

Dow Jones Developed Green Real Estate Index Relaunch – Updated

AMSTERDAM, SEPTEMBER 24, 2024: S&P Dow Jones Indices (“S&P DJI”) is updating the previous relaunch [announcement](#) for the Dow Jones Developed Green Real Estate Index to include the finalized effective date of **October 7, 2024**. No other changes have been made to the previously announced methodology updates detailed in the table below.

Change	Methodology	
	Previous	Updated
Objective Function	$\begin{aligned} & \text{Objective Function} \\ &= \frac{1}{N} \sum_{i=1}^N \left(\frac{(Parent\ Weight_i - Optimized\ Weight_i)^2}{Parent\ Weight_i} \right) \\ &+ \frac{1}{K} \sum_{k=1}^K \left(\frac{(Parent\ Industry\ Weight_k - Optimized\ Industry\ Weight_k)^2}{Parent\ Industry\ Weight_k} \right) \\ &+ \frac{1}{M} \sum_{j=1}^M \left(\frac{(Parent\ Country\ Weight_j - Optimized\ Country\ Weight_j)^2}{Parent\ Country\ Weight_j} \right) \end{aligned}$	$\begin{aligned} & \text{Objective Function} \\ &= \frac{1}{N} \sum_{i=1}^N \left(\frac{(Parent\ Weight_i - Optimized\ Weight_i)^2}{Parent\ Weight_i} \right) \end{aligned}$
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.

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

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