

PRESS RELEASE

Mumbai, December 21, 2023

Revision in Nifty ESG indices

The Index Maintenance Sub-Committee (Equity) of NSE Indices Limited has decided to make the revision in Nifty ESG indices as listed hereunder. These changes shall become effective from December 29, 2023 (close of December 28, 2023).

1) Nifty100 ESG

The following companies are being **excluded**:

Sr. No.	Company Name	Symbol
1	ACC Ltd.	ACC
2	FSN E-Commerce Ventures Ltd.	NYKAA
3	HDFC Asset Management Company Ltd.	HDFCAMC
4	Indus Towers Ltd.	INDUSTOWER
5	Page Industries Ltd.	PAGEIND

The following companies are being **included**:

Sr. No.	Company Name	Symbol
1	Adani Enterprises Ltd.	ADANIENT
2	Adani Ports and Special Economic Zone Ltd.	ADANIPORTS
3	Adani Wilmar Ltd.	AWL
4	Jindal Steel & Power Ltd.	JINDALSTEL
5	NTPC Ltd.	NTPC
6	Oil & Natural Gas Corporation Ltd.	ONGC
7	Punjab National Bank	PNB
8	Shriram Finance Ltd.	SHRIRAMFIN
9	Trent Ltd.	TRENT
10	TVS Motor Company Ltd.	TVSMOTOR
11	UPL Ltd.	UPL
12	Zydus Lifesciences Ltd.	ZYDUSLIFE

2) Nifty100 Enhanced ESG

The following companies are being **excluded**:

Sr. No.	Company Name	Symbol
1	ACC Ltd.	ACC
2	FSN E-Commerce Ventures Ltd.	NYKAA
3	HDFC Asset Management Company Ltd.	HDFCAMC
4	Indus Towers Ltd.	INDUSTOWER
5	Page Industries Ltd.	PAGEIND
6	SRF Ltd.	SRF

The following companies are being **included**:

Sr. No.	Company Name	Symbol
1	Adani Enterprises Ltd.	ADANIENT
2	Adani Ports and Special Economic Zone Ltd.	ADANIPORTS
3	Adani Wilmar Ltd.	AWL
4	Bank of Baroda	BANKBARODA
5	Coal India Ltd.	COALINDIA
6	Grasim Industries Ltd.	GRASIM
7	Jindal Steel & Power Ltd.	JINDALSTEL
8	NTPC Ltd.	NTPC
9	Oil & Natural Gas Corporation Ltd.	ONGC
10	Punjab National Bank	PNB
11	Reliance Industries Ltd.	RELIANCE
12	Shriram Finance Ltd.	SHRIRAMFIN
13	Tata Power Co. Ltd.	TATAPOWER
14	Trent Ltd.	TRENT
15	TVS Motor Company Ltd.	TVSMOTOR
16	UPL Ltd.	UPL
17	Zydus Lifesciences Ltd.	ZYDUSLIFE

3) Nifty100 ESG Sector Leaders

The following companies are being **excluded**:

Sr. No.	Company Name	Symbol
1	ACC Ltd.	ACC
2	Ambuja Cements Ltd.	AMBUJACEM
3	Apollo Hospitals Enterprise Ltd.	APOLLOHOSP

Sr. No.	Company Name	Symbol
4	Bharat Petroleum Corporation Ltd.	BPCL
5	Britannia Industries Ltd.	BRITANNIA
6	Havells India Ltd.	HAVELLS
7	Hindalco Industries Ltd.	HINDALCO
8	Page Industries Ltd.	PAGEIND
9	Procter & Gamble Hygiene & Health Care Ltd.	PGHH

The following companies are being **included:**

Sr. No.	Company Name	Symbol
1	Adani Enterprises Ltd.	ADANIENT
2	Adani Ports and Special Economic Zone Ltd.	ADANIPORTS
3	Avenue Supermarts Ltd.	DMART
4	Bajaj Finserv Ltd.	BAJAJFINSV
5	Cholamandalam Investment and Finance Company Ltd.	CHOLAFIN
6	Colgate Palmolive (India) Ltd.	COLPAL
7	Dabur India Ltd.	DABUR
8	Grasim Industries Ltd.	GRASIM
9	HDFC Bank Ltd.	HDFCBANK
10	HDFC Life Insurance Company Ltd.	HDFCLIFE
11	ICICI Lombard General Insurance Company Ltd.	ICICIGI
12	Indian Oil Corporation Ltd.	IOC
13	IndusInd Bank Ltd.	INDUSINDBK
14	Jindal Steel & Power Ltd.	JINDALSTEL
15	LTIMindtree Ltd.	LTIM
16	Muthoot Finance Ltd.	MUTHOOTFIN
17	Nestle India Ltd.	NESTLEIND
18	NTPC Ltd.	NTPC
19	Reliance Industries Ltd.	RELIANCE
20	Tata Consumer Products Ltd.	TATACONSUM
21	Tata Motors Ltd.	TATAMOTORS
22	Tata Power Co. Ltd.	TATAPOWER
23	Torrent Pharmaceuticals Ltd.	TORNTPHARM
24	Trent Ltd.	TRENT
25	TVS Motor Company Ltd.	TVSMOTOR
26	UPL Ltd.	UPL
27	Zomato Ltd.	ZOMATO
28	Zydus Lifesciences Ltd.	ZYDUSLIFE

NSE Indices plans to launch its own ESG Scores / Ratings in the near future and once launched, use the same for its ESG indices. In the interim, starting from the index review effective date (December 29, 2023), the ESG Scores / Ratings for the Nifty ESG indices shall be sourced from Stakeholders Empowerment Services (SES) instead of Morningstar Sustainalytics. In order to align the index methodology with the ESG Scores / Ratings of SES, it has been decided to make the following changes to the methodology of the Nifty ESG indices.

Accordingly, the above replacements have been identified in the Nifty100 ESG, Nifty100 Enhanced ESG and Nifty100 ESG Sector Leaders indices based on ESG Scores / Ratings sourced from SES.

1) Revision in methodology of the Nifty100 ESG index and Nifty100 Enhanced ESG index

Parameters	Existing methodology	Revised Methodology
Exclusion based on controversy level	Companies with controversy category of 4 and 5 shall be excluded	Companies with controversy score less than 70 shall be excluded
Exclusion based on ESG risk score	<ul style="list-style-type: none"> For Nifty100 ESG index, the companies without ESG risk score shall be excluded For Nifty100 Enhanced ESG index companies with 'ESG risk score' greater than or equal to 40, which are categorised as 'severe' category shall be excluded 	<ul style="list-style-type: none"> For Nifty100 ESG index, the companies without ESG score shall be excluded For Nifty100 Enhanced ESG index companies with 'ESG score' lesser than 60, which are categorised as B-, C+, C and D grades shall be excluded
Index weighing method	Tilt (Modified ESG risk score * square root of FFMCAP) <i>Where, Modified ESG risk score is the Normalised Z score of the (100-ESG risk score)</i>	Tilt (Normalised ESG score * square root of FFMCAP) <i>Where, Normalised ESG score is the Normalised Z score of ESG Score</i>
Ad hoc Rebalancing	Constituent is excluded if an index constituent is flagged for controversy level 5	Constituent shall be excluded if the controversy score of an index constituent falls below 70

2) Revision in methodology of the Nifty100 ESG Sector Leaders index

Parameters	Existing methodology	Revised Methodology
Exclusion based on controversy level	Companies with controversy category of 4 and 5 shall be excluded	Companies with controversy score less than 70 shall be excluded
Exclusion based on Global sub-industry average	Companies with ESG risk score greater than Global Subindustry average ESG risk score are excluded	Criteria removed
Exclusion based on ESG risk score	Companies with 'ESG risk score' greater than or equal to 40, which are	Companies with ESG score less than 60 which are categorised as B-, C+, C and D grades shall be excluded

Parameters	Existing methodology	Revised Methodology
	categorised as 'severe' category shall be excluded	
Stock selection criteria	<ul style="list-style-type: none"> The stocks within the eligible universe are ranked in the ascending order of their ESG risk rating within their respective sectors The stocks are then selected from the ranked universe until the 75% coverage by cumulative weight of six month average free-float market capitalisation of the eligible stocks within the sector is reached 	<ul style="list-style-type: none"> The stocks within the eligible universe are ranked in the descending order of their ESG score within their respective sectors The stocks are then selected from the ranked universe until the 75% coverage by cumulative weight of six month average free-float market capitalisation of the eligible stocks within the sector is reached
Ad hoc Rebalancing	Constituent is excluded if an index constituent is flagged for controversy level 4 or 5	Constituent shall be excluded if the controversy score of an index constituent falls below 70

About NSE Indices Limited:

NSE Indices Limited (formerly known as India Index Services & Products Ltd. - IISL), a subsidiary of NSE, provides a variety of indices and index related services for the capital markets. The company focuses on the index as a core product. The company owns and manages a portfolio of indices under the Nifty brand of NSE, including the flagship index, the Nifty 50. Nifty equity indices comprise of broad-based benchmark indices, sectoral indices, strategy indices, thematic indices and customised indices. NSE Indices Limited also maintains fixed income indices based on Government of India securities, corporate bonds, money market instruments and hybrid indices. Many investment products based on Nifty indices have been developed within India and abroad. These include index based derivatives traded on NSE and NSE International Exchange IFSC Limited (NSE IX) and a number of index funds and exchange traded funds. The flagship 'Nifty 50' index is widely tracked and traded as the benchmark for Indian Capital Markets.

For more information, please visit: www.niftyindices.com

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