK China Hong Kong Greater Bay Area Net Zero 2050 Climate Transition Index Consultation on Constraints – Results

**AMSTERDAM, DECEMBER 1, 2022:** S&P Dow Jones Indices (“S&P DJI”) has conducted a [consultation](#) with market participants on potential changes to the S&P BOCHK China Hong Kong Greater Bay Area Net Zero 2050 Climate Transition Index.

S&P DJI is making changes to the optimization constraints used in the index following feedback from the market about the current constraints. The changes are detailed below.

### Science Based Targets

The weight of companies that report and adhere to the Science Based Targets Initiative (“SBTI”) must be greater than or equal to 120% of their weight in the underlying index. S&P DJI will move this from a hard constraint to a soft constraint that can be relaxed if the optimizer cannot generate a result.

### Minimum Stock Weight Lower Threshold

S&P DJI is increasing the weight floor to 0.1%. The table below summarizes the change.

Previous	Updated
Existing constituents: $\geq 0.01\%$ New constituents: $\geq \max(0.01\%, \min(0.05\%, 0.5 \times \text{underlying stock weight}))$	Existing constituents: $\geq 0.1\%$ New constituents: $\geq \max(0.1\%, \min(0.5\%, 0.5 \times \text{underlying stock weight}))$

### IMPLEMENTATION TIMING

S&P DJI will implement the previously described methodology changes in conjunction with the upcoming rebalancing, which takes effect prior to the market open on **Monday, January 2, 2023**. The changes will first be visible to clients in pro-forma files beginning on **Thursday, December 22, 2022**.

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