

Morningstar Indexes

December 20, 2024

Consultation Results: Methodology and Index Name Changes for the Jantzi Social Index

Following a [consultation](#) issued in November, Morningstar Indexes will implement the following methodology and name changes to the Jantzi Social Index, effective after the market close of June 20, 2025.

Summary of Changes to the Methodology

- Name Change:
 - Change name to Morningstar Jantzi Social Index (“the Index”).
- Starting Universe:
 - The new parent benchmark for the Index will be the Morningstar Canada Large-Mid Index.
- ESG Exclusions: ESG screens will be maintained from the current Jantzi Social Index methodology except for the three changes below. These changes were made to better align with the evolving preferences of investors.
 - Adding a screen that excludes companies that are identified as Non-compliant with UN Global Compact.
 - Removing all screens related to nuclear energy.
 - Updating the exclusion criteria to only exclude companies with a "Severe" Controversy Rating, whereas companies with a "High" Controversy Rating were previously excluded as well.
- Selection Criteria:

- Proportion by count of each sector is calculated in the parent benchmark , and subsequently securities from each sector are selected in the Index to match the sector weights of the benchmark, with a tolerance level of +/-2%.
- For selection, a new score is derived which takes the Sustainalytics ESG risk rating and market capitalization into account. At this point, 30/50% weight is provided to market cap, and the remaining is given to the Sustainalytics ESG Risk Rating. This is done so as to reach 50% market cap of the benchmark.
 - Additionally, a buffer of 50% is provided to each sector.
- Post selection, free float market cap weighting is applied to derive initial weights.
- Finally, Security cap of 10% and benchmark relative active cap of +/- 5% is applied.
- Review frequency:
 - Annual review in March will be changed to semi-annual review in June and December to align with the Morningstar Equity Index review schedule.
- ESG data change:
 - From June 2025 on, the Index will utilize the Sustainalytics ESG Risk Rating in security selection. The Index previously utilized the legacy ESG Rating from Morningstar Sustainalytics.

Key Dates

- These changes will be implemented at the June 2025 reconstitution, after the market close of June 20, 2025.
- There will be no March 2025 reconstitution or rebalance, and the current weights will drift until June 2025.

Submit Your Questions

General questions about these changes can be sent to indexes@morningstar.com.

About Morningstar Indexes

Morningstar Indexes was built to keep up with the evolving needs of investors—and to be a leading-edge advocate for them. Our rich heritage as a transparent, investor-focused leader in data and research uniquely equips us to support individuals, institutions, wealth managers and advisors in navigating investment opportunities across major asset classes, styles, and strategies. From traditional benchmarks and unique IP-driven indexes to index design, calculation and distribution services, our solutions span an investment landscape as diverse as investors themselves.

Contact Us

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