SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainability-Linked Bond Framework

S&P Global
28 February 2022

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	Sustainability-Linked Bonds
Relevant standard(s)	Sustainability-Linked Bond Principles ("SLBP"), as administered by the International Capital Market Association ("ICMA")
Scope of verification	Sustainability-Linked Bond Framework (February 25, 2022)
Lifecycle	Pre-issuance verification
Validity	As long as S&P Global's Sustainability-Linked Bond Framework and benchmarks for the Sustainability Performance target(s) do not substantially change.

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SCOPE OF WORK

S&P Global ("SPGI", "the issuer", or "the company") commissioned ISS ESG to assist with its Sustainability-Linked Bonds by assessing three core elements to determine the sustainability quality of the instruments:

1. The sustainability credibility of the KPIs selected and Sustainability Performance Target (SPTs) calibrated – whether the KPIs selected are core, relevant and material to the issuer's business model and sector, and whether the associated targets are ambitious.
2. SPGI's Sustainability-Linked Bond Framework (February 25, 2022 version) and structural components of the transaction – benchmarked against the Sustainability-Linked Bond Principles ("SLBP"), as administered by the International Capital Market Association's ("ICMA").
3. Sustainability-Linked Bonds link to SPGI's sustainability strategy – drawing on S&P Global's overall sustainability profile and related objectives.

S&P GLOBAL'S BUSINESS OVERVIEW

S&P Global (NYSE: SPGI) is headquartered in New York City and provides credit ratings, benchmarks and analytics in the global capital and commodity markets, offering ESG solutions, deep data and insights on economic, market and business factors. The company's divisions include S&P Global Ratings, S&P Global Market Intelligence, S&P Dow Jones Indices and S&P Global Platts.

In 2020, S&P Global entered into a definitive merger agreement with IHS Markit, a company focused on delivering critical information, analytics and solutions for the major industries and markets worldwide. S&P Global and IHS Markit's merger will include the innovation and technology capabilities of Kensho and the IHS Markit Data Lake.

ISS ESG SPO ASSESSMENT SUMMARY

SECTION	EVALUATION SUMMARY[1]
Part 1.A: **KPI selection and SPT calibration**	**KPI selection: Relevant, core, and partially material to issuer's business model and sustainability profile** **Sustainability Performance Target (SPT) calibration:** • **Ambitious against past performance with limitations[2]** • **Ambitious against peer group[3] with limitations** • **Ambitious against the Paris Climate Goals[4]**
KPI 1 "Reduction of Scope 3 Business Travel GHG Emissions" **SPT 1** "Scope 3 Business Travel GHG emissions % reduction equal to or greater than 25%, or total emissions of 65,546 tCO_2e, as measured by year end 2025 compared to the 2019 baseline."	ISS ESG finds that the KPI selected is relevant and core to the issuer's business model and consistent with its sustainability strategy. The KPI is partially material to the company's Scope 3 emissions and does not cover the company's direct emissions (Scope 1 and 2 emissions). It is appropriately measurable, quantifiable, externally verifiable, externally verified (only for the baseline) and benchmarkable with limitations. It covers 100% of the operations and activities of S&P Global, 13% of its total 2019 GHG emissions and 14% of its Scope 3 emissions. ISS ESG finds that the SPT calibrated by S&P Global is ambitious against the company's peer group, its past performance and the Paris Climate Goals for a 2° Celsius warming scenario. The SPT target for S&P Global to reduce its business travel GHG emissions by 25% by 2025 has been approved by the SBTi and confirmed to exceed the minimum ambition under the Absolute Contraction approach. The assessment against peer group is limited as the SPT is set in absolute numbers, which makes benchmarkability challenging when looking at companies that use intensity measures or that differ in factors that would impact the base calculation such as the number of total employees or total miles traveled. Moreover, as the context, and this specific KPI, have been significantly impacted by the COVID-19 pandemic, therefore, there are limitations to assess the level of ambition of the target against past performance, even if ISS ESG finds it ambitious from a quantitative perspective. The target is set in a clear timeline and supported by a strategy and action plan.

Part 1.B: **KPI selection and SPT calibration**	**KPI selection: Relevant and core to issuer's business model and sustainability profile. Material to the company's supply chain but does not cover Diversity & Inclusion in the workforce.** **Sustainability Performance Target (SPT) calibration:** • **Ambitious against peer group** • **No international target available for comparison**

[1] ISS ESG's evaluation is based on the engagement conducted from August to February 2022 and on S&P Global's Sustainability-Linked Bond Framework (February 25, 2022 version).
[2] The COVID strongly impacted scope 3 emissions business travel and the associated target has been already achieved in 2020 (scope 3 emissions business travel decreased by -79% between 2019 and 2020). The context, and this specific KPI, has been so impacted by this crisis that there are limitations to accurately assess the level of ambition of the target against past performance.
[3] ISS ESG conducted a benchmarking of the SPT set by SPGI against a peer group of 5 companies provided by the issuer and composed of Bloomberg, Moodys, Refinitiv and MSCI.
[4] According to the SBTi, the ambition of the proposed scope 3 target exceeds the minimum ambition under the Absolute Contraction approach, and is therefore considered ambitious.

KPI 2 "Percentage of addressable tier 1 and tier 2 spend with US minority and diverse organizations" **SPT 2** "Addressable tier 1 and tier 2 spend with US minority and diverse organizations % increase equal to or greater than 10% as measured by full 12 months at year end 2025"	• **Limited information available against issuer's past performance** ISS ESG finds that the KPI selected is relevant and core to the issuer's business model and consistent with its sustainability strategy. It is considered as material to the company's supply chain but it's important to note that the indicator does not cover D&I in the workforce, which is considered an essential ESG topic overall. It is appropriately measurable, quantifiable, externally verifiable and externally verified (only for the data available). The KPI is benchmarkable with some limitations mainly due to the lack of US Generally Accepted Accounting Principles (GAAP) for Supplier Diversity calculations and similar indicators made publicly available by peers. The KPI covers more than 70% of S&P Global supplier spend. ISS ESG finds the SPT calibrated by S&P Global is ambitious compared to its sectorial peers. However, there is limited information available to assess the level of ambition against the company's past performance as S&P Global's Supplier Diversity Program was launched in 2019. Thus, only one year of verified historical information could be provided. In the absence of an international benchmarks, no conclusive assessment of the target's ambition towards international targets could be performed. Apart from these constraints, the target is set in a clear timeline and supported by a strategy and action plan.

Part 2: **Alignment with the SLBP**	**Aligned with ICMA Sustainability-Linked Bond Principles except the SPT 2 ambition level can only be evaluated by peer comparison** The issuer has defined a formal framework for its Sustainability-Linked Bonds regarding the selection of KPIs, calibration of Sustainability Performance Targets (SPTs), Sustainability-Linked Bond characteristics, reporting and verification. The framework is in line with the Sustainability-Linked Bond Principles (SLBP) administered by the ICMA except the SPT 2 ambition level can only be evaluated against peers. This is mainly due to (i) the lack of historical performance as the S&P Global's Supplier Diversity Program was launched in 2019 and (ii) the lack of international benchmark. The financial characteristics of any security issued under this Framework, including a description of the selected KPI(s), SPTs, step-up margin amount, as applicable, will be specified in the relevant documentation of the specific transaction. The occurrence of a Trigger Event will result in a coupon-step up.

Part 3: **Link to issuer's sustainability strategy**	**Consistent with issuer's sustainability strategy** According to the ISS ESG Corporate Rating published on 02.12.2022, S&P Global currently shows a high sustainability performance against peers on key ESG issues faced by ''Auxiliary Financial Services & Data'' sector and obtains a Decile Rank relative to industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10. The issuer is rated 2nd out of 28 companies within its sector as of 02.23.2021.

	According to the ISS ESG Corporate Rating published 02.12.2022, IHS Markit currently shows a high sustainability performance against peers on key ESG issues faced by ''Research & Consulting Services'' sector and obtains a Decile Rank relative to industry group of 3, given that a decile rank of 1 indicates highest relative ESG performance out of 10. The issuer is rated 18th out of 77 companies within its sector as of 02.23.2022. S&P Global provides ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide. The company's product offerings include several indices integrating sustainability issues. Within its Global Ratings division, the company offers ESG Evaluation tools which give investors an overview of environmental impacts and climate risks within a portfolio. In January 2020, the company acquired the ESG Ratings Business from RobecoSAM.[5] In April 2021, S&P Global established a dedicated function to ESG called "Sustainable1". According to the issuer, this program spans all divisions and functions with the express purpose of driving S&P Global's ESG products, analytics and intelligence. IHS Markit offers research and consulting services for various industries such as finance, media and telecommunications to automotive and energy. While its information services to the oil industry (estimated 2% of net sales in 2019) obstruct global sustainability objectives such as climate change mitigation, the vast majority of services do not have a clear positive or negative social or environmental impact. KPIs selected by the issuer are related to climate change and supplier diversity. Those topics have been defined as key priorities by the issuer in terms of sustainability strategy and ISS ESG finds that those are material sustainability topics for the issuer. ISS ESG finds that future issuances will contribute to the issuer's sustainability strategy thanks to the KPIs' clear link to one of the key sustainability priorities of the issuer and due to ambitious SPTs against international targets (for SPT 1) and peer group (for SPT 2).

[5] However, despite the range of products and services, these still represent a minor part of the company's overall business.

ISS ESG SPO ASSESSMENT

PART 1.A: KPI SELECTION & SPT CALIBRATION

KPI 1 'Reduction of Scope 3 Business Travel GHG Emissions'

1.1. KPI selection

KPI selected by the issuer

FROM ISSUER'S FRAMEWORK

- **KPI 1:** Reduction of scope 3 business travel GHG emissions, measured in the % change of tCO_2e.
- **SPT 1 (2025):** Scope 3 Business Travel GHG emissions % reduction equal to or greater than 25%, or total emissions of 65,546 tCO_2e, as measured by year end 2025 compared to the 2019 baseline.
- **Long-term goal:** Achieve net-zero by 2040.
- **Rationale:** Climate change poses global threats to corporate operations, supply chains and reputations. Given the scale of the threat, it is in SPGI business interest, as well as in line with its values, to mitigate the carbon footprint of its operations and value chain. SPGI's carbon footprint is key to measure SPGI's path towards net-zero by 2040. Scope 3 Business Travel emissions accounted for 13% of the combined company's total GHG emissions in 2019 on a pro forma basis, the company's baseline year. Comparatively, Scope 1 & 2 emissions collectively accounted for just over 8% of total 2019 GHG emissions of the combined company on a pro forma basis.
- **Relevant methodology and benchmark reference:** While S&P Global's business is not carbon intensive, the company is committed to reducing its own energy use and emissions in line with science-based targets. In early 2021, the company set the target of achieving net-zero emissions by 2040. SPGI also has a more specific, public GHG reduction target, approved by Science Based Targets initiative, to reduce Scope 3 Business Travel emissions by 25% by 2025. The scope of S&P Global's Scope 3 Business Travel emissions is company-wide, including S&P Global and all of its subsidiaries worldwide. SPGI standalone Business Travel emissions are tracked using the Egencia business travel software that exports data to its climate partner, CBRE. S&P Global expects to be transitioning IHS Markit to this software and before the end of 2022, the company will incorporate Thrust Carbon software to provide greater levels of granularity for the combined company.
- **Baseline:** 65,546 tCO_2e scope 3 business travel GHG emissions.
- **Baseline period:** 2019.
- **2025 goal:** 16,387 tCO_2e reduction of scope 3 business travel GHG emissions.
- **Scope:** The KPI applies to 100% of SPGI operations, 13% of SPGI's total emissions and 14% of its scope 3 emissions.

Materiality and relevance

Although S&P Global's business is not carbon intensive, the company is committed to reducing its energy use and emissions by focusing on an area it controls and can have an immediate impact on, business travel.

ISS ESG finds that the GHG emissions reduction KPI selected by the issuer is:

- **Relevant** to S&P Global's business as companies in the Auxiliary Financial Services & Data are responsible for and exposed to risks related to this KPI.
- **Core** to the company's operations as decreasing scope 3 GHG emissions (travel) will require the entire organization to adopt new policies that strongly impact internal and external interactions. It is worth noting that a certain number of these practices have been experimented with since the beginning of the pandemic. To reach the SPT, the company will need to:
  - involve various departments (e.g., HR to establishing a suite of virtual and hybrid team-building options and incentive rewards, marketing to reconceptualize large global meetings, regional meetings and leveraging collaboration technology to enable group meetings to take place with a lower CO_2e footprint, legal department to change policies, IT to investing in new technology for effective remote collaboration);
  - ensure proper data protection for remote work;
  - influence the entirety of the organization to adopt the changes implemented by the departments mentioned above.
- **Partially Material** to S&P Global's Scope 3 emissions as this KPI will cover approximately 14% of the company's annual scope 3 emissions, but does not cover the company's direct operations (scope 1 and 2 emissions). This KPI will not cover 87% of the company's total annual GHG emission (including the remaining scope 1, 2, and 3 emissions). According to the issuer, this KPI has been selected as travel emissions are the only emissions category that applies to the entire organization. The remaining emissions categories worth noting that are not covered by the KPI include:
  - Scope 1 and 2 emissions have not been selected as they represent nearly 9% of the company's total 2019 GHG emissions and as they mainly address the Global Real Estate (GRE) function, which produces a small portion of emissions through its contracted vendors;
  - Scope 3 emissions is mostly comprised purchased goods and services, over which the company has limited direct control, but which represent approximately 68% of the company's total 2019 GHG emissions. This category is focused on influencing the S&P Global supply chain to commit to their own SBTs and the procurement can be largely influenced with the buy-in of a few stakeholders.

Consistency with overall company's sustainability strategy

S&P Global identifies climate change mitigation as one of its priority long-term goals and is focused on reaching net-zero by 2040. This is achieved through its commitment to avoid and reduce emissions wherever possible and replace high-carbon energy sources with low-carbon alternatives. It is worth noting that offsets will be used sparingly to help bridge gaps in low-carbon solutions, which will help the company to cover a portion of its long-term target. This KPI is consistent with the company's targets validated by the SBTi, which includes its commitment to reduce absolute scope 3 emissions from business travel 25% by 2025, that 81% of its suppliers by emissions covering purchased goods &

services and capital goods will have science-based targets by 2025, and that the company will reduce its absolute scope 1 and 2 GHG emissions 25% by 2025 from its 2019 baseline year.

Furthermore, in 2020, S&P Global updated its materiality analysis to help identify priority topics and responsible business imperatives critical to S&P Global stakeholders. Of these topics, “energy and climate change” was identified as a top priority for the company.

ISS ESG finds that the KPI selected by the issuer is consistent with the overall company’s sustainability strategy.

Measurability

- **Scope and perimeter:** The KPI (business travel) applies to 100% of SPGI’s operations and 13% of SPGI’s total emissions and 14% of its scope 3 emissions.
- **Quantifiable/Externally verifiable:** The KPI selected is quantifiable and externally verifiable. Business travel scope 3 emissions is widely disclosed and standardized in the market. The issuer refers to key reporting and accounting protocols for GHG emissions such as the WRI/WBCSD GHG Protocol, conversion factors for best practice protocols (e.g. UK Department of Environment, Food & Rural Affairs and the International Energy Agency), and ISAE 3000 protocols for annual external assurance. The KPI selected by S&P Global has been verified by an external auditing company for the baseline year of 2019. The issuer commits to get a third-party verification of its KPI annually, and for any date/period relevant for assessing the SPT performance leading to a potential coupon adjustment, until after the SPT trigger event has been reached.
- **Externally verified:** The 2019 baseline have been verified but not the historical pro forma performance.
- **Benchmarkable:** The KPI is benchmarkable as it refers to GHG Protocol, which specifies standards for business travel, thus making it comparable with the data reported by other companies. Furthermore, the SPT is set in absolute numbers, which can also make benchmarkability challenging when comparing to companies with intensity measures. Benchmarking of the SPT in relation with this KPI has been analysed in section 2.

Opinion on KPI selection: *ISS ESG finds that the KPI selected is relevant and core to the issuer’s business model and consistent with its sustainability strategy. The KPI is partially material to the company’s Scope 3 emissions and does not cover the company’s direct emissions (Scope 1 and 2 emissions). It is appropriately measurable, quantifiable, externally verifiable, externally verified (only for the baseline) and benchmarkable with limitations. It covers 100% of the operations and activities of S&P Global, 13% of its total GHG emissions and 14% of its Scope 3 emissions.*

1.2. Calibration of SPT

SPT set by the issuer

FROM ISSUER'S FRAMEWORK[6]
Sustainability Performance Target: Scope 3 Business Travel GHG emissions % reduction equal to or greater than 25%, or total emissions of 65,546 tCO_2e, as measured by year end 2025 compared to the 2019 baseline. This is a reduction of 16,387 tCO_2e. The trigger will be achieving the GHG emissions target specified above.
Sustainability Performance Target Trigger: Total % reduction tCO_2e produced at year end 2025 for full 12 months proceeding
Sustainability Performance Target Observation Date: December 31, 2025
2019 Baseline: 65,546 tCO_2e subject to adjustment in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol), to reflect future significant acquisitions or dispositions if and to the extent such acquisitions or dispositions would result in a 10% or greater change in the KPI.
Factors that support the achievement of the target: ▪ Purposeful travel decisions in selection of reasons for travel, mode of transport and class of travel ▪ Executive support and active engagement in the pursuit of the target ▪ Leveraging the merger as an opportunity to excite and engage internal stakeholders on the Net-Zero program and goals ▪ Establishing clear policy requirements and allocating specific targets to Business Divisions ▪ A strong technology roadmap that supports hybrid and virtual meetings and working to ensure a reduction in travel does not equal a reduction in quality of engagements ▪ Correctly resourcing the Travel function (both headcount and non-headcount) to meet the target
Risks to the target: ▪ Low compliance with travel policy ▪ Lack of executive support and buy-in ▪ Failure to embed pursuit of Net-Zero goals as part of S&P Global culture, resulting in a tapering of buy-in and excitement regarding the program ▪ Not correctly resourcing (both headcount and non-headcount) to achieve the targets

Ambition

Against company's past performance

S&P Global sets the SPT to decrease its Scope 3 Business Travel GHG emissions by at least 25% by 2025 from a 2019 baseline. From a quantitative perspective, and taking into consideration S&P Global's chosen baseline, the target is perceived by ISS ESG as ambitious against the company's past performance (Scope 3 Business Travel GHG emissions increased over the 2017 – 2019 period).

[6] This table is displayed by the issuer in its Sustainability-Linked Bond Framework and have been copied over in this report by ISS ESG for clarity.

COVID strongly impacted scope 3 emissions business travel for all companies and the associated target has been already achieved in 2020 (scope 3 emissions business travel decreased by -79% between 2019 and 2020). The context, and this specific KPI, has been so impacted by this crisis that it is difficult to measure the level of ambition of the target against past performance.

In this context, even if the target is perceived by ISS ESG as ambitious against the company's past performance from a quantitative perspective, ISS ESG's assessment is limited as there is a lack of sufficient evidence to prove the extent of the company's efforts in a normalized business environment.

Against company's sectorial peers

SPGI shared with ISS a peer group[7] composed of five companies (including SPGI). All selected peers have set a scope 3 emissions (Business Travel) reduction target, however, SPGI and Refinitiv have the most ambitious reduction targets. Although there are limitations to this assessment as all those targets are absolute targets which makes the comparability to intensity metrics challenging.

In this context, ISS considers S&P Global as ambitious against its peers but its SPT is set in absolute numbers, which makes benchmarking to other sectorial peers that use intensity metrics challenging.

Against international targets

Paris Agreement

S&P Global's targets covering company's operations (scopes 1 and 2) have been assessed against the SBTi criteria and are consistent with reductions required to keep warming to 1.5°C.

S&P Global's SBTi approved target for scope 3 emissions is to reduce its absolute emissions from business travel by 25% and engage 81% of its suppliers to set their own SBTs by 2025 from a 2019 baseline year. The SBTi confirms that the company's scope 3 emissions target is ambitious and consistent with reductions required to keep warming well below 2°C as it exceeds the minimum ambition under the Absolute Contraction approach. Moreover, it is worth noting that as S&P Global's scope 3 emissions target implies a -4.7% compound annual growth rate, it is in line with reductions required to keep warming to 1.5°C according to the SBTi Absolute Contraction approach.

Thus, ISS ESG concludes the SPT set by the issuer is ambitious against the Paris Climate Goals.

Measurability & comparability

- **Historical data:** The issuer provided the relevant, non-consolidated historical data since 2017 (S&P Global's data from 2017 to 2019 has been externally assured while IHSM's historical data has not been assured). The consolidated historical data has not been verified except for the 2019 baseline year. At this stage, the company does not plan to verify its 2020 consolidated figures.

[7] ISS ESG conducted a benchmarking of the SPT set by SPGI against a peer group of 5 companies provided by the issuer and composed of Bloomberg, Moodys, Refinitiv and MSCI.

- **Timeline:** The issuer defined a precise timeline related to the SPT achievement, including the target observation date, the trigger event and the frequency of SPTs measurement.

Supporting strategy and action plan

S&P Global's commitment is not just to travel less, it's to ensure that fewer in-person meetings do not impact workforce productivity or quality. Some approaches to this include:

- **Technology:** Investing in new technology for effective collaboration (e.g. Miro, All-Seated)
- **HR:** Establishing a suite of virtual and hybrid team-building options and incentive rewards
- **Marketing & Meetings:** Reconceptualizing large global meetings are broken into smaller, regional meetings and leveraging technology to enable group meetings to take place with a lower CO_2e footprint
- **Policy:** Changing policies and suppliers to reflect evolving purchasing needs related to virtual/hybrid working
- **Comms:** Embarking on an extensive internal marketing campaign to influence the organization and gain buy-in to the changes the company is making

Opinion on SPT calibration: *ISS ESG finds that the SPT calibrated by S&P Global is ambitious against the company's peer group, its past performance and the Paris Climate Goals for a 2° Celsius warming scenario. The SPT target for S&P Global to reduce its business travel GHG emissions by 25% by 2025 has been approved by the SBTi and confirmed to exceed the minimum ambition under the Absolute Contraction approach. The assessment against peer group is limited as the SPT is set in absolute numbers, which makes benchmarkability challenging when looking at companies that use intensity measures or that differ in factors that would impact the base calculation such as the number of total employees or total miles traveled. Moreover, as this specific KPI have been significantly impacted by the COVID-19 pandemic, there are limitations to assess the level of ambition of the target against past performance, even if ISS ESG finds it ambitious from a quantitative perspective (comparing historical figures before the baseline with the reduction implied by the target).*

PART 1.B. KPI SELECTION & SPT CALIBRATION

KPI 2 'Diversity, Equity & Inclusion (DEI) – U.S. Supplier Diversity'

1.3. KPI selection

KPI selected by the issuer

FROM ISSUER'S FRAMEWORK

- **KPI 2:** % of addressable Tier 1 (direct) and Tier 2 (indirect) procurement spend with US-based minority and diverse organizations. Tier 1 vendors/suppliers are the third parties S&P Global directly contracts with to provide goods and services that support the operations of its business. Tier 2 vendors/suppliers are the vendors/suppliers that the company's vendors/suppliers contract with and are indirectly tied to their business.
- **SPT 2 (2025):** Addressable Tier 1 and Tier 2 spend with US minority and diverse organizations for the twelve months ending December 31, 2025 achieves a % of total spend equal to or greater than 10% as measured at year end 2025. This will represent an 89% increase over the 2020/21 Tier 1 spend baseline. Tier 2 material sub-contractors are expected to be included within the scope of addressable spend when the Tier 2 spend is included in the KPI. The trigger will be achieving the Supplier Diversity target mentioned above.
- **Long-term goal:** The company has currently not defined a long-term goal beyond the 2025 target.
- **Rationale:** By SPGI committing to developing a diverse supply chain as part of its DEI strategy it is displaying its commitment to doing business with and supporting the economic growth of all communities. When diverse suppliers grow and flourish, so do their communities.
- **Relevant methodology and benchmark reference:**
  - A diverse company is a company that is at least 51% owned, managed and controlled by a person or persons that identify in one of the following groups:
    - An ethnic or racial minority group (e.g., Asian, African American, Hispanic)
    - Women (of any race or ethnicity)
    - LGBTQ community
    - Veterans or Service-Disabled Veterans
    - Persons with Disabilities
    - A small business, as indicated by the local country's definition, including HUBZone businesses
  - Diverse businesses all have one thing in common – they are businesses run by members of historically under-represented communities, who have not, in the past, fully participated in US business activities or typically been considered by buyers as sources of supply for goods or services.
  - The Supplier Diversity policy was initiated in 2018 and the program was fully launched in 2020. Tealbook as a third-party data enrichment partner have been engaged to analyze S&P Global accounts payable on a recurring basis to authenticate the percentage of spend with minority and diverse organizations. S&P Global will be leveraging additional third party services to capture and calculate S&P Global Tier 2 diverse spend.
  - The KPI is calculated in accordance with the company's established procedures for supplier diversity reporting and KPI calculation for UA expenditures. All company spend with suppliers that are based in the US has been selected as the KPI as it represents >70% of all SPGI spend and the US Supplier Diversity infrastructure is highly mature, ensuring a strong degree of confidence in the authentication of spend with minority and diverse organizations.

S&P Global only counts "qualified" vendors as diverse spend, meaning the vendor has been accredited by a recognized organization that validates minority or diverse status. S&P Global will exclude from its calculations of this KPI certain categories of spend identified in its Supplier Diversity program operating procedures and described in the Appendix to this Framework. S&P Global will also exclude certain transaction, integration and costs-to-achieve associated with the IHS Merger.

S&P Global expects to measure Tier 2 expenditures in two ways:

- Direct Expenditure: When suppliers engage diverse businesses directly on S&P Global specific contracts and report the amount paid to these suppliers.[8]
- Indirect Expenditure: The amount S&P Global's key Tier 1 suppliers spend with diverse suppliers in support of the Tier 1 suppliers' overall operations and business as a percentage of their total business represented by S&P Global's business.

- **Baseline:** 6.0% addressable Tier 1 spend with US minority and diverse suppliers. Currently, only S&P Global Tier 1 spend has been calculated and included within the 6.0% baseline. Calculating S&P Global Tier 2 spend is an ongoing, extremely resource intensive process, which will take time to complete. Once the Tier 2 program is operational, Tier 2 spend is expected to be included in the reported KPI. If the Tier 2 spend for the combined company, at least with respect to fiscal year 2025, cannot be reasonably calculated prior to the Target Observation Date, total Tier 1 spend will be the KPI.
- **Baseline period:** 2020 (Q3) – 2021 (Q2) NewCo Proforma Baseline
- **Scope:** US spend has been selected as the KPI as it represents >70% of all SPGI spend.

Materiality and relevance

Equal opportunities and promotion of diversity are considered as important ESG issues faced by any company across all sectors. Increasing the diversity of a company's supplier has become an increasing strategic business topic for organizations considering demographic shifts[9] and stakeholder expectations.

By increasing supplier diversity within their procurement strategy, companies can help these suppliers grow which will, in turn, create jobs, build local economies, and bring benefits to those communities. The National Minority Supplier Diversity Council says minority-owned enterprises generate $400 billion in economic output, leading to the creation or preservation of 2.2 million jobs and $49 billion in annual tax revenue for local, state, and the federal government.[10]

ISS ESG finds that KPI 2 '% of addressable tier 1 and tier 2 spend with US minority and diverse organizations' selected by the issuer is:

- **Relevant** as ''equal opportunities and non-discrimination'' topics are considered as important ESG issues faced by any companies regardless of their sector.

[8] In the event that a supplier has been accredited by a recognized organization that validates minority or diverse status in multiple categories, such supplier would only be counted once.
[9] According to the National Minority Supplier Development Council (NMSDC), as demographics in the U.S. continue to evolve, minorities will constitute more than 50% of the population by the year 2045.
[10] Harvard Business Review, August 2020, Why You Need a Supplier-Diversity Program, https://hbr.org/2020/08/why-you-need-a-supplier-diversity-program

- **Core** to the issuer's business as Supplier Diversity KPI will affect key processes. Indeed, to reach targets associated to the KPI, the company will have to review its supplier selection criteria/process (below the actions needed to be implemented to reach the target).
- **Moderately material** to S&P Global from an ESG perspective as it focuses on supplier diversity while not capturing diversity in S&P Global's workforce:
    1. Material from a supply chain perspective as through supplier diversity programs, companies can help fuel growth for diverse companies.
    2. It does not cover D&I from a workforce diversity perspective that is key for the company but not covered through the KPI. Even if the company has already implemented a lot of actions to improve workforce diversity, representativeness of minorities can still be improved and could have been covered by the KPI to address diversity in an exhaustive way (specifically at Mid/Executive managers levels).

Consistency with overall company's sustainability strategy

In 2019, S&P Global launched its Supplier Diversity Program[11] to ''reach more diverse firms through fair and equal procurement opportunities for all capable, competitive vendors''. The Supplier Diversity Program seeks to expand the number of firms, including but not limited to minority- and woman-owned businesses, that can furnish the services and commodities S&P Global needs for its business. The company also recently launched a new partnership with supplier data vendor Tealbook to establish baseline data and attract more diverse supplier interest.

S&P Global Supplier Diversity Program is part of a wider Diversity, Equity & Inclusion (DEI) strategy that is currently being elaborated.

Thus, ISS ESG finds that the KPI selected by the issuer is consistent with the overall company's sustainability strategy.

Measurability

- **Scope and perimeter:** The KPI selected covers more than 70% of all S&P Global supplier spend.
- **Quantifiable/Externally verifiable:** The KPI selected is measurable and quantifiable. It is expressed in % of addressable tier 1 and tier 2 spend with US minority and diverse organizations. The numerator is defined by the tier 1 and tier 2 spend with US minority and diverse organizations (a diverse company is a company that is 51% Owned / Managed /Controlled by a diverse or minority group[12]) while the denominator is defined by the in-scope[13] total US supplier spend. S&P Global has an extensive calculation methodology procedures that will be made available to assurers as part of SLB.

[11]S&P Global, Supplier Diversity Program, https://www.spglobal.com
[12] S&P Global only consider diverse organizations that have an official accreditation attesting their ''diverse'' status.
[13] According to S&P Global, some categories of spend are not addressable either because there is no option but to pay that vendor e.g regulators or royalties, or that S&P Global would not want to address this spend to avoid conflicts of interest e.g. employee benefits or charitable giving.

- **Externally verified:** The issuer provided one year of historical data (from Q3 2020 to Q2 2021). Limited historical data are available as the supplier diversity program was implemented in 2019. The baseline has been verified.
- **Benchmarkable:** The KPI is benchmarkable with limitations not attributable to the issuer such as the lack of (i) US Generally Accepted Accounting Principles (GAAP) for Supplier Diversity calculations and (ii) similar indicators made publicly available by direct peers. Whilst some best-in-class organizations publish components of their calculation approach e.g Tier 2 calculation methodology online, no organization provides the full calculation methodology document.

Opinion on KPI selection: *ISS ESG finds that the KPI selected is relevant and core to the issuer's business model and consistent with its sustainability strategy. It is considered as material to the company's supply chain but it's important to note that the indicator does not cover D&I in the workforce, which is considered an essential ESG topic overall. It is appropriately measurable, quantifiable, externally verifiable and externally verified (only for the data available). The KPI is benchmarkable with some limitations mainly due to the lack of US Generally Accepted Accounting Principles (GAAP) for Supplier Diversity calculations and similar indicators made publicly available by peers. The KPI covers more than 70% of S&P Global supplier spend.*

1.4. Calibration of SPT

SPT set by the issuer

FROM ISSUER'S FRAMEWORK[14]
Sustainability Performance Target (2025): Addressable Tier 1 and Tier 2 spend with US minority and diverse organizations for the twelve months ending December 31, 2025 achieves a % of total spend equal to or greater than 10% as measured at year end 2025. This will represent an 89% increase over the 2020/21 Tier 1 spend baseline. Tier 2 material sub-contractors are expected to be included within the scope of addressable spend when the Tier 2 spend is included in the KPI. The trigger will be achieving the Supplier Diversity target mentioned above. **Sustainability Performance Target Trigger:** Total % of addressable Tier 1 and Tier 2 spend with US minority and diverse organizations, measured over 12-month period in 2025. If Tier 2 reporting is not completed by the Target Observation Date, target trigger will be total % of addressable Tier 1 spend. **Sustainability Performance Target Observation Dates:** December 31, 2025 **Baseline 2020 (Q3) – 2021 (Q2):** 6.0% addressable spend with US minority and diverse organization **Strategic 2030 Goal and Selection of Methodology for Calculating the SPT:** The company has currently not defined a clear long-term goal beyond the 2025 target. **Factors that support the achievement of the targets:** • Executive support and active engagement in the pursuit of the target

[14] This table is displayed by the issuer in its Sustainability-Linked Bond Framework and have been copied over in this report by ISS ESG for clarity.

- Leveraging the merger as an opportunity to excite and engage internal and external stakeholders on the Supplier Diversity program and goals
- Ability for Procurement to influence category decisions in support of the target
- Establishing clear policy requirements and allocating specific targets to Business Divisions
- Retention of active minority and diverse suppliers to win business YoY, not just as a one-off discrete expense
- Developing procedures that lower barriers to entrance for minority and diverse organizations without compromising on risk or quality of assessments
- Relevant technology in place to inform vendor selection and category decision making
- Correctly resourcing the Procurement Sustainability function (both headcount and non-headcount) to meet the target
- Ability to effectively report and influence Tier 2 expenditure

Risks to the targets:

- Material purchases in 2025 that significantly impact total in-scope spend
- Failure to embed Supplier Diversity as part of S&P Global culture, resulting in a tapering of buy-in and excitement regarding the program
- Inability to retain minority and diverse vendors from prior period and carry into 2025

Risks to the target: Failure to obtain external authorization for capacity expansion investments

Ambition

Against company's past performance

The company only provided one year of verified historical information since the supplier diversity program has been in place since 2019. As limited information is available before the baseline year, the level of ambition against past performance cannot be judged. However, according to a study provided by a consulting firm, S&P Global's current supplier diversity program is considered as intermediate (e.g., membership of organization such as NMSDC, supplier diversity policy). To reach the 10% SPT, the company will need to upgrade its program to a ''best-in class'' level (e.g., 2nd tier program is integrated into sourcing strategy, organization commitment, effective supplier retention & growth strategies in place).

Moreover, as Tier 2 suppliers are currently not integrated in the calculation, SPGI might already have achieved its target. The company does not intend to adjust SPT 2 since, according the company, it is highly unlikely that an assessment of Tier 2 suppliers will change the ambition of the target.

Thus, as only a year of historical figure is available, ISS considers that limited information are available to assess the level of ambition of the target against past performance.

Against company's sectorial peers

S&P Global calibrated its target with a consulting firm to be part of the best Fortune 500 performing companies in terms of diverse suppliers spend. Reaching 10% of diverse supplier spend should enable S&P Global to be part of the 25% best surveyed financial services firms.

S&P Global shared with ISS a peer group composed of five financial services companies (including S&P Global). All the peers have a supplier diversity program in place but no company (excluding S&P

Global) has a comparable target in place. Only one company has a similar, but not comparable target in place[15].

Thus, as none of the company's direct peers has comparable target in place (according to the data provided by the issuer), ISS assesses the target as ambitious against peers.

Against international targets

While S&P Global is a member of the National Minority Supplier Development Council (NMSDC), This council does not provide specific targets for spend related to diverse suppliers.

Thus, limited information are available to assess the level of ambition of the target against international/local targets.

Measurability & comparability

- **Historical data:** The issuer provided one year of historical data (from Q3 2020 to Q2 2021). Limited historical data are available as the supplier diversity program was implemented in 2019.
- **Timeline:** The issuer has defined a precise timeline related to the SPT achievement, including the target observation date, the trigger event and the frequency of SPT measurement.

Supporting strategy and action plan

To reach this SPT, S&P Global plans to implement and operationalize many strategic levers such as:

- **Executive support:** Executive level communications of Supplier Diversity goals and targets, etc.
- **Policy:** modify existing sourcing policies to support the inclusion of diverse suppliers, etc.
- **Category management and sourcing:** Implement supplier diversity percentage targets by category, etc.
- **Operations:** create a dedicated Supplier Diversity Team, etc.
- **Reporting and Technology:** Stand-up solution to enable consistent and accurate tier 2 reporting across top 100 S&P Global vendors, etc.
- **Communications and outreach:** roadshows or supplier diversity days, etc.

Opinion on SPT calibration: ISS ESG finds the SPT calibrated by S&P Global is ambitious compared to its sectorial peers. However, there is limited information available to assess the level of ambition against the company's past performance as S&P Global's Supplier Diversity Program was launched in 2019. Thus, only one year of verified historical information could be provided. In the absence of an international benchmarks, no conclusive assessment of the target's ambition towards international targets could be performed. Apart from these constraints, the target is set in a clear timeline and supported by a strategy and action plan.

[15] One of S&P Global's direct peer pledged 5% of 2021 addressable spend toward integrating more women-owned businesses into supply chain.

PART 2: ALIGNMENT WITH ICMA SUSTAINABILITY-LINKED BOND PRINCIPLES

Rationale for Framework

FROM ISSUER'S FRAMEWORK
S&P Global's net-zero target builds on a history of climate leadership. The company was an early supporter of the Task force on Climate-related Financial Disclosures (TCFD), reporting to TCFD since 2019. In its 2020 TCFD report, it became one of the first companies to disclose a Carbon Adjusted Earnings Per Share metric in its financial reporting. This calculates the theoretical cost per share of CO_2 tonnage in each period, subtracted from regular earnings per share, and provides greater transparency into the cost of carbon emissions from its operations. S&P Global will publish this metric quarterly in its usual investor disclosures. At the same time, both S&P Global and IHS Markit are committed to supporting people, customers and communities everywhere it operates. The company embraces DEI as a critical business driver and believes that it is imperative it focuses on driving systemic equity in all its processes, policies and practices. Through the issuance of its Sustainability-Linked Bonds ("SLBs"), the company aims to further use the power of its company to address green and social projects that align with its sustainability priorities and help the company achieve its long-term goal of net zero emission levels by 2040. S&P Global hopes the issuance of its Sustainability-Linked Bond will inspire other similar companies to do the same. S&P Global and IHS Markit have a robust reporting framework in place and has taken strides towards ESG initiatives. The companies' materiality assessments identify the key areas of priority and provide important guidance for making progress in these areas. This allows its framework to provide a high-level approach to its Sustainability-Linked Bond and investors should refer to relevant documentation for any Bond transactions.

Opinion: *ISS ESG considers the Rationale for Issuance description provided by S&P Global as aligned with the SLBPs.*

2.1. Selection of KPI

ISS ESG conducted a detailed analysis of the sustainability credibility of KPI selection available in section 1 of this report.

Opinion:

<u>KPI 1:</u> ISS ESG finds that the KPI selected is relevant and core to the issuer's business model and consistent with its sustainability strategy. The KPI is partially material to the company's Scope 3 emissions and does not cover the company's direct emissions (Scope 1 and 2 emissions). It is appropriately measurable, quantifiable, externally verifiable, externally verified (only for the baseline) and benchmarkable with limitations. It covers 100% of the operations and activities of S&P Global, 13% of its total GHG emissions and 14% of its Scope 3 emissions (detailed analysis has been conducted in the <u>section 1 of this report</u>).

<u>KPI 2</u>: ISS ESG finds that the KPI selected is relevant and core to the issuer's business model and consistent with its sustainability strategy. It is considered as material to the company's supply chain but it's important to note that the indicator does not cover D&I in the workforce, which is considered an essential ESG topic overall. It is appropriately measurable, quantifiable, externally verifiable and

externally verified (only for the data available). The KPI is benchmarkable with some limitations mainly due to the lack of US Generally Accepted Accounting Principles (GAAP) for Supplier Diversity calculations and similar indicators made publicly available by peers. The KPI covers more than 70% of S&P Global supplier spend. (detailed analysis has been conducted in the section 1 of this report).

2.2. Calibration of Sustainability Performance Target (SPT)

ISS ESG conducted a detailed analysis of the sustainability credibility of SPT is available in section 1 of this report.

Opinion:

SPT 1: ISS ESG finds that the SPT calibrated by S&P Global is ambitious against the company's peer group, its past performance and the Paris Climate Goals for a 2° Celsius warming scenario. The SPT target for S&P Global to reduce its business travel GHG emissions by 25% by 2025 has been approved by the SBTi and confirmed to exceed the minimum ambition under the Absolute Contraction approach. The assessment against peer group is limited as the SPT is set in absolute numbers, which makes benchmarkability challenging when looking at companies that use intensity measures or that differ in factors that would impact the base calculation such as the number of total employees or total miles traveled. Moreover, as this specific KPI have been significantly impacted by the COVID-19 pandemic, there are limitations to assess the level of ambition of the target against past performance, even if ISS ESG finds it ambitious from a quantitative perspective (comparing historical figures before the baseline with the reduction implied by the target). (detailed analysis has been conducted in the section 1 of this report).

SPT 2: ISS ESG finds the SPT calibrated by S&P Global is ambitious compared to its sectorial peers. However, there is limited information available to assess the level of ambition against the company's past performance as S&P Global's Supplier Diversity Program was launched in 2019. Thus, only one year of verified historical information could be provided. In the absence of an international benchmarks, no conclusive assessment of the target's ambition towards international targets could be performed. Apart from these constraints, the target is set in a clear timeline and supported by a strategy and action plan. *(detailed analysis has been conducted in the section 1 of this report).*

2.3. Sustainability-Linked Bond Characteristics

FROM ISSUER'S FRAMEWORK
S&P Global's SLBs have a sustainability-linked feature that will result in a coupon adjustment if its performance does not achieve the stated SPTs. The relevant KPI, SPT(s) and coupon adjustment, if applicable, would be specified in the terms and conditions of the relevant SLBs prospectuses.

Opinion: *ISS ESG considers the Sustainability-Linked Bonds Characteristics description provided by S&P* Global *as aligned with the SLBPs. In the relevant SLBs prospectuses, the issuer will give a detailed description of the potential variation of the financial characteristics of the instruments. The SLBs prospectuses will also include language taking into consideration potential extreme/exceptional events that could substantially impact the calculation of the KPI.*

2.4. Reporting

FROM ISSUER'S FRAMEWORK
Annually until at least the relevant Target Observation Date, and in any case for any date or period relevant for assessing the trigger of the SPT performance leading to a potential coupon adjustments, such as a step-up of a Sustainability-Linked Bond's coupon, S&P Global will publish and keep readily available and easily accessible on S&P Global website a Sustainability-Linked Bond update, which the company expects will be included within S&P Global annual Impact Report including: i. Up-to-date information on the performance of the selected KPI, including any re-assessment of or adjustment to the KPI, restatement of the SPT or adjustment to the related baseline where relevant; ii. Verification assurance report relative to the SPT outlining the performance against the SPT and the related impact, and timing of such impact, on the related SLB's financial characteristics; and iii. Relevant information enabling investors to monitor the progress of the SPT. Information may also include, when feasible and possible: i. Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis; and/or i. Illustration of the positive sustainability impacts of the performance improvement.

Opinion: *ISS ESG considers the Reporting description provided by S&P Global as aligned with the SLBPs. This will be made publicly available annually and include valuable information, as described above.*

2.5. Verification

FROM ISSUER'S FRAMEWORK
Annually until after the SPT trigger event of an SLB has been reached, and in any case for any date or period relevant for assessing the SPT performance leading to a potential adjustment of a Sustainability-Linked Bond's financial characteristics, such as a coupon increase, S&P Global will seek independent and external verification of S&P Global performance against the SPT for each applicable KPI by a qualified external reviewer with relevant expertise. The verification of the performance against the SPT will be made publicly available through S&P Global annual Impact Report, which is downloadable on its website. S&P Global may obtain and make publicly available a Second Party Opinion (SPO) or other limited assurance external review from consultants with recognized environmental and social expertise to provide an opinion on the sustainability benefit of this Framework as well as its alignment to the SLBP. Any such SPO will be available on the SPO provider's website. S&P Global will review this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market. S&P Global will also review this Framework in case of material changes in the scope, methodology, and in particular KPIs and/or the SPT's calibration. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of the SPO provider. Any future updated version of this Framework that may exist will either keep or improve the current levels of

transparency and reporting disclosures, including the corresponding review by a SPO provider. The updated Framework, if any, will be published on S&P Global's website and will replace this Framework

Opinion: *ISS ESG considers the Verification description provided by S&P Global as aligned with the Sustainability-Linked Bond Principles. The issuer plans on having all annual values of the SPT published and verified. This will outline the performance against the SPT, the related impact and timing of such impact on the bond's financial characteristics.*

PART 3: LINK TO S&P GLOBAL'S SUSTAINABILITY STRATEGY

***Note:** In 2020, S&P Global entered into a definitive merger agreement with IHS Markit, a company focused on delivering critical information, analytics and solutions for the major industries and markets worldwide. As the merger was closed on February 28, 2022, the ESG performance of S&P Global and IHS Markit were still not merged in ISS ESG Corporate Rating Universe at the time of generation of this report.*

3.1. S&P GLOBAL

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

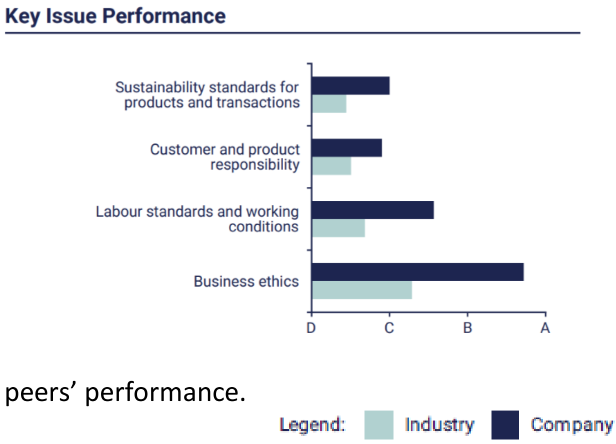
COMPANY	SECTOR	DECILE RANK	TRANSPARENCY LEVEL
S&P GLOBAL	AUXILIARY FINANCIAL SERVICES & DATA	1	Very High

This means that the company currently shows a very high sustainability performance against peers on key ESG issues faced by Auxiliary Financial Services & Data sector and obtains a Decile Rank relative to industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of 02.23.2022, this Rating places S&P Global 2nd out of 28 companies rated by ISS ESG in the Auxiliary Financial Services & Data sector.

Key Challenges faced by companies in term of sustainability management in this sector are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.



Sustainability Opportunities

S&P Global provides ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide. The company's product offerings include several indices integrating sustainability issues. Within its Global Ratings division, the company offers ESG Evaluation tools which give investors an overview over environmental impacts and climate risks within a portfolio. In January 2020, the company acquired the ESG Ratings Business from Robeco SAM. However, despite the range of products and services, these still represent a minor part of the company's overall business.

Sustainability Risks

The main sustainability risks of a rating agency like S&P Global lie in the areas of responsible and transparent rating products and practices. Within its code of conduct and some internal policies the company refers to divisional independence and objectivity in its research and analysis practices, and commits to transparency. In addition, the company trains analysts on these topics and has established a complaints mechanism. Less information is available on additional procedures, such as audits and evaluations. Regarding data protection, the company reports on a group-wide information security management system and vendor agreements which include similar data security requirements, as well as procedures for corresponding monitoring and due diligence. Staff-related risks are adequately approached through a group-wide health and safety management system and reasonable work-life balance options. Regarding business ethics, a comprehensive code of conduct has been formulated and strict compliance procedures (e.g. risk assessments, employee trainings, reporting channels) are implemented.

Governance opinion

S&P Global's governance structure is designed to ensure effective supervision of the management through the establishment of a board with a strong majority of independent members, including the board chair Mr. Richard E. Thornburgh (as at April 22, 2021). In addition, the established committees in charge of audit, remuneration and nomination are entirely composed of independent members. Compensation for the executive management team is publicly disclosed and sub-divided according to fixed amounts, variable performance-related components and long-term incentive components. Regarding the company's governance of sustainability, the fully independent nomination committee also oversees ESG matters, including supply chain management and environmental sustainability. In terms of remuneration, some ESG targets with respect to more sustainable and ESG based products are included in the executive remuneration scheme, although the exact definition and impact of the targets is not entirely clear. The company's code of conduct provides guidance on all relevant aspects, including corruption, conflicts of interest and insider dealings. Strict compliance measures include employee trainings, compliance risk assessments and reporting channels.

Sustainability impact of products and services portfolio

ISS ESG assessed the contribution of SPGI current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to evaluation of final product characteristics and does not include practices along the SPGI's production process.

According to ISS ESG proprietary methodology, 1% of SPGI's current product and services portfolio (ESG-related products and services) contribute positively to the UN SDGs.

Breaches of international norms and ESG controversies

The company is not facing any severe controversy

Contribution of KPIs to sustainability objectives and key ESG industry challenges

ISS ESG mapped the KPIs selected by the issuer for its Sustainability-Linked Bonds with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Auxiliary Financial Services & Data sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each KPIs selected.

KPIs SELECTED	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
GHG emissions (scope 3 business travel)	✓	✓	Contribution to a material objective
Diversity (supplier)	✓	✓	*Contribution to a material objective*

Opinion: *ISS ESG finds that the KPIs are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing Sustainability-Linked bonds is clearly described by the issuer.*

3.2. IHS Markit

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

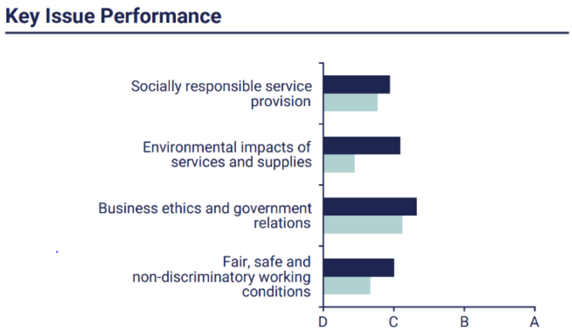
COMPANY	SECTOR	DECILE RANK	TRANSPARENCY LEVEL
IHS MARKIT	RESEARCH & CONSULTING SERVICES	3	HIGH

This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by Research & Consulting Services sector and obtains a Decile Rank relative to industry group of 3, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of 02.23.2022, this Rating places IHS Markit 18th out of 77 companies rated by ISS ESG in the Auxiliary Financial Services & Data sector.

Key Challenges faced by companies in terms of sustainability management in this sector are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.



Sustainability Opportunities

The company offers research and consulting services for various industries such as finance, media and telecommunications to automotive, energy. While its information services to the oil industry (estimated 2% of net sales in 2019) obstruct global sustainability objectives such as climate change mitigation, the vast majority of services do not have a clear positive or negative social or environmental impact.

Sustainability Risks

Due to its business activities in the field of research, analysis and consulting, IHS Markit's sustainability risks are rather limited. The company addresses most of its social risks adequately. Its adherence to the Universal Declaration of Human Rights as well as the UN Guiding Principles on Business and Human Rights exhibits a commitment to basic labor rights. Further, IHS Markit has a comprehensive policy addressing the topic of equal opportunities and non-discrimination, accompanied by several measures such as trainings and diversity-promoting programs. As the company collects and stores sensitive information and personal records, it faces major risks related to data protection and information security. IHS Markit has set up some measures in this area. e.g. risk assessment and physical and technical safeguards. However, the company has yet to demonstrate a strategic approach to ensure good research, analysis and consulting practices. Regarding business ethics, IHS Markit has established a comprehensive, group-wide code of conduct covering most relevant issues. Some corresponding compliance procedures have been implemented. Concerning environmental risks, the company has taken initial steps to improve energy efficiency and procure renewable energy at its data centers.

Governance Opinion

IHS Markit's governance structure exhibits some deficiencies as the chairman, Mr. Lance Darrell Gordon Uggla (as at August 27, 2020), is not independent, since he also serves as the company's CEO. However, a lead independent director has been appointed, and the majority of the board members are also independent. In addition, fully independent board committees in charge of audit, nomination and remuneration have been set up. The company publicly discloses its compensation schemes for the executive team on an individual basis, including long-term incentive components which could encourage sustainable value creation. Regarding the governance of sustainability, IHS Markit has established a fully independent board committee tasked with overseeing the sustainability performance of the company. However, it remains unclear whether ESG targets are integrated into the company's remuneration policy for executives. The company has established a comprehensive group-wide code of conduct covering all relevant aspects such as corruption, antitrust violations, insider dealings and conflicts of interest. Yet, except for compliance training, anonymous and confidential reporting channels and a general commitment to non-retaliation against whistleblowers, there is no information on further measures to ensure compliance with the company's business ethics standards.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of the issuer_name current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to evaluation of final product characteristics and does not include practices along the issuer_name's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE	DIRECTION OF IMPACT	UN SDGS
Information services to the oil industry	2%	OBSTRUCTION	
Others	N/A	NO NET IMPACT	N/A

Breaches of international norms and ESG controversies

The company is not facing any severe controversy

DISCLAIMER

1. Validity of the SPO: For S&P Global's Sustainability-Linked Bonds issuances as long as the Sustainability-Linked Bonds Framework (February 25, 2022), SPTs benchmarks and structural securities characteristics described in this document do not change.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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ANNEX 1: ISS ESG Corporate Rating

The following pages contain the methodology description of the ISS ESG Corporate Rating.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.
The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:
(1) Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
(2) Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
(3) Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

- Companies' ability to address grievances and remediate negative impacts
- Degree of verification of allegations and claims
- Severity of impact on people and the environment, and systematic or systemic nature of malpractices

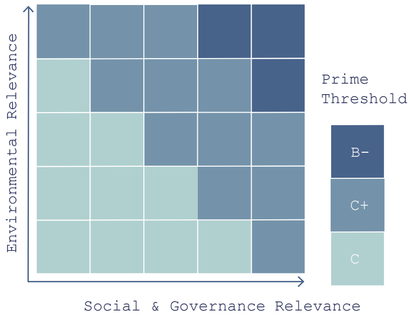
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 2: Methodology

ISS ESG Corporate Rating

The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Alignment of the concept set for transactions against the Sustainability-Linked Bond Principles, as administered by ICMA

ISS ESG reviewed the Sustainability-Linked Bond Framework of S&P Global, as well as the concept and processes for issuance against the Sustainability-Linked Bond Principles administered by the ICMA. Those principles are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the Sustainability-Linked Bond market by clarifying the approach for issuance.
ISS ESG reviewed the alignment of the concept of the S&P Global's issuance with mandatory and necessary requirements as per the Appendix II - SLB Disclosure Data Checklist of those principles, and with encouraged practices as suggested by the core content of the Principles.

Analysis of the KPI selection and associated SPT

In line with the voluntary guidance provided by the Sustainability-Linked Bond Principles, ISS ESG conducted an in-depth analysis of the sustainability credibility of the KPI selected and associated SPT. ISS ESG analysed if the KPI selected is core, relevant and material to the issuer's business model and consistent with its sustainability strategy thanks to its long-standing expertise in evaluating corporate sustainability performance and strategy. ISS ESG also reviewed if the KPI is appropriately measurable by referring to key GHG reporting protocols and against acknowledged benchmarks.
ISS ESG analysed the ambition of the SPT against S&P Global's own past performance (according to S&P Global's reported data), against S&P Global's Auxiliary Financial Services & Data Products peers (as per ISS ESG Peer Universe and data), and against international benchmarks such as the Paris agreement (based on data from the Transition Pathway Initiative) and the UN SDGs (according the ISS ESG proprietary methodology). Finally, ISS ESG evaluated the measurability & comparability of the SPT, and the supporting strategy and action plan of S&P Global.

ANNEX 3: Quality management processes

SCOPE

S&P Global commissioned ISS ESG to compile a Sustainability-Linked Bond SPO. The Second Party Opinion process includes verifying whether the Sustainability-Linked Bond Framework aligns with the ICMA Sustainability-Linked Bond Principles and to assess the sustainability credentials of its Sustainability-Linked Bond, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- Sustainability-Linked Bond Principles, as administered by ICMA

ISSUER'S RESPONSIBILITY

S&P Global's responsibility was to provide information and documentation on:

- Framework

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Sustainability-Linked Bond to be issued by S&P Global based on ISS ESG methodology and in line with the ICMA Sustainability-Linked Bond Principles.

The engagement with S&P Global took place from August 2021 to February 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/

For Information about SPO services, contact: SPOsales@isscorporatesolutions.com

For Information about this Sustainability-Linked Bond SPO, contact: SPOOperations@iss-esg.com

Project team

Project lead	Project support	Project supervision
Armand Satchian Sr. Associate ESG Consultant	Karsen Bell Analyst ESG Consultant	Viola Lutz Associate Director Deputy Head of Climate Services