

PRESS RELEASE

S&P BSE 100 ESG Index Consultation on Eligibility Requirements – Results

MUMBAI, MAY 20, 2022: Asia Index Private Limited (“AIPL”) has conducted a [consultation](#) with market participants on potential changes to the S&P BSE 100 ESG Index.

AIPL will make changes to the eligibility requirements used in the index. The changes are detailed below.

EXCLUSIONS BASED ON THE UNITED NATIONS GLOBAL COMPACT (“UNGC”)

AIPL will change the provider of UNGC data from Arabesque to Sustainalytics and will exclude companies that are deemed by Sustainalytics to be Non-Compliant. The aim of this change is to move away from the use of a continuous data set and towards a discrete data set.

EXCLUSIONS BASED ON BUSINESS ACTIVITIES

AIPL will introduce additional, expanded, and revised exclusions based on a company’s involvement in certain defined business activities. The additional exclusions cover Thermal Coal, Oil Sands, Small Arms and Military Contracting, the expanded exclusions cover Controversial Weapons, and the revised exclusions cover Tobacco. These changes were proposed following feedback about our current exclusions. The table below details the changes:

Product Involvement	Category of Involvement and Description	S&P DJI Level of Involvement Threshold		S&P DJI Significant Ownership Threshold		Summary
		Previous	Updated	Previous	Updated	
Controversial Weapons	Tailor Made and Essential: The company is involved in the core weapon system, or components/ services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	>0%	>0%	N/A	≥25%	Revision
	Non-tailor-made or non-essential: The company provides components/services for the core weapon system, which are either not considered tailor-made or not essential to the lethal use of the weapon.	N/A	>0%	N/A	≥25%	New
Thermal Coal	Extraction: The company extracts thermal coal.	N/A	≥5%	N/A	N/A	New
	Generation: The company generates electricity from thermal coal.	N/A	≥5%	N/A	N/A	New

Product Involvement	Category of Involvement and Description	S&P DJI Level of Involvement Threshold		S&P DJI Significant Ownership Threshold		Summary
		Previous	Updated	Previous	Updated	
Tobacco Products	Production: The company manufactures tobacco products.	>0%	>0%	N/A	≥25%	Revision
	Related Products/Services: The company supplies tobacco-related products/services.	≥10%	≥5%	N/A	N/A	Revision
	Retail: The company derives revenues from the distribution and/or retail sale of tobacco products	≥10%	≥5%	N/A	N/A	Revision
Oil Sands	Extraction: The company extracts oil sands.	N/A	≥5%	N/A	N/A	New
Small Arms	Civilian customers (assault weapons): The company manufactures and sells assault weapons to civilian customers.	N/A	>0%	N/A	≥25%	New
	Civilian customers (non-assault weapons): The company manufactures and sells small arms (non-assault weapons) to civilian customers.	N/A	>0%	N/A	≥25%	New
	Military/law enforcement customers: The company manufactures and sells small arms to military/law enforcement.	N/A	>0%	N/A	≥25%	New
	Key components: The company manufactures and sells key components of small arms.	N/A	>0%	N/A	≥25%	New
	Retail/distribution (assault weapons): The company is involved in the retail and/or distribution of assault weapons.	N/A	≥5%	N/A	N/A	New
	Retail/distribution (non-assault weapons): The company is involved in the retail and/or distribution of small arms (non-assault weapons).	N/A	≥5%	N/A	N/A	New
	Weapons: The company manufactures military weapon systems and/or integral, tailor-made components or these weapons.	N/A	≥10%	N/A	N/A	New
Military Contracting	Weapon-related products and services: The company provides tailor-made products and/or services that support military weapons.	N/A	≥10%	N/A	N/A	New

QUARTERLY ELIGIBILITY CHECK FOR BUSINESS INVOLVEMENT AND UNGC EXCLUSIONS

AIPL will introduce a quarterly eligibility check, whereby any current member of the index that is now found to be failing the Business Involvement or UNGC eligibility criteria will be removed from the index. The aim of this is to ensure that any changes to a company's eligibility are handled in a timely manner. No constituent will be added to the index as a result of any deletion that may take place.

TREATMENT OF COMPANIES WITHOUT UNGC OR BUSINESS ACTIVITY DATA COVERAGE

AIPL will modify the treatment of companies not covered by the UNGC or Business Involvement data provider so that companies without Sustainalytics coverage are ineligible for index inclusion. Currently, companies without Arabesque or Sustainalytics coverage are assumed to be compliant and are eligible for index inclusion if they meet all other requirements. The aim of this change is to ensure that companies that may potentially violate the eligibility requirements are not included in the index due to the lack of appropriate data and applicable screening.

IMPLEMENTATION TIMING

AIPL will implement the previously described methodology changes in conjunction with the upcoming rebalancing, which takes effect prior to the market open on Monday, June 20, 2022. The changes will first be visible to clients beginning on Friday, June 3, 2022.

Please note the S&P BSE 100 ESG Index Methodology located on the AIPL website (www.asiaindex.co.in) is being updated to reflect these changes.

Please contact Client Services at index_services@spglobal.com with any questions or requests for further information.

About ASIA INDEX PRIVATE LIMITED

Asia Index Pvt. Ltd is a 50-50 partnership between S&P Dow Jones Indices LLC, the world's largest provider of financial market indices, and BSE Ltd, Asia's oldest stock exchange and home to the iconic SENSEX index – a leading indicator of Indian equity market performance. Asia Index Pvt. Ltd, which combines the benchmarks, market intelligence, and insights of both parent companies, each established more than 115 years ago, aims to provide a full array of indices enabling global and domestic investors to participate in South Asia's vibrant economies. The Company is best known for calculating, publishing, and maintaining a diverse family of Asian indices under the umbrella brand, S&P BSE Indices.

About BSE

BSE (formerly Bombay Stock Exchange) established in 1875, is Asia's first & now the world's fastest Stock Exchange with a speed of 6 microseconds. BSE is India's leading exchange group and has played a prominent role in developing the Indian capital market. BSE is a corporatized and demutualised entity, with a broad shareholder base that includes the leading global exchange- Deutsche Bourse, as a strategic partner. BSE provides an efficient and transparent market for trading in equity, debt instruments, equity derivatives, currency derivatives, commodity derivatives, interest rate derivatives, mutual funds and stock lending and borrowing.

BSE also has a dedicated platform for trading in equities of small and medium enterprises (SMEs) that has been highly successful. BSE also has a dedicated MF distribution platform BSE Star MF which is India Largest Mutual Funds Distribution Infrastructure. BSE launched commodity derivatives trading in Gold, Silver, Copper, Oman Crude Oil Guar Gum, Guar Seeds & Turmeric.

BSE provides a host of other services to capital market participants including risk management, clearing, settlement, market data services and education. It has a global reach with customers around the world and a nation-wide presence. BSE's systems and processes are designed to safeguard market integrity, drive the growth of the Indian capital market and stimulate innovation and competition across all market segments.

Indian Clearing Corporation Limited, a wholly owned subsidiary of BSE, acts as the central counterparty to all trades executed on the BSE trading platform and provides full novation, guaranteeing the settlement of all bonafide trades executed. BSE Institute Ltd, another fully owned subsidiary of BSE runs one of the most respected capital market educational institutes in the country. Central Depository Services Ltd. (CDSL), associate company of BSE, is one of the two Depositories in India.

BSE has set up an Investor Protection Fund (IPF) on July 10, 1986 to meet the claims of investors against defaulter Members, in accordance with the Guidelines issued by the Ministry of Finance, Government of India. BSE Investor Protection Fund is responsible for creating Capital markets related awareness among the investor community in India.

About S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

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