

# **S&P Guarded Indices** *Methodology*

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# Introduction

## Index Objective and Highlights

The S&P Guarded Indices measure the performance of eligible securities from an underlying index selected and weighted in an attempt to collectively enhance ESG profiles and reduce the carbon footprint with respect to the underlying index. The indices apply exclusions based on companies' involvement in specific business activities, performance against the principles of the United Nations' Global Compact (UNGC), and involvement in relevant ESG controversies, as defined in *Eligibility Criteria*.

The indices' weighting strategy aims to minimize the difference in constituent weights to the underlying parent index. In addition, the indices incorporate a variety of specified ESG and decarbonization targets and align with certain specified criteria through the use of optimization with multiple model constraints, including:

- improved S&P Global ESG Score compared to the respective underlying index
- reduced overall greenhouse gas (GHG expressed in CO<sub>2</sub> equivalents) emissions intensity compared to the respective underlying index
- constituent-level weight capping to address liquidity and diversification

The indices exclude companies from the underlying index with:

- involvement in specific business activities
- non-compliant UNGC principle violations
- involvement in relevant ESG controversies

## S&P Global ESG Scores

The indices use S&P Global ESG Scores. S&P Global Sustainable<sup>1</sup> calculates these scores and derives them from the 'Corporate Sustainability Assessment' (CSA). A company's CSA score is derived using either company-provided data, publicly available information, or a combination thereof.

*For more information on the CSA process, please refer to [www.spglobal.com/esg/csa](http://www.spglobal.com/esg/csa).*

*For more information on S&P Global ESG Scores, please refer [here](#).*

## Climate-Related Data

The indices use GHG Emissions data provided by S&P Trucost Limited (Trucost).

*For information on Trucost's methodology, please refer [here](#).*

## Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

Supporting Document	URL
S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology	<a href="#">Equity Indices Policies &amp; Practices</a>
S&P Dow Jones Indices' Index Mathematics Methodology	<a href="#">Index Mathematics Methodology</a>
S&P Dow Jones Indices' Float Adjustment Methodology	<a href="#">Float Adjustment Methodology</a>
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	<a href="#">GICS Methodology</a>

The methodology is created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

# Eligibility Criteria

## Index Universe

At each rebalancing, the index universe for each index is all constituents of the underlying index, as defined below.

S&P Guarded Index	Underlying Index
S&P 500 Guarded Index	S&P 500
S&P World Guarded Index	S&P World Index
S&P/TOPIX 150 Guarded Index	S&P/TOPIX 150 Index

For information on an underlying index, please refer to the respective index methodology, available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## Exclusions Based on Carbon Emissions Coverage

As of each rebalancing reference date, exclude companies without GHG emissions data coverage<sup>1</sup>, as provided by Trucost. Any Trucost data with financial year five years or more prior to the rebalancing reference date's year is considered as not covered.

## Exclusions Based on S&P Global ESG Score

As of each rebalancing reference date, exclude companies without coverage.<sup>2</sup>

## Exclusions Based on Business Activities

As of each rebalancing reference date, exclude the following:

- companies without coverage.
- companies involved in the following specific business activities, at the relevant level of involvement. Revenue is used as a proxy for all categories.

S&P Global Business Involvement	S&P Global Category of Involvement and Description	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
Controversial Weapons	<b>Customized Weapons:</b> The screen covers companies involved in the manufacturing of the components of a weapon. These components are intended solely for use in the production and are essential for the functioning of Anti-Personnel Mines, Biological and Chemical Weapons, Blinding Laser Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons and Nuclear Weapons.	>0%	≥25%
	<b>Related Products and Services:</b> The screen covers companies that supply products and/or services such as stockpiling and transferring, and sales for Anti-Personnel Mines, Biological and	>0%	≥25%

<sup>1</sup> For history prior to 2020, the data only included Scope 1 and Scope 2 GHG emissions.

<sup>2</sup> For history prior to launch, the rebalancings from 2019 to 2023 used S&P Global ESG Scores which may in some cases reflect restated values that would have only been available after the rebalancing reference date on which the values were used. All such restatements were due to a limited number of company MSA cases that occurred throughout the remainder of the same calendar year. As a result of this, a limited number of S&P Global ESG Scores used in the indices' backtests prior to launch may utilize information that was not available as of each historical rebalancing date and therefore be subject to look-ahead bias.

S&P Global Business Involvement	S&P Global Category of Involvement and Description	S&P DJI Level of Involvement Threshold	S&P DJI Significant Ownership Threshold
	Chemical Weapons, Blinding Laser Weapons, Cluster Munitions, Depleted Uranium, Incendiary Weapons, and Nuclear Weapons.		
Small Arms	<b>Production of Small Arms Weapons for Civilian Use:</b> The screen covers companies involved in the manufacturing of small arms weapons for civilian use.	>0%	≥25%
	<b>Production of Small Arms Weapons for Non-Civilian Use:</b> The screen covers companies involved in the manufacturing of small arms weapons for non-civilian use.	>0%	≥25%
	<b>Production of Key components:</b> The screen covers companies involved in the manufacturing of key components for assault weapons.	>0%	≥25%
	<b>Retail and Distribution of Small Arms Weapons:</b> The screen covers companies involved in the retail or distribution of small arms weapons for civilian customers.	≥5%	N/A
Military Contracting	<b>Integral Military Weapons:</b> The screen covers companies involved in the manufacturing, assembling, sale and transportation of integral military weapons.	≥10%	N/A
	<b>Weapon-related:</b> The screen covers companies involved in the manufacturing and sales of weapon-related products.	≥10%	N/A
Coal	<b>Thermal Coal Mining:</b> The screen covers companies that own and/or operate coal mines that engage in thermal coal mining.	≥5%	N/A
Thermal Coal	<b>Generation:</b> The screen covers companies involved in electricity generation using coal power plants.	≥5%	N/A
Oil Sands	<b>Extraction and/or Production:</b> This screen covers companies involved in the extraction and/or production of fossil fuels from oil sands/tar sands.	≥5%	N/A
Tobacco	<b>Production:</b> The screen covers companies involved in the manufacturing of tobacco.	>0%	≥25%
	<b>Related Products and Services:</b> The screen covers companies that supply essential products/services for the tobacco industry.	≥5%	N/A
	<b>Retail and Distribution:</b> The screen covers companies involved in the retail and/or distribution of tobacco as part of their offerings.	≥5%	N/A

Level of Involvement refers to the company's direct exposure to such products, while Significant Ownership indicates where the company has indirect involvement via some specified level of ownership of a subsidiary company with involvement.

For more information on the Business Involvement Screens data set, please refer [here](#).

### Exclusions Based on the UNGC

Sustainalytics' Global Standards Screening (GSS) provides an assessment of a company's impact on stakeholders and the extent to which a company causes, contributes, or is linked to violations of international norms and standards. The basis of the GSS assessments is the UNGC Principles. Information regarding related standards is also provided in the screening, including the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as well as their underlying conventions. Sustainalytics classifies companies into the following three statuses:

- **Non-Compliant.** Classification given to companies that do not act in accordance with the UNGC principles and the associated standards, conventions, and treaties.
- **Watchlist.** Classification given to companies that are at risk of violating one or more principles, for which all dimensions for Non-Compliant status could not be established or confirmed.
- **Compliant.** Classification given to companies that act in accordance with the UNGC principles and the associated standards, conventions, and treaties.

As of each rebalancing reference date, exclude the following:

- companies without coverage
- companies classified as Non-Compliant

Please refer to [www.sustainalytics.com](http://www.sustainalytics.com) for more information.

For more information on Sustainalytics, please refer to [www.sustainalytics.com](http://www.sustainalytics.com).

### **Controversies: Media and Stakeholder Analysis**

In addition to the above, S&P Global uses RepRisk for daily filtering, screening, and analysis of ESG risk incidents and controversial activities related to companies within the indices.<sup>3</sup>

In cases where risks are presented, S&P Global releases a Media and Stakeholder Analysis (MSA), which includes a range of issues such as economic crime and corruption, fraud, illegal commercial practices, human rights issues, labor disputes, workplace safety, catastrophic accidents, and environmental disasters.

The Index Committee reviews constituents flagged by S&P Global's MSA to evaluate the potential impact of controversial company activities on the composition of the indices. If the Index Committee decides to remove a company in question, the company is ineligible for re-entry into the index for at least one full calendar year, beginning with the subsequent rebalancing.

For more information on RepRisk, please refer to [www.reprisk.com](http://www.reprisk.com). This service is not considered a direct contribution to the index construction process.

### **Multiple Classes of Stock**

All publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria. For more information regarding the treatment of multiple share classes, please refer to Approach A within the Multiple Share Classes section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology. All publicly listed multiple share class lines of a company are assigned and assessed using the same S&P Global ESG score.

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<sup>3</sup> RepRisk, an ESG data science company, leverages the combination of AI and machine learning with human intelligence to systematically analyze public information in 23 languages and identify material ESG risks. With daily data updates across 100+ ESG risk factors, RepRisk provides consistent, timely, and actionable data for risk management and ESG integration across a company's operations, business relationships, and investments.

# Index Construction

## Constituent Selection

At each rebalancing, select the eligible constituents from each underlying index, subject to the optimization constraints below.

## Constituent Weighting

At each rebalancing reference date, determine constituents' weights to minimize the below objective function for each index.

$$\text{Minimize} \left( \frac{1}{N} \sum_{i=1}^N \left( \frac{(\text{Underlying Weight}_i - \text{Optimized Weight}_i)^2}{\text{Underlying Weight}_i} \right) + \frac{1}{K} \sum_{k=1}^K \left( \frac{(\text{Underlying Sector Weight}_k - \text{Optimized Sector Weight}_k)^2}{\text{Underlying Sector Weight}_k} \right) \right)$$

where:

$N$  = number of constituents selected

$K$  = number of sectors in the universe

## Optimization Constraints

As of each rebalancing reference date, the optimizer seeks to minimize the above objective function for each index in the series while satisfying all applicable combinations of the below ESG, carbon emissions, and index construction constraints.

**Table 1. ESG Constraint**

Constraint	Index	Data Source
Weighted-average S&P Global ESG Score ( <i>waESG</i> )	≥ 110% of underlying index <i>waESG</i> after excluding stocks without an S&P Global ESG Score	S&P Global Sustainable1

**Table 2. Decarbonization Target Constraints<sup>4</sup>**

Constraint**	Index	Data Source
Scope 1 & 2 Weighted-average Carbon Intensity ( <i>WACI</i> ) Target	≤ 90% of underlying scope 1 & 2 <i>WACI</i> after excluding stocks without Scope 1 & 2 GHG emissions	Trucost
Scope 1, 2 & 3 Weighted-average Carbon Intensity ( <i>WACI</i> ) Target	≤ 90% of underlying scope 1, 2 & 3 <i>WACI</i> after excluding stocks without Scope 1, 2 & 3 GHG emissions	Trucost

\*\* See *Constraint-Related Definitions* below.

**Table 3. Index Construction Constraints**

Constraint	Index
Diversification Relative Company Weight	± 2% from underlying index company weight

<sup>4</sup> For history prior to April 2020, the index only used Scope 1 and 2 *WACI* targets.

Constraint	Index
Minimum Stock Weight Lower Threshold	Existing constituents: $\geq 0.01\%$ New constituents: $\geq \max(0.01\%, \min(0.05\%, 0.5 \times \text{underlying stock weight}))$

### Constraint Relaxation Hierarchy

If the optimization does not achieve a solution for these indices, relax each constraint in the hierarchy, in the order listed below, and repeat, if necessary, until a solution is found. In each attempt at optimization, the constraints are further relaxed in the stated order; however, the Index Committee may revise the order of relaxation hierarchy if a particular constraint prevents the optimizer from finding a solution.

- Minimum Stock Weight Lower Threshold
- Scope 1, 2 & 3 WACI Target

The following constraints are considered hard constraints and are not relaxed:

- Weighted-Average S&P Global ESG Score (*waESG*)
- Diversification Relative Company Weight
- Scope 1 & 2 WACI Target

### Constraint-Related Definitions

#### Weighted-Average Carbon Intensity (WACI)

$$\text{Scope 1 \& 2 WACI} = \sum w_i \times \frac{GHG1_i + GHG2_i}{EVIC_i}$$

$$\text{Scope 1, 2 \& 3 WACI} = \sum w_i \times \frac{GHG1_i + GHG2_i + GHG3_i}{EVIC_i}$$

where:

- $w_i$  = weight of the company  $i$  in the index
- $GHG1_i$  = Scope 1 GHG emissions in tCO<sub>2</sub>e for the company  $i$
- $GHG2_i$  = Scope 2 GHG emissions in tCO<sub>2</sub>e for the company  $i$
- $GHG3_i$  = Scope 3 (upstream and downstream) GHG emissions<sup>5</sup> in tCO<sub>2</sub>e for the company  $i$
- $EVIC_i$  = enterprise value including cash of the company  $i$

This metric calculates using the GHG emissions dataset provided by Trucost.

### Index Calculations

The indices calculate by means of the divisor methodology used in all S&P Dow Jones Indices' equity indices.

*For more information on the index calculation methodology, please refer to the Non-Market Capitalization Weighted Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.*

<sup>5</sup> Scope 3 GHG emissions are included in the calculation of Carbon Intensity from April 2020. Prior to the April 2020 carbon intensity was calculated using only Scope 1 and Scope 2 GHG emissions.

# Index Maintenance

## Rebalancings

The indices rebalance semi-annually, effective after the close of the last business day of April and October. The rebalancing reference date is after the close of the last trading day of the prior month. Constituent weights calculated as a result of the rebalancing reference date data are implemented in the indices using closing prices seven business days prior to the rebalance effective date.

## Quarterly Eligibility Reviews<sup>6</sup>

**Business Activities.** The indices review index constituents for ongoing eligibility under the Business Activities criteria and remove, without replacement, all ineligible companies effective after the close of the last business day of July and January using a reference date as of after the close of the last business day of the previous month. The review does not consider or include coverage changes.

**UNGC.** The indices review index constituents for ongoing eligibility under the UNGC exclusion criteria and remove, without replacement, all ineligible companies effective after the close of the third Friday of March, June, September, and December using a reference date as of after the close of the last business day of the previous month. The review does not consider or include coverage changes.

## Quarterly Updates

Changes to a constituent's shares and IWF due to quarterly updates are effective after the close on the third Friday in March, June, September, and December.

## Additions and Deletions

**Additions.** Except for spin-offs, no stocks are added to the indices between rebalancings.

**Spin-offs.** Spin-offs are added to the index at the same AWF as the parent and are evaluated for continued index inclusion at the subsequent rebalancing.

**Deletions.** Stocks dropped from an underlying index are removed from the respective index simultaneously. Between rebalancings a stock can be deleted from an index due to corporate events such as mergers, takeovers, delistings, suspensions, spin-offs/demergers, or bankruptcies, or as part of the quarterly eligibility review process.

In addition, at the discretion of the Index Committee, a deletion may occur if an MSA is raised.

## Corporate Actions

For information on Corporate Actions, please refer to the Non-Market Capitalization Indices section of S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Currency of Calculation and Additional Index Return Series

The indices calculate in U.S. dollars and Japanese yen.

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<sup>6</sup> For history prior to September 2024, the indices did not apply the quarterly eligibility rule.

WMR foreign exchange rates are taken daily at 4:00 PM London Time and used in the calculation of the indices. These mid-market fixings are calculated by WMR based on LSEG data and appear on LSEG pages.

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to the following: currency, currency hedged, decrement, fair value, inverse, leveraged, and risk control versions. For a list of available indices, please refer to the [S&P DJI Methodology & Regulatory Status Database](#).

*For information on various index calculations, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

*For the inputs necessary to calculate certain types of indices, including decrement, dynamic hedged, fair value, and risk control indices, please refer to the Parameters documents available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).*

### **Base Dates and History Availability**

Index history availability, base dates, and base values are shown in the table below.

<b>Index</b>	<b>Launch Date</b>	<b>First Value Date</b>	<b>Base Date</b>	<b>Base Value</b>
S&P 500 Guarded Index	10/16/2024	04/30/2019	04/30/2019	1000
S&P World Guarded Index	10/16/2024	04/30/2019	04/30/2019	1000
S&P/TOPIX 150 Guarded Index	10/16/2024	04/26/2019	04/26/2019	1000

# Index Data

## Calculation Return Types

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.

For a complete list of indices available, please refer to the daily index levels file (“.SDL”).

*For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

*For more information on the calculation of return types, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.*

# Index Governance

## **Index Committee**

An Index Committee maintains the indices. The Index Committee meets regularly. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of the index to the market, companies that are being considered as candidates for addition to the index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

*For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

# Index Policy

## Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting the daily index calculation are typically announced in advance via the Index Corporate Events report (.SDE), delivered daily to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

## Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the indices rebalance. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents as well as corresponding weights and index shares effective for the upcoming rebalancing.

*Please visit [www.spglobal.com/spdji](http://www.spglobal.com/spdji) for a complete schedule of rebalancing timelines and pro-forma delivery times.*

## Holiday Schedule

The indices calculate daily, throughout the calendar year. The only days an index is not calculated are on days when all exchanges where an index's constituents are listed are officially closed or if WMR exchange rates services are not published.

A complete holiday schedule for the year is available at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

## Rebalancing

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

## Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

## Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

*For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.*

## Contact Information

For any questions regarding an index, please contact: [index\\_services@spglobal.com](mailto:index_services@spglobal.com).

# Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji](http://www.spglobal.com/spdji), major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

## Tickers

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to the [S&P DJI Methodology & Regulatory Status Database](#) for a complete list of indices covered by this document.

Index	Return Type	BBG	RIC
S&P World Guarded Index (USD)	Price Return	SPWRSGUP	.SPWRSGUP
	Total Return	SPWRSGUT	.SPWRSGUT
	Net Total Return	SPWRSGUN	.SPWRSGUN
S&P 500 Guarded Index (USD)	Price Return	SP5XSGUP-	.SP5XSGUP-
	Total Return	SP5XSGUT	.SP5XSGUT
	Net Total Return	SP5XSGUN	.SP5XSGUN
S&P/TOPIX 150 Guarded Index (USD)	Price Return	SPTPSGUP	.SPTPSGUP
	Total Return	SPTPSGUT	.SPTPSGUT
	Net Total Return	SPTPSGUN	.SPTPSGUN

## Index Data

Daily constituent and index level data are available via subscription.

For product information, please contact S&P Dow Jones Indices, [www.spglobal.com/spdji/en/contact-us](http://www.spglobal.com/spdji/en/contact-us).

## Website

For further information, please refer to S&P Dow Jones Indices' Web site at [www.spglobal.com/spdji](http://www.spglobal.com/spdji).

# Appendix A

## Indices in this Methodology Employing Backward Data Assumption

S&P 500 Guarded Index

S&P World Guarded Index

S&P/TOPIX 150 Guarded Index

### Backward Data Assumption

The indices employ a “Backward Data Assumption” method for some datapoints used in the derivation of historical index membership prior to the Live Data Effective Date (defined below). The “Backward Data Assumption” method involves applying the earliest available actual live data point for an index constituent to all prior, historical instances of that constituent in the index universe.

Backward Data Assumption affects only the historical, hypothetical constituents of any index back-test. Only actual live data is ever used in live index rebalancings and in the historical rebalancing calculation of an index after its Live Data Effective Date.

*For more information on S&P DJI’s principles and processes for using Backward Data Assumption, please refer to the [FAQ](#).*

### Designated Datasets Subject to Backward Data Assumption

The Backward Data Assumption within the historical back-test, with respect to the indices identified above, applies only to designated datasets and associated time horizons as defined below. For each designated dataset, all historical rebalancing events prior to the Live Data Reference Date listed below are subject to use of the Backward Data Assumption.

Data Provider	Designated Dataset	Live Data Reference Date	Live Data Effective Date
S&P Global Sustainable <sup>1</sup>	Business Activity Exclusions	09/30/2022	11/01/2022

The Live Data Reference Date refers to the first rebalancing reference date from which only actual live data is used.

The Live Data Effective Date refers to the first date from which index constituents are determined solely on actual live data for each respective dataset.

### Exclusions Based on Missing Coverage

This index excludes companies based on missing coverage with respect to the designated datasets above. However, for rebalancing dates prior to each respective Live Data Reference Date, the eligibility of companies is determined based on the coverage after applying the Backward Data Assumption and is not dictated by actual live data coverage.

## Historical Coverage Assessment per Designated Dataset

**S&P Global Sustainable1 Business Activity Exclusions Coverage** (with respect to underlying index universe):

### S&P World Guarded Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2019	1691	n/a	n/a	1665	99.4%
2020	1639	n/a	n/a	1630	99.8%
2021	1693	n/a	n/a	1687	99.9%
2022	1604	1589	99.9%	n/a	n/a
2023	1547	1537	99.9%	n/a	n/a
2024	1540	1527	99.9%	n/a	n/a

### S&P 500 Guarded Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2019	505	n/a	n/a	501	99.5%
2020	505	n/a	n/a	505	100.0%
2021	505	n/a	n/a	504	99.9%
2022	503	503	100.0%	n/a	n/a
2023	503	502	99.9%	n/a	n/a
2024	503	502	99.9%	n/a	n/a

### S&P/TOPIX 150 Guarded Index

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2019	150	n/a	n/a	148	98.8%
2020	150	n/a	n/a	149	98.8%
2021	150	n/a	n/a	150	100.0%
2022	150	150	100.0%	n/a	n/a
2023	150	150	100.0%	n/a	n/a
2024	150	150	100.0%	n/a	n/a

# Appendix B

## Historical Back-test Rule Deviations

**Decarbonization Target Constraints.** Scope 1, 2, and 3 Weighted-Average Carbon Intensity (WACI) targets were introduced as of April 2020. For history prior to April 2020, the index only used Scope 1 and 2 WACI targets.

# Disclaimer

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