

S&P Paris-Aligned Climate Select Indices *Methodology*

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Table of Contents

Introduction	3
Index Objective	3
Highlights	3
Climate-Related Data	4
Supporting Documents	4
Eligibility Criteria	5
Index Universe	5
Eligibility Factors	5
Exclusions Based on Business Activities	5
Exclusions Based on Sustainalytics' Global Standards Screening	6
Exclusions Based on Revenue Thresholds in Fossil Fuel Operations and Power Generation	6
Controversies Screening	7
Multiple Classes of Stock	7
Index Construction	8
Constituent Selection	8
Constituent Weightings	10
Index Calculations	10
Index Maintenance	11
Rebalancing	11
Additions and Deletions	11
Ongoing Maintenance	11
Corporate Actions	11
Currency of Calculation and Additional Index Return Series	12
Base Dates and History Availability	12
Index Data	13
Calculation Return Types	13
Index Governance	14
Index Committee	14
Index Policy	15
Announcements	15
Pro-forma Files	15
Holiday Schedule	15

	Rebalancing	15
	Unexpected Exchange Closures	15
	Recalculation Policy	15
	Contact Information	15
Index Dissemination		16
	Tickers	16
	Index Data	16
	Website	16
Appendix A		17
	Indices in this Methodology Employing Backward Data Assumption	17
	Backward Data Assumption	17
	Designated Datasets Subject to Backward Data Assumption	17
	Exclusions Based on Missing Coverage	17
	Historical Coverage Assessment per Designated Dataset	17
Appendix B		19
	Indices in this Methodology with Historical Back-Test Rule Deviations	19
Appendix C		20
	Index Anchor Date of Decarbonization Trajectory	20
Appendix D		21
	Methodology Changes	21
Appendix E		22
	ESG Disclosures	22
Disclaimer		26
	Performance Disclosure/Back-Tested Data	26
	Intellectual Property Notices/Disclaimer	27
	ESG Indices Disclaimer	29

Introduction

Index Objective

The S&P Paris-Aligned Climate Select Index Series measures the equal weighted performance of a targeted number of eligible equity securities, drawn from an underlying index, that are selected from some of the largest float-adjusted market capitalization (FMC) companies to be collectively compatible with a 1.5°C global warming climate scenario¹ at the index level. The indices apply exclusions based on companies' involvement in specific business activities, violations of the principles of the United Nations' Global Compact (UNGC), and involvement in relevant ESG controversies, as defined in *Eligibility Criteria*.

Highlights

The indices aim to meet the minimum standards for EU Paris-aligned Benchmarks (EU PABs) under Regulation (EU) 2019/2089 amending Regulation (EU) 2016/1011². The law proposes the definitions of minimum standards for the methodology of any 'EU Paris-Aligned' benchmark indices that would be aligned with the objectives of the Paris Agreement³, and addresses the risk of greenwashing.

Should a material change to the methodology be required as a consequence of any change made by the EU to the minimum standards for EU PABs, S&P Dow Jones Indices will issue an announcement before the change is implemented (and in these circumstances, S&P Dow Jones Indices would not conduct a formal consultation). For clarity, any other methodology change will follow S&P Dow Jones Indices' standard processes, which may include a consultation.

The index has the following key features:

- companies are selected based on FMC;
- reduced overall greenhouse gas (GHG, expressed in CO₂ equivalents) emissions intensity compared to its respective underlying parent index by at least 50%;
- minimum self-decarbonization rate of GHG emissions intensity in accordance with the trajectory implied by the Intergovernmental Panel on Climate Change's (IPCC) most ambitious 1.5°C scenario, equating to at least 7% GHG intensity reduction on average per annum;
- exposure to sectors with high impact on climate change at least equivalent to its underlying index (to mitigate greenwashing).

All indices in the series feature the exclusion of companies from the underlying index with:

- involvement in specific business activities
- non-compliant United Nations Global Compact (UNGC) principle violations
- involvement in relevant ESG controversies
- revenues from coal, oil, or natural gas exploration or processing activities exceed defined thresholds, and electricity generation companies that exceed a stated revenues threshold.

¹ A climate scenario of 1.5°C above preindustrial levels has been deemed important by the IPCC: Masson-Delmotte, V., Zhai, P., Pörtner, H. O., Roberts, D., Skea, J., Shukla, P. R. Waterfield, T. (2018). Global warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C. IPCC, available at <https://www.ipcc.ch/sr15/>.

² Pursuant to Articles 19(a)(2) and 19(b)(1) of Regulation (EU) 2019/2089, Commission Delegated Regulation (EU) 2020/1818 lays down the minimum standards for EU CTBs and EU PABs <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32020R1818>.

³ UNFCCC. (2015). The Paris Agreement: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>.

Climate-Related Data

S&P Trucost Limited (Trucost) Data Used: GHG Emissions and Sector Revenues.

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	Equity Indices Policies & Practices
S&P Dow Jones Indices' Index Mathematics Methodology	Index Mathematics Methodology
S&P Dow Jones Indices' Float Adjustment Methodology	Float Adjustment Methodology
S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology	GICS Methodology

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.

The Benchmark Administrator for the indices under this methodology is S&P DJI Netherlands B.V.

Eligibility Criteria

Index Universe

At each rebalancing reference date, the index universe consists of all constituents of an underlying index, as defined below:

S&P Paris-Aligned Climate Index Series	Underlying Index
S&P Eurozone 50 Paris-Aligned Climate Select Index	S&P Eurozone LargeCap

For information on an underlying index, please refer to the respective index methodology, available at www.spglobal.com/spdji/.

Eligibility Factors

As of each rebalancing reference date, companies in the index universe must satisfy the following to be eligible for index inclusion:

- **Listing:** be EUR-denominated.
- **Liquidity:** have at least a three-month Median Daily Value Traded (MDVT) of EUR €10 million.
- **Carbon Emissions Coverage:** have GHG Emissions data, as provided by S&P Trucost Limited ("Trucost")⁴

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	Customized Weapons: 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%
Tobacco	Production: The screen covers companies involved in the manufacturing of tobacco.	>0%	≥25%
	Related Products and Services: The screen covers companies that supply essential products/services for the tobacco industry.	≥5%	≥25%
	Retail and Distribution: The screen covers companies involved in the retail and/or distribution of tobacco as part of their offerings.	≥5%	≥25%

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 S&P Global Business Involvement Screens data set, please refer [here](#).

⁴ The data must include all Scope 1, Scope 2, and Scope 3 (upstream and downstream) emissions.

Exclusions Based on Sustainalytics' Global Standards Screening

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 United Nations (UN) Global Compact 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 its 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 its 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 <http://www.sustainalytics.com/> for more information.

Exclusions Based on Revenue Thresholds in Fossil Fuel Operations and Power Generation

As of each rebalancing reference date, exclude companies if the sum of the revenues derived from the relevant Trucost sectors breach the following thresholds:

Exclusion Type	Trucost Revenue Sectors	Revenue Threshold
Coal Exploration or Processing	Bituminous Coal and Lignite Surface Mining Bituminous Coal Underground Mining All Other Petroleum and Coal Products Manufacturing Pipeline Transportation	≥ 1%
Oil Exploration or Processing	All Other Petroleum and Coal Products Manufacturing Crude Petroleum and Natural Gas Extraction Drilling Oil and Gas Wells Support Activities for Oil and Gas Operations Petroleum Lubricating Oil and Grease Manufacturing Mining and Oil and Gas Field Machinery Manufacturing Tar Sands Extraction Petroleum Refineries Petrochemical Manufacturing Pipeline Transportation	≥ 10%
Natural Gas Exploration or Processing	Crude Petroleum and Natural Gas Extraction Drilling Oil and Gas Wells Support Activities for Oil and Gas Operations Mining and Oil and Gas Field Machinery Manufacturing Natural Gas Liquid Extraction Natural Gas Distribution Industrial Gas Manufacturing Pipeline Transportation	≥ 50%
Power Generation	Coal Power Generation Petroleum Power Generation Natural Gas Power Generation Biomass Power Generation	≥ 50%
Coal Exploration or Processing or Coal Power Generation	Bituminous Coal and Lignite Surface Mining Bituminous Coal Underground Mining All Other Petroleum and Coal Products Manufacturing	≥ 25%

Exclusion Type	Trucost Revenue Sectors	Revenue Threshold
	Pipeline Transportation Coal Power Generation	

These exclusions use a sector revenues dataset from Trucost.

Controversies Screening

Companies are monitored by RepRisk, a leading provider of business intelligence on environmental, social, and governance risks. RepRisk analyzes companies for related controversies, including 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. Using this data, each company is assigned a Two Year Peak RepRisk (RRI) Indicator (RRI Indicator). A company is defined as a risk if the RRI Indicator is equal to or above 60.

As of each rebalancing reference date, exclude any company defined as a risk selection for at least two years from the first date the RRI is equal to or above 60. That company remains ineligible for index inclusion until the Peak RRI value drops below 60.

For more information on RepRisk, please refer to www.reprisk.com.

Multiple Classes of Stock

Each company is represented once by the Designated Listing. For more information regarding the treatment of multiple share classes, please refer to Approach B within the Multiple Share Classes section of the S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

Index Construction

Constituent Selection

Target Count: The target number of constituents for each index, selected from the underlying index universe, is:

Index	Target Count
S&P Eurozone 50 Paris-Aligned Climate Select Index	50

Carbon Intensity Target. Carbon intensity targets are used in the index selection process. The Carbon Intensity (CI) of company i , as of the rebalancing reference date t , is defined by:

$$CI_{i,t} = \frac{GHG1_i + GHG2_i + GHG3_i}{EVIC_{i,t}}$$

where:

$GHG1_i$ = Scope 1 GHG emissions in tCO₂e for the company i

$GHG2_i$ = Scope 2 GHG emissions in tCO₂e for the company i

$GHG3_i$ = Scope 3 (upstream and downstream) GHG emissions⁵ in tCO₂e for the company i

$EVIC_{i,t}$ = enterprise value including cash of the company i as at the rebalance reference date, t

The Weighted Average Carbon Intensity of an index is defined by:

$$WACI = \sum w_{i,t} \times \frac{GHG1_i + GHG2_i + GHG3_i}{EVIC_{i,t}}$$

where:

$w_{i,t}$ = weight of the company i in the index as of the rebalancing reference date t

This metric is calculated using the GHG emissions dataset provided by Trucost.

At each rebalancing date, each index's WACI must conform to the following two requirements:

- Be 50% lower than the underlying index's weighted-average carbon intensity⁶ for PAB indices – these are the *'Relative WACI Targets'*
- Be self-decarbonized to at least the level defined by its decarbonization trajectory target for the current rebalancing date, which is calculated using a 7% annual reduction rate (adjusted for EVIC inflation) from the Index Anchor Date⁷ – the *'Decarbonization Trajectory WACI Target.'*

⁵ Scope 3 GHG emissions have been included in the calculation of Carbon Intensity since the 'Anchor Date' of the indices. Prior to the 'Anchor Date' of the indices, carbon intensity has been calculated using only scope 1 and scope 2 GHG. Please see Appendix B for details on the 'Anchor Date' of the indices.

⁶ Defined as *'Underlying WACI'*.

⁷ The 'Index Anchor Date' is the date of the reference index composition and base carbon intensity calculation used to determine the index's decarbonization trajectory. It is the rebalancing reference date for the most recent index rebalancing prior to the index's launch date. Please see *Appendix B* for details on the 'Anchor Date' of the indices.

Relative WACI Target	Decarbonization Trajectory WACI Target
$\leq \text{UnderlyingWACI} \times 50\% \times \text{Buffer}^*$ (PAB)	$\leq \text{AnchorWACI}^{**} \times \frac{(1-7\%)^{(q/4)}}{1+Inf} \times \text{Buffer}^*$ <p>where:</p> <p>q = number of quarterly rebalancings since index launch</p> <p>Inf = Enterprise Value Including Cash (EVIC) growth of the underlying index since index Anchor Date.</p>

* The buffer is a constant, set at 95%.

** The 'AnchorWACI' is defined as the *UnderlyingWACI* x 50% at the Index Anchor Date for PAB indices.

To ensure that the WACI of the indices satisfies both constraints, the 'TargetWACI' is defined as the minimum between the Relative WACI Target and the Decarbonization Trajectory WACI Target.

Constituent Selection Calculation Process. At each rebalancing, select the target number of constituents from the eligible constituents in the index universe using the following process:

- 1) The constituents of the underlying index are assigned a status of either 'High' or 'Low Climate Impact' based on their GICS Sub-Industry Group.

For information on the assignment please see [here](#).

- 2) Calculate the total weight of the constituents of the underlying index that belong to High Climate Impact Sectors (*HIW*):

$$\text{UniverseHIW} = \sum \text{weight}_i * \text{Climate Impact}_i \begin{cases} \text{High} & 1 \\ \text{Low} & 0 \end{cases}$$

where:

UniverseHIW = The total weight of constituents in the underlying index designated as belonging to a High Climate Impact Sector.

weight_i = The index weight of constituent *i* in the underlying index.

Climate Impact_i = The climate impact designation of constituent *i*.

- 3) Calculate the count of constituents with a High Climate Impact designation the index will target in its selection process that belong to the High Impact Target (*HIT*):

$$\text{HIT} = \text{roundup}(\text{UniverseHIW} * \text{TargetCount})$$

where: *TargetCount* = The target count of the index, as specified in the *Target Count* section.

- 4) Select the *HIT* count by selecting companies, ranked by FMC, among the eligible companies with "High Climate Impact" designation.
- 5) Select the rest of the of the constituents until the target count is reached by including the largest FMC constituents from the eligible companies not selected in step 4 (irrespective of their impact sector classification).
- 6) Calculate the weighted average carbon intensity of the selected constituents ('*SelectedWACI*').

If *SelectedWACI* > *TargetWACI*, drop the stock with the largest CI among the selected stocks, then repeat steps 4, 5, and 6 until the *SelectedWACI* ≤ *TargetWACI*. The process repeats iteratively until *SelectedWACI* ≤ *TargetWACI*.

If *SelectedWACI* ≤ *TargetWACI*, the stocks selected in step 5 become the constituents of each respective index.

- 7) If in step 6, after excluding the stock with the largest CI, the number of eligible stocks drops below the Target Count, the Target Count for this rebalancing is decreased by one and the process resets and starts again from step 3. The process repeats iteratively until the constraints in step 6 are satisfied, provided the Target Count remains greater than or equal to the Minimum Count in the table below. If,

after the minimum count is reached, the constraints still cannot be satisfied, no further relaxations will take place and the TargetWACI constraint will not be met.

Index	Minimum Count
S&P Eurozone 50 Paris-Aligned Climate Select Index	30

Constituent Weightings

At each rebalancing, constituents are equal weighted.

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 Equal Weighted Indices section of S&P Dow Jones Indices' Index Mathematics Methodology.

Index Maintenance

Rebalancing

The indices rebalance quarterly, effective after the close of the third Friday of March, June, September, and December. The rebalancing reference date is the third Friday of the prior month.

As part of the rebalancing process, constituent stock weights are updated. Weights calculated as a result of the reference date data are implemented in the indices using closing prices seven business days prior to the rebalancing effective date. Since index shares are assigned based on prices prior to the rebalancing, the actual weight of each stock at the rebalancing will differ from these weights due to market movements.

For information on the Multi-Day Rebalancing process, please refer S&P Dow Jones Indices' Index Mathematics Methodology.⁸

S&P Dow Jones Indices monitors UNGC compliance on best effort basis until the initial announcement of the rebalancing results. If a company's UNGC compliance status changes any time prior to the rebalancing results announcement and no longer qualifies for the index S&P Dow Jones Indices may, at its discretion, exclude the company in conjunction with the rebalancing.

Additions and Deletions

Additions. Except for spin-offs, no stocks are added to the indices between rebalance dates. Spinoffs are added to all indices where the parent security is a constituent at a zero price at the market close of the day before the ex-date (with no divisor adjustment) and are removed after at least one day of regular way trading (with a divisor adjustment).

Deletions. If a stock is dropped from an underlying index, it is also removed from the respective S&P Paris-Aligned Climate Select 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.

Ongoing Maintenance

Index constituents are drawn from the underlying index or component indices. Specific changes to index constituents, such as share changes, Investable Weight Factor (IWF) changes, dividend distributions, and price adjustments, follow the policies of the underlying index.

For more information on Share Updates, Float Adjustment, and IWFs, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology and S&P Dow Jones Indices' Float Adjustment Methodology.

The indices are reviewed on an ongoing basis to account for corporate events such as mergers, takeovers, delistings, suspensions, spin-offs/demergers, or bankruptcies. Changes to index composition and related weight adjustments are made as soon as they are effective. These changes are typically announced prior to the implementation date.

Corporate Actions

⁸ For history prior to launch the indices did not apply the multi-day rebalancing process; the indices reconstituted on a single day after the close of the last business day of March, June, September, and December.

For more information on Corporate Actions, please refer to the Equal Weighted 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 euros and U.S. dollars.

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/.

Base Dates and History Availability

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

Index	Launch Date	First Value Date	Base Date	Base Value
S&P Eurozone 50 Paris-Aligned Climate Select Index	03/28/2022	12/31/2010	12/31/2010	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.

Press releases are posted on the Web site, www.spglobal.com/spdji/, and are released to major news services.

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 their corresponding weights and index shares effective for the upcoming rebalancing.

Please visit 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/.

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.

Index Dissemination

Index levels are available through S&P Dow Jones Indices' Web site at 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 Eurozone 50 Paris-Aligned Climate Select Index (EUR)	Price Return	SPEZPSEP	.SPEZPSEP
	Total Return	SPEZPSET	.SPEZPSET
	Net Total Return	SPEZPSEN	.SPEZPSEN

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.

Website

For further information, please refer to S&P Dow Jones Indices' Web site at www.spglobal.com/spdji/.

Appendix A

Indices in this Methodology Employing Backward Data Assumption

S&P Eurozone 50 Paris-Aligned Climate Select Index

Backward Data Assumption

The index employs 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
Sustainalytics	Business Activity Exclusions	02/28/2020	04/01/2020

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

Sustainalytics Business Activity Exclusions Coverage (with respect to underlying index universe):

S&P Eurozone 50 Paris-Aligned Climate Select Indices:

Rebalancing Date	Underlying Index	Point-in-Time Data		After Using the Data Assumption	
	Stock Count	Stock Count	Index Weight	Stock Count	Index Weight
2010	120	0	0.0%	118	99.9%
2011	125	0	0.0%	124	99.9%
2012	119	0	0.0%	117	99.9%

Rebalancing Date	Underlying Index Stock Count	Point-in-Time Data		After Using the Data Assumption	
		Stock Count	Index Weight	Stock Count	Index Weight
2013	132	119	96.7%	130	99.8%
2014	143	136	97.2%	142	99.9%
2015	151	145	99.7%	151	100.0%
2016	154	151	99.7%	154	100.0%
2017	148	147	99.8%	148	100.0%
2018	153	152	99.8%	153	100.0%
2019	137	136	99.9%	137	100.0%
2020	136	135	99.9%	n/a	n/a
2021	135	135	100.0%	n/a	n/a

Coverage for each Sustainalytics Category of Involvement may differ due to the initiation of coverage for each sub-dataset. Actual live data coverage for each sub-dataset is therefore zero before its respective Coverage Initiation Date provided below:

Sustainalytics Category of Involvement	Coverage Initiation Date
Controversial Weapons: Tailor-made and Essential	12/31/2012
Controversial Weapons: Significant ownership (Tailor-made and Essential)	12/31/2018
Tobacco: Production	12/31/2012
Tobacco: Related Products/Services	12/31/2012
Tobacco: Retail	12/31/2012
Tobacco: Significant ownership (production)	12/31/2018
Tobacco: Significant ownership (related products/services)	12/31/2018
Tobacco: Significant ownership (retail)	12/31/2018

Appendix B

Indices in this Methodology with Historical Back-Test Rule Deviations

S&P Eurozone 50 Paris-Aligned Climate Select Index. For history prior to 01/03/2022, controversies screening was not applied.

Appendix C

Index Anchor Date of Decarbonization Trajectory

The index 'Anchor Date' is the date of the reference index composition and base carbon intensity calculation used to determine the index's decarbonization trajectory. It is the rebalancing reference date for the most recent index rebalancing prior to the index's launch date.

Prior to the index 'Anchor Date' rebalancing reference date for the first index is used to determine the index's decarbonization trajectory.

Index	First Value Date	Anchor Date	Launch Date
S&P Eurozone 50 Paris-Aligned Climate Select Index	01/01/2011	11/30/2021	03/28/2022

Appendix D

Methodology Changes

Methodology changes since March 28, 2022, are as follows:

Change	Effective Date (After Close)	Previous	Methodology Updated
Exclusions Based on Business Activities: Data Provider	06/21/2024	Sustainalytics provides the data for exclusions based on business activities.	S&P Global provides the data for exclusions based on business activities.
Rebalancing: All Indices	09/15/2023	The indices rebalance quarterly, effective after the close of the last business day of March, June, September, and December. The rebalancing reference date for each rebalance is the last trading day of the prior month.	The indices rebalance quarterly, effective after the close of the third Friday of March, June, September, and December. The rebalancing reference date for each rebalance is the third Friday of the prior month.

Appendix E

ESG Disclosures

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY ⁹			
1.	Name of the benchmark administrator.	S&P DJI Netherlands B.V.	
2.	Underlying asset class of the ESG benchmark. ¹⁰	Equity	
3.	Name of the S&P Dow Jones Indices benchmark or family of benchmarks.	S&P Paris-Aligned & Climate Transition (PACT) Index Family Benchmark Statement	
4.	Do any of the indices maintained by this methodology take into account ESG factors?	Yes	
5.	If the response to (4) is “Yes,” the indices stated here take into account ESG factors.	For a list of the benchmarks within this family that take in account ESG factors, please refer to the S&P DJI Methodology & Regulatory Database .	
6.	Where the response to (4) is ‘Yes’, the section below lists those ESG factors that are taken into account by the ESG indices governed by the methodology, including those ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816.		
6.a	List of environmental factors considered	ESG Factor¹¹	S&P DJI ESG Factor
		Greenhouse gas (GHG) intensity of the benchmark.	Transition Risk Constraints: <i>Weighted-average Carbon Intensity (WACI) Target; 7% Decarbonization Trajectory WACI Target.</i> Carbon Emissions Coverage.
			Comment Selection. For more information, please refer to the ‘ <i>Index Construction</i> ’ section of the methodology. Exclusion. For more information, please refer to the ‘ <i>Eligibility Criteria</i> ’ section of the methodology

⁹ The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology and the retained EU law in the UK [The Benchmarks (amendment and Transitional Provision) (EU Exit) Regulations 2019].

¹⁰ The ‘underlying assets’ are defined in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

¹¹ ‘ESG factors’ are defined in Annex II of European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY⁹			
	Degree of exposure of the portfolio to the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council as a percentage of the total weight in the portfolio.	Transition Risk Constraints: <i>High Climate Impact</i> designations.	Selection. For more information, please refer to the <i>'Index Construction'</i> section of the methodology.
	N/A	Fossil Fuel Operations and Power Generation	Exclusion. For more information, please refer to the <i>'Eligibility Criteria'</i> section of the methodology.
	N/A	Controversies Screening	Exclusion. For more information, please refer to the <i>'Eligibility Criteria'</i> section of the methodology.
6.b List of social factors considered.	International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a 'controversial weapon'.	Business Activities: <i>Controversial Weapons</i>	Exclusion. For more information, please refer to the <i>'Eligibility Criteria'</i> section of the methodology.
	Weighted average percentage of benchmark constituents in the controversial weapons sector.	Business Activities: <i>Controversial Weapons</i>	Exclusion. For more information, please refer to the <i>'Eligibility Criteria'</i> section of the methodology.
	Weighted average percentage of benchmark constituents in the tobacco sector.	Business Activities: <i>Tobacco</i>	Exclusion. For more information, please refer to the <i>'Eligibility Criteria'</i> section of the methodology.
	Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	UNGC Non-Compliant Companies	Exclusion. For more information, please refer to the <i>'Eligibility Criteria'</i> section of the methodology.
	N/A	Controversies Screening	Exclusion. For more information, please refer to the <i>'Eligibility Criteria'</i> section of the methodology.
6.c List of governance factors considered.	N/A	Controversies Screening	Exclusion. For more information, please refer to the <i>'Eligibility Criteria'</i> section of the methodology.
7.	Data and standards used.		

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY⁹

7.a	Data sources, verification, and quality of data.	<p>The datasets are defined as either:</p> <ul style="list-style-type: none"> - <u>Reported</u>: All data in the dataset are provided as disclosed by companies, or as stated in the public domain. - <u>Modeled</u>: All data are derived using a proprietary modelling process with only proxies used in the creation of the dataset. - <u>Reported and Modeled</u>: The dataset is either a mix of reported and modeled data or is derived by the vendor using reported data/information in a proprietary scoring or determination process. <p>The index methodology uses the following ESG datasets.</p>
	Data Source.	Dataset.
	S&P Trucost Limited (a part of S&P Global) (external data source)	<p>This methodology uses several datasets provided by S&P Trucost Limited:</p> <ul style="list-style-type: none"> • Greenhouse gas emissions and emissions disclosure dataset (Reported and Modeled) • Trucost sector revenues dataset (Reported and Modeled) <p><i>For information on Trucost, please refer here.</i></p>
	RepRisk (external data source)	<p>RepRisk Indicator ("RRI"): Two-year Peak RRI (Reported and Modeled) – RepRisk, a leading provider of business intelligence on environmental, social, and governance risks. RepRisk analyzes companies for related controversies, including 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. Using this data, each company is assigned a Two Year Peak RepRisk (RRI) Indicator (RRI Indicator).</p> <p><i>For more information about RepRisk's RRI, please refer to http://www.reprisk.com/.</i></p>
	S&P Global (external data source)	<p>S&P Global Business Involvement Screens (Reported and Modeled) – The dataset tracks the business activities, products and services that companies are involved in. The S&P Global Business Involvement Screens provide detailed assessments of common areas of investor concern pinpointing the precise level of involvement, from production to operations and distribution, to inform values-based investment strategies.</p> <p><i>For more information about S&P Global's Business Involvement Screens, please refer to https://www.spglobal.com/esg/solutions/portfolio-analytics-businessinvolvement-analytics.</i></p>
	Sustainalytics (external data source)	<p>This methodology uses the following datasets provided by Sustainalytics, a global leader in sustainability research and analytics:</p> <ul style="list-style-type: none"> • Global Standards Screening (Reported and Modeled) <p><i>For more information, please refer to www.sustainalytics.com.</i></p>
7.b	Verification and quality of data.	<p>The data quality process involves regular reviews of new data received, and includes comparison with previous data, outlier and error checks and escalation of suspect data to data vendors. S&P DJI also holds regular feedback sessions with data partners and vendors to share any quality concerns and to remedy any issues that are observed during data validations performed by the Global Data Management Team. In addition, all users of third-party data perform their own review of data used in the maintenance of indices. Many of the third-party data used by S&P DJI is reviewed against secondary and tertiary data sources for cross comparison and validation. Some more thematic or specific datasets may not have a comparable data source that can be used for comparison, but these datasets are still reviewed for internal consistency and self-comparison over time.</p>
7.c	Reference standards.	<p>Data is sourced from Trucost, which uses the following standards:</p> <ul style="list-style-type: none"> • <i>Scopes 1 and 2</i>: the GHG Protocol Corporate Standard. • <i>Scope 3 (upstream & downstream)</i>: The Corporate Value Chain Standard, which is a supplement to the GHG Protocol specific to Scope 3.

EXPLANATION OF HOW ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) FACTORS ARE REFLECTED IN THE KEY ELEMENTS OF THE BENCHMARK METHODOLOGY⁹	
Appendix latest update:	March 2024 – Changes to reflect methodology updates, effective June 2024
Appendix Updates	September 2023 – Added section 7c.
Appendix first publication:	March 2022

Disclaimer

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Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

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