S&P Global Sustainable1

GICS Sector GHG Average Dataset

Notice of Methodology Enhancements

April 2024

The S&P Global Sustainable1 GICS Sector GHG Average Dataset provides GHG estimates (tonnes per revenue) at the four main GICS levels. The dataset leverages the Trucost environmental and financial data coming from the Trucost database and is updated on a yearly basis. This notice describes the methodology enhancements that are currently under review and that S&P Global Sustainable1 intends to incorporate in the upcoming release of the dataset for March 2025. The methodology updates contained in this notice are under currently review and may be subject to change. The purpose of this notification is to ensure we maintain transparency in our methodological process and decisions with the market. The full release will be accompanied by a detailed methodology report describing the data sources, methods and assumptions used in the analysis, and a release note describing the impact of the methodology changes on the dataset.

Methodology Enhancements under Review

The following table describes the methodology enhancements that are under review and being considered for the Q1 or Q2 2025 release, the expected impact on the dataset, and the intended benefit of these enhancements for clients. The enhancements described below may be subject to change and the related expected impact may also differ from what has been described below as these updates are yet to be implemented and are under review.

Enhancement Name	Enhancement Description	Client Benefit	Expected Impact on Dataset
Outlier detection system	Outlier detection and removal following a normalization of the intensity value at the GICS level, the removal of values beyond the 99% percentile of the distribution and three standard deviations away from the mean.	The new outlier detection and remove removes datapoints from the GICS estimation that are considered not representative of the whole sub-population and provides better GHG estimates	We expect a reduction of emissions by approximately 3-5% on average for all GICS levels.
Geo clustering	We will provide more nuanced estimation by estimating emissions at the country level based on country level data. In case of a limited data sample (less than 50 datapoints at country level), country estimates will be provided using datapoints from the relevant ISO Subregion or ISO region as proxies.	More accurate estimates of GHG emissions based on regional differences	Expansion of datapoints and available information.

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