

Dow Jones Developed Green Real Estate Index Relaunch

AMSTERDAM, SEPTEMBER 6, 2024: S&P Dow Jones Indices (“S&P DJI”) is expecting to relaunch the Dow Jones Developed Green Real Estate Index with an updated methodology as detailed in the table below, effective **October 7, 2024**.

| Change | Methodology | |
|---|--|---|
| | Previous | Updated |
| Objective Function | $\text{Objective Function} = \frac{1}{N} \sum_{i=1}^N \left(\frac{(Parent\ Weight_i - Optimized\ Weight_i)^2}{Parent\ Weight_i} \right) + \frac{1}{K} \sum_{k=1}^K \left(\frac{(Parent\ Industry\ Weight_k - Optimized\ Industry\ Weight_k)^2}{Parent\ Industry\ Weight_k} \right) + \frac{1}{M} \sum_{j=1}^M \left(\frac{(Parent\ Country\ Weight_j - Optimized\ Country\ Weight_j)^2}{Parent\ Country\ Weight_j} \right)$ | $\text{Objective Function} = \frac{1}{N} \sum_{i=1}^N \left(\frac{(Parent\ Weight_i - Optimized\ Weight_i)^2}{Parent\ Weight_i} \right)$ |
| Weighted-average Carbon Intensity (WACI) Target | ≤ underlying universe WACI x 70% | ≤ underlying universe WACI x 80% |
| Weighted-average GRESB Score (waGRESB) | ≥ underlying universe waGRESB after 25% of the lowest GRESB scoring stocks by count are removed and their weight redistributed | ≥ min(125% x underlying universe waGRESB, GRESB Score ceiling**)* |
| Weighted-average GRESB Building Certification Aspect Score (waBC) | ≥ underlying universe waBC after 25% of the lowest GRESB Building Certification scoring stocks by count are removed and their weight redistributed | ≥ min(125% x underlying universe waBC, BC Score Ceiling***)* |
| Weighted-average Physical Risk Score (waPR) | ≤ 90% x waPR of underlying universe | ≤ waPR of underlying universe after 10% of the highest Physical Risk scoring stocks are removed and their weight redistributed |
| Physical Risk Max Company Weight | $\leq A_i * Parent\ Weight_i$ <p>where:</p> $A_i = \rho * \frac{PR_i - 100}{PR_i - 10}$ <p>PR_i = is the Physical Risk score of the company i</p> $\rho = \frac{Physical\ Risk\ Score\ 95th\ percentile - 10}{Physical\ Risk\ Score\ 95th\ percentile - 100}$ | -- |
| Relative Country Weight | -- | ± 4% ¹ |
| Relative Sub-Industry Weight | -- | ± 2% ² |
| Constraint Relaxation Hierarchy | Weighted Average Physical Risk Score is a weak constraint. | Weighted Average Physical Risk Score is a hard constraint. |

* Missing scores are filled using an iterative procedure where the values are first filled using the pro-rata weighted-average score of companies in the same country and GICS sub-industry, then country and GICS industry, country and GICS sector, and finally, the underlying index. A minimum of four observations must be used to fill missing values.

** The GRESB Score ceiling is defined as the underlying universe’s waGRESB after 25% of the lowest GRESB scoring stocks by count are removed and removed stocks’ weight proportionally redistributed.

*** The BC Score ceiling is defined as the underlying universe’s waBC after 25% of the lowest GRESB Building Certification scoring stocks by count are removed and the removed stocks’ weight proportionally redistributed.

¹ A weak constraint for the purposes of the constraint relaxation hierarchy.

² A weak constraint for the purposes of the constraint relaxation hierarchy.

As previously [announced](#), S1's Business Involvement Screening data will be used instead of Sustainalytics' Product Involvement data for eligibility screening as of the September rebalancing.

As a result of the relaunch, S&P is canceling the index's upcoming September rebalancing, which was due to be effective after the close of Friday, September 20, 2024.

S&P DJI may decide to make further changes to the index rules. S&P DJI will confirm these changes (if any), and their effective date, in a future communication before any implementation.

For further information about this announcement, please contact S&P DJI at index_services@spglobal.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.spglobal.com/spdji.

FOR MORE INFORMATION:
index_services@spglobal.com