

S&P Global Sustainable1

S&P Global SFDR Sustainable Investment Framework

Notice of Methodology Enhancements

August 2024

The S&P Global Sustainable1 SFDR Sustainable Investment Framework is a comprehensive dataset designed to help financial market participants comply with the Markets in Financial Instruments Directive (MiFID II) and the Sustainable Finance Disclosure Regulation (SFDR). It provides a detailed assessment of companies within portfolios or indices, determining their sustainability as per the SFDR definition of Sustainable Investment.

This notice describes the methodology enhancements that are currently under review and that S&P Global Sustainable1 intends to incorporate in the Q4 2024 release. The methodology updates contained in this notice 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 Q4 2024 Sustainable1 SFDR Sustainable Investment Framework 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 Sustainable Investment Framework
Paris Aligned Benchmark flag	<p>The dataset will incorporate a new metric indicating whether a company has met the Paris Aligned Benchmark (PAB) minimum exclusion criteria as per Article 12 of Commission Delegated Regulation (EU) 2020/1818.</p> <p>In addition to this metric, the users/subscribers to this dataset will be able to access the underlying components which indicate why a company is passing or failing the test.</p>	Users/subscribers to this dataset will be able to gather more information about companies in their product and assess whether they pass or fail the minimum criteria for PAB indexed products	There is no impact on the current Sustainable Investment methodology as the inclusion of the new indicators is independent of the Sustainable Investment Framework.
Climate Transition	The dataset will incorporate a new metric indicating whether a	Users/subscribers to this dataset will be able to gather	There is no impact on the current Sustainable Investment methodology as the inclusion of the new indicators is

<p>Benchmark flag</p>	<p>company has met the Climate Transition Benchmark (CTB) minimum exclusion criteria as per Article 10 of Commission Delegated Regulation (EU) 2020/1818</p> <p>In addition to this metric, the users/subscribers to this dataset will be able to access the underlying components which indicate why a company is passing or failing the test.</p>	<p>more information about companies in their product and assess whether they pass or fail the minimum criteria for CTB indexed products</p>	<p>independent of the Sustainable Investment Framework.</p>
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