

iBoxx MSCI Senior Corporates Investment Grade ESG Factor Weighted Indices Consultation on Eligibility Criteria

LONDON, APRIL 3, 2025: S&P Dow Jones Indices (“S&P DJI”) is conducting a consultation with market participants on potential changes to four iBoxx MSCI Senior Corporates Investment Grade ESG Factor Weighted indices.

PROPOSAL

S&P DJI proposes changes to the MSCI ESG Business Involvement Screening and MSCI Climate Change Metrics as detailed below.

iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted Index and iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted (Version 3)

Proposed Changes	Methodology	
	Current	Proposed
MSCI ESG Business Involvement Screening: Civilian Firearms	--	All companies that are involved in the production or retail of civilian firearms intended for civilian use, ammunition for such products, or is involved indirectly through ownership ties to companies involved in such products or services are excluded.
MSCI ESG Business Involvement Screening: Controversial Weapons	--	All companies that are involved in the production of whole weapon systems, delivery platforms or components of cluster munitions; production of whole weapon systems or components of landmines and biological or chemical weapons; production of depleted uranium weapons, blinding laser weapons, incendiary weapons, or weapons with non-detectable fragments; or is involved indirectly through ownership ties to companies involved in such products are excluded. Nuclear weapons are not considered for this screen.
MSCI ESG Business Involvement Screening: Firearms Producers	All companies that manufacture firearms and small arms ammunitions for civilian markets	--
MSCI ESG Business Involvement Screening: Nuclear Weapons	All companies that manufacture key nuclear weapons components	--
	All companies that manufacture nuclear weapons, including nuclear warheads, intercontinental ballistic missiles, and ballistic missile submarines, which are capable of the delivery of nuclear warheads	--
	All companies that manufacture nuclear warheads and/or whole nuclear missiles including assembly and integration of warhead	--

Proposed Changes	Methodology	
	Current	Proposed
	and missile body. This also includes companies with contracts to operate/manage government-owned facilities that manufacture nuclear warheads and missiles	
	--	All companies that are involved in the production of nuclear weapons, exclusive and dual-use delivery platform capable to delivery such products, intended and dual-use components of such products, services provided for such products, or is involved indirectly through ownership ties to companies involved in such products or services are excluded.
MSCI ESG Business Involvement Screening:	All companies that manufacture cluster munitions whole weapons systems, components, or delivery platforms	--
	All companies that manufacture landmines whole systems or components	--
Other Controversial Weapons	All companies that manufacture key biological and chemical weapons components	--
	All companies that manufacture biological and chemical weapons, including weapons that use pathogens such as viruses, bacteria, and disease-causing biological agents, toxins, or chemical substances that have toxic properties to kill, injure, or incapacitate	--
	All companies that manufacture weapons utilizing laser technology that causes permanent blindness to the target	--
	All companies involved in the production of depleted uranium (DU) weapons, ammunition, and armor, including companies that manufacture armor piercing, fin stabilized, discarding sabot tracing rounds (APFSDS-T); Kinetic Energy Missiles made with DU penetrators; and DU-enhanced armor, including composite tank armor	--
	All companies that manufacture weapons that use non-detectable fragments to inflict injury to targets	--
	All companies that manufacture incendiary weapons using white phosphorus	--
MSCI Climate Change Metrics:		
Thermal Coal Mining	--	All companies that derive more than 30% of their revenue (either reported or estimated) from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties are excluded. It does not consider: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.

iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted (Version 2) and iBoxx MSCI USD Senior Corporates Investment Grade ESG Factor Weighted

Proposed Changes	Methodology	
	Current	Proposed
MSCI ESG Business Involvement Screening:	--	All companies that are involved in the production or retail of civilian firearms intended for civilian use, ammunition for such products, or is involved indirectly through ownership ties to companies involved in such products or services are excluded.

Proposed Changes	Current	Methodology	Proposed
Civilian Firearms			
MSCI ESG Business Involvement Screening: Controversial Weapons	--	<p>All companies that produce cluster munitions whole-weapons systems are excluded.</p> <p>All companies that produce whole weapons systems or essential intended or dual-use components for anti-personnel landmines and anti-vehicle landmines are excluded.</p> <p>All companies that are involved in the production of depleted uranium weapons, ammunition and armor are excluded.</p> <p>All companies that produce critical components for biological and chemical weapons systems are excluded.</p> <p>All companies that produce biological or chemical weapons systems are excluded.</p> <p>All companies that produce incendiary weapons using white phosphorus are excluded.</p>	
MSCI ESG Business Involvement Screening: Firearms Producers	All companies that manufacture firearms and small arms ammunitions for civilian markets		--
MSCI ESG Business Involvement Screening: Gambling	--	All companies that derive more than 30% of their total revenue (either reported or estimated) from gambling operations, including online or mobile gambling, and supporting activities in its most recently completed fiscal year are excluded.	
MSCI ESG Business Involvement Screening: Nuclear Weapons	All companies that manufacture key nuclear weapons components		--
	All companies that manufacture nuclear weapons, including nuclear warheads, intercontinental ballistic missiles, and ballistic missile submarines, which are capable of the delivery of nuclear warheads		--
	All companies that manufacture nuclear warheads and/or whole nuclear missiles including assembly and integration of warhead and missile body. This also includes companies with contracts to operate/manage government-owned facilities that manufacture nuclear warheads and missiles		--
	--	All companies that are involved in the production of nuclear weapons, exclusive and dual-use delivery platform capable to delivery such products, intended and dual-use components of such products, services provided for such products, or is involved indirectly through ownership ties to companies involved in such products or services are excluded.	
MSCI ESG Business Involvement Screening: Thermal Coal Production	--	All companies that disclose evidence of thermal coal production are excluded. Disclosure may range from precise volumes to more general statements about thermal coal production.	
MSCI Climate Change Metrics:	--	All companies that derive more than 30% of their revenue (either reported or estimated) from the mining	

Proposed Changes		Methodology
	Current	Proposed
Thermal Coal Mining		of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties are excluded. It does not consider revenue from metallurgical coal, coal mined for internal power generation (e.g. in the case of vertically integrated power producers), intra-company sales of mined thermal coal, and revenue from coal trading.
MSCI Climate Change Metrics: Unconventional Oil & Gas	--	All companies that derive more than 0% of their revenue (either reported or estimated) from unconventional oil and gas are excluded. It includes revenues (either reported or estimated) from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane. It does not consider all types of conventional oil and gas production including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore.
MSCI Climate Change Metrics: Oil & Gas	--	All companies that derive more than 0% of their revenue (either reported or estimated) from conventional oil and gas are excluded. It includes all types of conventional oil and gas production including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore. It does not consider revenues (either reported or estimated) from unconventional oil & gas (oil sands, shale oil, shale gas).

S&P DJI also proposes to update the quarterly exclusion list implementation for all impacted indices as detailed below.

Proposed Change		Methodology
	Current	Proposed
Additional Exclusions	Additional issuers are excluded, based on exclusion lists provided by MN Services N.V. as provided prior to quarter end of March, June, September, and December ten business days prior to month end. Exclusions remain valid until the issuers are specifically removed from the exclusion list prior the quarter end, as indicated above.	Additional issuers are excluded, based on exclusion lists provided by MN Services N.V. as provided prior to quarter end of February, May, August, and November , 10 business days prior to month end. Exclusions remain valid until the issuers are specifically removed from the exclusion list prior the quarter end, as indicated above.

IMPACTED INDICES

Index Name	ISIN (TRi)	ISIN (CRi)
iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted	GB00BGFQKW66	GB00BGFQKV59
iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted (Version 2)	GB00BL08MV59	GB00BL08MT38
iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted (Version 3)	GB00B9N2TJ78	GB00B9HK7151
iBoxx MSCI USD Senior Corporates Investment Grade ESG Factor Weighted	GB00BL0B1D93	GB00BL0B1C86

IMPACT ANALYSIS

S&P DJI conducted an analysis to assess the impact of the proposed changes based on the January 31, 2025 month-end rebalancing data.

- iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted
 - No change in constituents
- iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted (Version 3)
 - No change in constituents

CONSULTATION

3. iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted (Version 2)

- Four bonds would have been excluded, representing 0.31% of the total index weight. Please find the complete bond list below.

Ticker	Issuer	ISIN	Index Weight	Final Maturity	Coupon
FDJFP	LA FRANCAISE DES JEUX	FR001400U660	0.000617794	11/21/2030	3
FDJFP	LA FRANCAISE DES JEUX	FR001400U678	0.000619414	11/21/2033	3.375
FDJFP	LA FRANCAISE DES JEUX	FR001400U686	0.000621295	11/21/2036	3.625
CIMAU	CIMIC Finance Ltd	XS2346973741	0.001290616	05/28/2029	1.5

4. iBoxx MSCI USD Senior Corporates Investment Grade ESG Factor Weighted

- 15 bonds would have been excluded, representing 0.67% of the total index weight. Please find the complete bond list below.

Ticker	Issuer	ISIN	Index Weight	Final Maturity	Coupon
LVS	Las Vegas Sands Corp	US517834AE74	0.0006260	08/18/2026	3.5
LVS	Las Vegas Sands Corp	US517834AF40	0.0004495	08/08/2029	3.9
LVS	Las Vegas Sands Corp	US517834AJ61	0.0004840	06/01/2027	5.9
LVS	Las Vegas Sands Corp	US517834AK35	0.0003333	08/15/2029	6
LVS	Las Vegas Sands Corp	US517834AL18	0.0003304	08/15/2034	6.2
SANLTD	Sands China Ltd	US80007RAE53	0.0011092	08/08/2028	5.4
SANLTD	Sands China Ltd	US80007RAL96	0.0003744	06/18/2030	4.375
SANLTD	Sands China Ltd	US80007RAN52	0.0003802	03/08/2027	2.55
SANLTD	Sands China Ltd	US80007RAQ83	0.0003375	03/08/2029	2.85
SANLTD	Sands China Ltd	US80007RAS40	0.0002997	08/08/2031	3.75
VICI	VICI Properties LP	US925650AB99	0.0004893	02/15/2028	4.75
VICI	VICI Properties LP	US925650AC72	0.0003876	02/15/2030	4.95
VICI	VICI Properties LP	US925650AD55	0.0005673	05/15/2032	5.125
VICI	VICI Properties LP	US925650AF04	0.0002165	04/01/2034	5.75
VICI	VICI Properties LP	US925650AH69	0.0002846	11/15/2031	5.125

Additional data and analysis may be made available in the Client Resource Center www.spglobal.com/spdji/en/client-services/, which may be updated from time to time throughout the consultation without notice. The information will be posted for the duration of the consultation and up to 30 days thereafter at S&P DJI's discretion. Additional data and analysis may also be made available upon request.

IMPLEMENTATION TIMING

S&P DJI is proposing to implement the previously described methodology changes, if adopted, in conjunction with the May 25 month-end rebalancing, which takes effect prior to the market open on **June 2, 2025**. If adopted, the changes will first be visible to clients in preliminary membership files beginning on **May 6, 2025**.

QUESTIONS

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

1. Do you agree with the proposed changes to the MSCI ESG Business Involvement Screening and MSCI Climate Change Metrics for the iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted and iBoxx MSCI EUR Senior Corporates Investment Grade ESG Factor Weighted (Version 3) indices as detailed above?
2. Do you agree with the proposed changes to the MSCI ESG Business Involvement Screening and MSCI Climate Change Metrics for the iBoxx MSCI EUR Senior Corporates

CONSULTATION

Investment Grade ESG Factor Weighted (Version 2) and iBoxx MSCI USD Senior Corporates Investment Grade ESG Factor Weighted indices as detailed above?

- 3. Do you agree with the proposal to update the Additional Exclusions implementation timing?**
- 4. Should the proposed methodology changes be adopted, do you agree with the proposed implementation date?**
- 5. 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 **April 30, 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.

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