

# iBoxx Euro Sustainable Corporate Bond Custom Index Consultation on Eligibility Criteria

**LONDON, DECEMBER 11, 2024:** S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to the iBoxx Euro Sustainable Corporate Bond Custom Index.

## BACKGROUND

The consultation is in response to the European Securities and Markets Authority (‘ESMA’) Guidelines on funds’ names using ESG or sustainability-related terms. While these guidelines do not apply directly to S&P DJI, there is often a close correlation between an index name and a fund name for index-tracking investment funds. Under the regulatory guidance, restrictions will apply to investments made by a fund if specific terms are used in the fund’s name. For additional information, please refer to the ESMA Guidelines on funds’ names using ESG or sustainability-related terms [here](#).

## PROPOSAL

S&P DJI proposes to incorporate the additional Sustainalytics Product Involvement screens detailed below.

Sustainalytics Product Involvement Screen		Current Treatment	Proposed Treatment
Oil & Gas	Production – all companies deriving 10% or more of their total revenue from exploration and production of natural gas are excluded.	--	≥ 10%
	Production – all companies deriving 10% or more of their total revenue from refining of natural gas are excluded.	--	≥ 10%
	Production – all companies deriving 10% or more of their total revenue from transportation and storage of natural gas are excluded.	--	≥ 10%
	Production – all companies deriving 10% or more of their total revenue from exploration and production of oil are excluded.	--	≥ 10%
	Production – all companies deriving 10% or more of their total revenue from refining of oil are excluded.	--	≥ 10%
	Production – all companies deriving 10% or more of their total revenue from transportation and storage of oil are excluded.	--	≥ 10%
	Supporting Products/Services – all companies deriving 10% or more of their total revenue from oil & gas supporting product/services are excluded.	--	≥ 10%
Power Generation	Oil & Gas generation – all companies generating 50% or more of revenue from oil & gas power generation are excluded.	--	≥ 50%
	Thermal Coal power generation – all companies generating 50% or more of revenue from thermal coal power generation are excluded.	≥ 15%	≥ 50%

# S&P Dow Jones Indices

CONSULTATION

A Division of **S&P Global**

## IMPACTED INDEX

Index Name	ISIN (TRi)
iBoxx Euro Sustainable Corporate Bond Custom Index	GB00B4XM0993

## IMPACT ANALYSIS

S&P DJI conducted an analysis to assess the impact of the proposed changes based on the June 30, 2024 rebalancing data with the following results.

### iBoxx Euro Sustainable Corporate Bond Custom Index

Sector Breakdown	Current Index Weights	Number of Impacted Bonds	Index Weight Impact
Core Financials	36.67%	0	0.00%
Basic Materials	2.74%	10	0.26%
Consumer Goods	11.39%	0	0.00%
Consumer Services	4.76%	0	0.00%
Energy	3.09%	80	2.93%
Financial Services	2.36%	0	0.00%
Health Care	4.34%	0	0.00%
Industrials	8.47%	15	0.47%
Real Estate	5.48%	0	0.00%
Technology	2.53%	2	0.08%
Telecommunications	7.00%	0	0.00%
Utilities	11.16%	40	1.03%
<b>TOTAL</b>	<b>100.00%</b>	<b>147</b>	<b>4.77%</b>

Additional data and analysis may be made available in the Client Resource Center [www.spglobal.com/spdji/en/client-services/](http://www.spglobal.com/spdji/en/client-services/), which may be updated from time to time throughout the consultation without notice. Additional data and analysis may also be made available upon request.

## IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology change, if adopted, in conjunction with the April 2025 month-end rebalancing, which takes effect prior to the market open on **May 1, 2025**. If adopted, the changes will first be visible to clients in preliminary membership files beginning on **April 10, 2025**.

## QUESTIONS

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

1. Do you agree with the proposal to incorporate the Oil & Gas product involvement screen to the above mentioned index?
2. Do you agree with the proposal to incorporate the Power Generation product involvement screen to the above mentioned index?

3. **Should the proposed methodology changes be adopted, do you agree with the proposed implementation date?**
4. **Do you have any other comments or feedback regarding the proposed changes outlined above?**

Participation in this consultation is important as S&P DJI gathers information from various market participants to properly evaluate the market participants' views and preferences. Please respond to this survey by **Wednesday, January 15, 2025**, as S&P DJI does not accept responses post the survey closure date. Prior to the Index Committee's final review, S&P DJI may request clarifications from respondents as part of that review.

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

*Please be advised that S&P DJI reviews and considers all feedback before a final decision is made. However, S&P DJI makes no guarantees and is under no 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, the change(s) will be announced to clients and posted on the S&P DJI website with prior notice ahead of the effective date.*

Thank you for taking the time to complete this survey.

## 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](http://www.spglobal.com/spdji).

### FOR MORE INFORMATION:

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