

**S&P ESG Factor Weighted
Index Series
*Methodology***

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Introduction

Each index in the S&P Environmental, Social, and Governance (ESG) Factor Weighted Index Series is designed to measure the performance of companies in its respective underlying index, with a weighting scheme based on an ESG Factor Score. These scores are derived from RobecoSAM's annual Corporate Sustainability Assessment (CSA).

This methodology was 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.

Index Family

The S&P ESG Factor Weighted Index Series consists of the following indices:

- S&P Global 1200 ESG Factor Weighted Index
- S&P 500 ESG Factor Weighted Index
- S&P Europe 350 Factor Weighted Index
- S&P/TOPIX 150 ESG Factor Weighted Index¹
- S&P/TSX 60 ESG Factor Weighted Index²

Collaboration

This index series is generated and published under agreements between S&P Dow Jones Indices and RobecoSAM.

Highlights

The constituents of each index are members of one or more underlying indices. As part of the semi-annual rebalancing process, each index constituent is assigned its most recent ESG Factor Score. Constituent weights are then determined based on the ESG Factor Scores and the underlying index GICS sector allocations. This allows for the creation of an index portfolio where the overall sustainability profile is greater than its underlying index.

¹ For detailed information on the S&P/TOPIX 150 ESG Factor Weighted Index, please refer to its methodology document available at www.spdji.com.

² For detailed information on the S&P/TSX 60 Factor Weighted Index, please refer to its methodology document available at www.spdji.com.

Eligibility Criteria and Index Construction

Index Universe

At each semi-annual rebalancing, each index is constructed from the constituents of an underlying index as detailed below.

Index	Universe
S&P Global 1200 ESG Factor Weighted Index	S&P Global 1200
S&P 500 ESG Factor Weighted Index	S&P 500
S&P Europe 350 ESG Factor Weighted Index	S&P Europe 350
S&P/TOPIX 150 ESG Factor Weighted Index	S&P/TOPIX 150
S&P/TSX 60 ESG Factor Weighted Index	S&P/TSX 60

For more information on an underlying index, please refer to its respective methodology document available at www.spdji.com.

Sustainability Scoring

Index constituent weights are determined in part from a company's ESG Factor Score. The ESG Factor Scores are derived from RobecoSAM's annual Corporate Sustainability Assessment (CSA). The first CSA was undertaken in 1999, with the launch of the original family of Dow Jones Sustainability Indices (DJSI).

The RobecoSAM CSA is conducted on an annual basis. Company sustainability data is assessed at each semi-annual rebalancing using the latest RobecoSAM CSA scores.

Companies in the invited universe of the DJSI family are asked to respond to an extensive CSA questionnaire. RobecoSAM identifies 60 industries within its research universe. Approximately 50% of RobecoSAM's questions are industry specific. The remaining questions are more general in nature. All questions underpin one of the three dimensions of Environmental, Social, and Governance.

Not all companies choose to respond to the CSA questionnaire. For all companies in the underlying index that do not respond to the questionnaires, RobecoSAM completes the CSA questionnaire, to the extent possible, based only on publicly available information.

This process forms the basis of the DJSI scoring methodology (Classic Scores). However, to arrive at the ESG Factor Scores required for the S&P ESG Factor Weighted Index Series, the Classic Scores are subjected to the following:

1. ESG Factor Scores are tilted towards financial materiality.
2. ESG Factor Scores are neutralized with respect to factors such as GICS industries, sub-industries, and countries; traditional quantitative equity factors such as momentum, value, and size are also neutralized.

As a result of the yearly corporate assessment, RobecoSAM generates a fully neutralized ESG Factor Score for each constituent of the underlying index. These ESG Factor Scores are then used as inputs for the S&P ESG Factor Weighted Index Series.

For more information with respect to RobecoSAM's research processes, please visit www.robecosam.com.

Constituent Weight Adjustments

For each index, the constituent weights, W_i , are derived as follows:

$$W_i = \frac{P_{ESG_i}}{\sum_{i=1}^n P_{ESG_i}} * W_s \quad (1)$$

where:

ESG_i = ESG Factor Score for given constituent i .

P_{ESG_i} = Percentile rank of a given constituent i with respect to its ESG Factor Score across its underlying index, at rebalancing.

n = Number of constituents in a GICS sector.

W_s = Underlying index sector weight of constituent i at rebalancing.

The above weight adjustments ensure that the constituents of each underlying index are tilted toward ESG Factor Score while preserving the underlying index sector weights.

For the S&P Global 1200 ESG Factor Weighted Index, an index of regions approach is implemented. First, each constituent within the underlying index (S&P Global 1200) is assigned one of the following regions: Asia ex-Japan, Australia, Canada, Europe, Japan, Latin America, and the United States. Second, equation (1) is applied to each constituent with respect to its region. Finally, weights applied to the regions at each semi-annual rebalancing are derived from the weights of each respective region in comparison to the S&P Global 1200. For example, if the United States comprises $x\%$ of the S&P Global 1200, then the United States will make up the same $x\%$ within the S&P Global 1200 ESG Factor Weighted Index. Weights are determined using constituents' float-adjusted market capitalizations.

Index Calculations

The index is calculated by means of the divisor methodology used for all S&P Dow Jones Indices equity indices.

For more information on the index calculation methodology, please refer to S&P Dow Jones Indices' Index Mathematics Methodology.

Multiple Classes of Stock

Some companies may have more than one share class line in the respective underlying index. In the S&P ESG Factor Weighted Index Series, all multiple share class lines are considered for inclusion and are assigned identical ESG Factor Scores.

Shares Outstanding

The share counts used as inputs in the weighting model are common shares outstanding. The counts are float-adjusted to reflect only shares available to the general market. Specific share counts and float factors are calculated by S&P Dow Jones Indices.

For float adjustment methodology, please refer to S&P Dow Jones Indices' Float Adjustment Methodology.

Index Maintenance

Rebalancing

The indices are rebalanced semi-annually, effective after the market close on the third Friday of March and September. The reference dates for the composition of the underlying index are the close of trading on the last business day of January and July, respectively. The reference dates for the GICS sector weights used to calculate ESG Factor Score weights are the close of trading on the last business day of February and August, respectively.

Constituent shares for the index are calculated using closing prices on the Wednesday prior to the second Friday of the rebalancing month as the reference price. Index share amounts are calculated and assigned to each stock to arrive at the weights determined on the reference date. Since index shares are assigned based on the reference prices, the actual weight of each stock at the rebalancing differs from these weights due to market movements.

Additions and Deletions

Additions. Index additions are generally made only during the semi-annual rebalancing. Spin-offs, may require the addition of the spun-off company to an index. The spun-off company is added to all the indices of which the parent is a constituent at a zero price at the market close of the day before the ex-date (with no divisor adjustment). If the spun-off company is to remain in the parent universe index, it will subsequently remain in the corresponding S&P ESG Factor Weighted Index. If the spun-off company is removed from the parent universe index after at least one day of regular way trading (with a divisor adjustment), the corresponding S&P ESG Factor Weighted Index will follow the same treatment. Spin-off companies added following the composition reference date will be assigned the same ESG Factor Score as the parent company.

Deletions. Index constituents may be removed from the index following a takeover, merger, delisting, bankruptcy, indefinite suspension or if dropped from the respective underlying index.

In the event that an index constituent is removed from an underlying index, it is also removed from the respective S&P ESG Factor-Weighted Index and not replaced. As a result, the components of a given S&P ESG Factor Weighted Index may differ slightly from those of the respective underlying index.

Corporate Actions

Each index follows the methodology and maintenance procedures of its respective underlying index with respect to the treatment of corporate actions.

For more information on the corporate action treatment of the underlying indices, please refer to each underlying index's respective methodology document available at www.spdji.com.

For general information on corporate action treatments, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Investable Weight Factor (IWF)

All issues in the S&P ESG Factor Weighted Index Series are assigned a float factor, called an Investable Weight Factor (IWF). The IWF ranges between 0 and 1 and is an adjustment factor that accounts for the publicly available shares of a company.

Please refer to S&P Dow Jones Indices' Float Adjustment Methodology for further details.

Currency of Calculation

The indices are calculated in U.S. dollars. In addition, the S&P Europe 350 ESG Factor Weighted Index and S&P/TOPIX 150 ESG Factor Weighted Index are also available in euros and Japanese yen, respectively.

Exchange Rate

WM/Reuters foreign exchange rates are taken daily at 04:00 PM London time and used in the calculation of the indices. These mid-market fixings are calculated by the WM Company based on Reuters' data and appear on Reuters pages WMRA.

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 Global 1200 ESG Factor Weighted Index	02/01/2016	03/20/2009	03/20/2009	100
S&P Europe 350 ESG Factor Weighted Index	02/01/2016	03/20/2009	03/20/2009	100
S&P 500 ESG Factor Weighted Index	02/01/2016	03/20/2009	03/20/2009	100
S&P/TOPIX 150 ESG Factor Weighted Index	02/01/2016	03/19/2009	03/19/2009	100
S&P/TSX 60 ESG Factor Weighted Index	06/03/2014	03/20/2008	03/20/2008	1000

Other Adjustments

In cases where there is no achievable market price for a stock being deleted, it can be removed at a zero or minimal price at the Index Committee's discretion, in recognition of the constraints faced by investors in trading bankrupt or suspended stocks.

Index Data

Total Return Indices

Each index has a total return counterpart, which assumes dividends are reinvested in the index after the close on the ex-date.

S&P Dow Jones Indices calculates daily return series using both gross and net cash dividends reinvested. Net return reinvested is reflective of the return to an investor where dividends are reinvested after the deduction of withholding tax. The tax rate applied is the rate to non-resident institutions that do not benefit from double taxation treaties.

For more information on the tax rates used in the calculation of net return indices, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Please refer to S&P Dow Jones Indices' Index Mathematics Methodology for more information on total return calculations.

Index Governance

Index Committee

S&P Dow Jones Indices' Europe (EMEA) Indices Index Committee maintains the index. All committee members are full-time professionals at S&P Dow Jones Indices. The Index Committee meets at least monthly. At each meeting, the Committee may review 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.

For information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

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 via ftp to all clients.

Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

All methodology changes are posted to the S&P Dow Jones Indices' Web site and announced via email to all clients. The latest available version is posted on our Web site, www.spdji.com.

For more information on S&P Dow Jones Indices' announcements, please refer to the Announcement Policy located on our Web site, www.spdji.com.

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

Please visit www.spdji.com for a complete schedule of rebalancing timelines and pro-forma delivery times.

Holiday Schedule

The indices are calculated 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.

A complete holiday schedule for the year is available at www.spdji.com.

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 document located on our Web site, www.spdji.com.

Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices document located on our Web site, www.spdji.com.

Index Dissemination

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

Tickers

Index (Currency)	Return Type	Bloomberg	Reuters
S&P Global 1200 ESG Factor Weighted Index (USD)	Price Return	SPG12EUP	--
	Total Return	SPG12EUT	--
	Net Total Return	SPG12EUN	--
S&P Europe 350 ESG Factor Weighted Index (USD)	Price Return	SPE35EUP	--
	Total Return	SPE35EUT	--
	Net Total Return	SPE35EUN	--
S&P Europe 350 ESG Factor Weighted Index (EUR)	Price Return	SPE35EEP	--
	Total Return	SPE35EET	--
	Net Total Return	SPE35EEN	--
S&P 500 ESG Factor Weighted Index (USD)	Price Return	SPXEUP	--
	Total Return	SPXEUT	--
	Net Total Return	SPXEUN	--
S&P/TOPIX 150 ESG Factor Weighted Index (USD)	Price Return	SPTESGUP	--
	Total Return	SPTESGUT	--
	Net Total Return	SPTESGUN	--
S&P/TOPIX 150 ESG Factor Weighted Index (JPY)	Price Return	SPTESGJP	--
	Total Return	SPTESGJT	--
	Net Total Return	SPTESGJN	--
S&P/TSX 60 ESG Factor Weighted Index (CAD)	Price Return	TESG	.GSPTEG
	Total Return	TESGAR	.TRGSPTEG
	Net Total Return	TESGN	.NTRGSPTEG

FTP

Daily stock level and index data are available via FTP subscription.

For product information, please contact S&P Dow Jones Indices, www.spdji.com/contact-us.

Web site

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

Appendix

Methodology Changes

Methodology changes since January 1, 2015 are as follows:

Change	Effective Date (After Close)	Methodology	
		Previous	Updated
Index Names	05/19/2017	<ol style="list-style-type: none"> 1. S&P Global 1200 ESG Index 2. S&P Europe 350 ESG Index 3. S&P 500 ESG Index 4. S&P/TOPIX 150 ESG Index 	<ol style="list-style-type: none"> 1. S&P Global 1200 ESG Factor Weighted Index 2. S&P Europe 350 ESG Factor Weighted Index 3. S&P 500 ESG Factor Weighted Index 4. S&P/TOPIX 150 ESG Factor Weighted Index
Index Names	04/15/2016	<ol style="list-style-type: none"> 1. S&P Global 1200 RobecoSAM ESG Index 2. S&P Europe 350 RobecoSAM ESG Index 3. S&P 500 RobecoSAM ESG Index 4. S&P/TOPIX 150 RobecoSAM ESG Index 	<ol style="list-style-type: none"> 1. S&P Global 1200 ESG Index 2. S&P Europe 350 ESG Index 3. S&P 500 ESG Index 4. S&P/TOPIX 150 ESG Index

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