MSCI

November 2026

Methodology Book for:

- **MSCI Euro Blue Select Subset Index**
- **MSCI World Water Enablers Subset Index**
- **MSCI Euro Blue Select and World Water Enablers Index**
- **MSCI Euro Blue Select and World Water Enablers Decrement 5% Index**



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1 Introduction

The MSCI Euro Blue Select and World Water Enablers Indexes[1] (the 'Indexes') consist of following indexes:

- MSCI Euro Blue Select Subset Index
- MSCI World Water Enablers Subset Index
- MSCI Euro Blue Select and World Water Enablers Index
- MSCI Euro Blue Select and World Water Enablers Decrement 5% Index

The MSCI Euro Blue Select Subset Index is designed to represent the performance of a strategy that selects the companies that lead the Eurozone in corporate water stewardship.

The MSCI World Water Enablers Subset Index is designed to represent the performance of a strategy that selects the companies that enable sustainable water solutions worldwide.

The MSCI Euro Blue Select and World Water Enablers Index (the 'Combined Index') is a two-tier composite as below:

- MSCI Euro Blue Select Subset Index - 80% weight
- MSCI World Water Enablers Subset Index – 20% weight

The MSCI Euro Blue Select and World Water Enablers Decrement 5% Index aims to represent the performance of the MSCI Euro Blue Select and World Water Enablers Index, while applying a constant markdown ('synthetic dividend') of 5% on an annual basis, expressed as a percentage of performance.

1 The Indexes are governed by a set of methodology and policy documents ("Methodology Set"), including the present index methodology document. Please refer to Appendix IV for more details.

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2 Constructing the MSCI Euro Blue Select Subset Index

The MSCI Euro Blue Select Subset Index seeks to identify the water-stewardship leaders within large-capitalization Eurozone equities, based on a multi-factor assessment of policy, performance and ambition. It is reviewed quarterly by applying the following steps:

- Applicable Universe
- Eligible Universe Screening
- Security Selection
- Security Weighting

2.1 Applicable Universe

The Applicable Universe of the MSCI Euro Blue Select Subset Index includes all the constituents of the MSCI EMU Index.

2.2 Eligible Universe Screening

The MSCI Euro Blue Select Subset Index uses company ratings and research provided by MSCI Solutions to determine eligibility for index construction. The Eligible Universe comprises all securities from the Applicable Universe that meet each of the below eligibility criteria.[2]

2.2.1 Single Security Per Issuer Screen

To avoid multiple securities of the same company in the MSCI Euro Blue Select Subset Index, only the most liquid security for each issuer per its 3-month ADTV, is eligible for inclusion in the MSCI Euro Blue Select Subset Index.

ADTV is calculated as:

$$ADTV_{3M} = \frac{ATV_{3M}}{252}$$

Where ATV_{3M} [3] is annualized 3-month Average Traded Value of the security.

2.2.2 ESG Based Exclusions

The MSCI Euro Blue Select Subset Index uses MSCI BISR, MSCI Controversies, MSCI Climate Change Metrics, and MSCI Impact Solutions' SDG Alignment to identify companies that have

[2] See Section 6 for further information regarding sustainability and climate data used in the Indexes that MSCI Limited and MSCI Deutschland GmbH source from MSCI Solutions LLC, a separate subsidiary of MSCI Inc. MSCI Solutions is solely responsible for the creation, determination and management of such data as a provider to MSCI Limited and MSCI Deutschland GmbH. MSCI Limited and MSCI Deutschland GmbH are the benchmark administrators for the MSCI indexes

[3] Please refer to MSCI Index Calculation Methodology at https://www.msci.com/index-methodology for more details on ATV calculation

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been assessed as negatively impacting the index objective. The exclusions criteria are as follows.[4]

- Biocides
- Compliance with all the UN Global Compact Principles
- Controversial Weapons
- Oil & Gas
- Thermal Coal
- Tobacco
- Genetic Engineering
- SDG 06 and 14 Net Alignment
- Disturbance to Land or Marine Areas
- Toxic Emissions Controversies
- Water Usage Controversies
- Environmental Controversies of Supply Chain

2.2.3 Treatment of Unrated Companies

Companies not assessed by MSCI Solutions on the following MSCI sustainability and climate products are not eligible for inclusion in the Indexes.

- MSCI Business Involvement Screening Research (BISR)
- MSCI Climate Change Metrics
- MSCI Impact Solutions

2.2.4 Size Screen

From the remaining securities, the top 100 securities, ranked by their free float market capitalization are selected for inclusion in the eligible universe for the MSCI Euro Blue Select Subset Index.

[4] Please refer to Appendix I for detailed exclusion criteria

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2.3 Security Selection

The MSCI Euro Blue Select Subset Index uses company ratings and research provided by MSCI Solutions to select securities based on a Blue Score calculated for index construction.[5][6]

2.3.1 Defining Policy Score

Five water-related management indicators are map-scored (0 – 1.5)[7] and summed as policy score:

- Evidence of Water Reduction Program in supply chain
- Evidence of Water Consumption Reduction Program in core operations
- Carbon Disclosure Project (CDP) Water Disclosure
- Water Risk Monitoring Program
- Evidence of Quantitative Water Reduction Targets

2.3.2 Defining Performance Score

Sector[8]-relative ranks[9] are computed for each metric, with ties assigned the same rank. The three ranks are then combined into a composite Performance Score as follows:

Metric	Ranking Direction	Weight
Water-withdrawal Intensity	Ascending	70%
Fresh-water Withdrawal Intensity	Ascending	25%
Water-recycling rate	Descending	5%

The weighted ranks are summed; lower scores imply stronger sector-relative performance.

2.3.3 Defining Ambition Score

The raw Water-Stress Target Reduction (%) value is used as the ambition score[10].

[5] See Section 6 for further information regarding sustainability and climate data used in the Indexes that MSCI Limited and MSCI Deutschland GmbH source from MSCI Solutions LLC, a separate subsidiary of MSCI Inc. MSCI Solutions is solely responsible for the creation, determination and management of such data as a provider to MSCI Limited and MSCI Deutschland GmbH. MSCI Limited and MSCI Deutschland GmbH are the benchmark administrators for the MSCI indexes

[6] Please refer to Section 2.3.4 for the details of Blue Score calculation.

[7] Please refer to Appendix III for detailed mapping scales for policy score. Missing values are imputed with least-conservative default 0.

[8] The Global Industry Classification Standard (GICS®) sector is applied. GICS, the global industry classification standard jointly developed by MSCI Inc. and S&P Global Market Intelligence.

[9] Missing values are imputed with conservative defaults – 1000000 for both withdrawal Intensity and 0 for the recycling rate – before the ranking step.

[10] Missing values are imputed with least-conservative default 0.

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2.3.4 Defining the Sector-wise Blue Score

Sector-relative ranks are computed for each score metric, with ties assigned the same rank. The three ranks are then combined into a composite Blue Score as follows:

Metric	Ranking Direction	Weight
Ambition Score	Descending	10%
Policy Score	Descending	40%
Performance Score	Ascending	50%

The weighted ranks are summed; lower scores imply stronger sector-relative water stewardship.

2.3.5 Selection within GICS Sector

Step 1 - Remove Defensive sectors.

Exclude all securities classified in the Defensive sectors as per the GICS classification— Health Care, Consumer Staples, Utilities and Telecommunication Services.

Step 2 - Sector-top selection.

Within each remaining GICS sector, select the securities ranked 1– 6 by Sector-wise Blue Score. These selections form the primary pool. All other securities from the Step 2 compose the fallback pool.

Step 3 – Final constituent selection.

- If the primary pool contains fewer than 24 names, add securities from the fallback pool in descending order of free float market capitalization until 24 are reached.
- If the primary pool contains no fewer than 24 names, the top 24 securities, ranked by their free float market capitalization are selected for inclusion in the MSCI Blue Select Subset Index.

2.4 Security Selection

At each Index Review, the securities selected for inclusion in the MSCI Euro Blue Select Subset Index are assigned weights in proportion to their weights in the Parent Index.

Additionally, constituent weights are capped at 6.25% to mitigate concentration risk in the MSCI Euro Blue Select Subset Index. In respect of such capped securities, any excess above 6.25% will be distributed amongst the other securities in proportion to their weights, subject to the capping constraints.

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3 Constructing the MSCI World Water Enablers Subset Index

The MSCI World Water Enablers Subset Index seeks to identify global companies whose products or services enable sustainable water usage, treatment, monitoring and infrastructure. It is reviewed quarterly by applying the following step:

- Defining the Parent Index
- Eligible Universe Screening
- Security Selection
- Security Weighting

3.1 Defining the Parent Index

The Applicable Universe of the World Water Enablers Subset Index includes all the constituents of the MSCI World Index.

3.2 Eligible Universe Screening

The Eligible Universe comprises all securities from the Parent Index that meet each of the below eligibility criteria. The Indexes use company ratings and research provided by MSCI Solutions to determine eligibility for index construction.

3.2.1 Single Security Per Issuer Screen

To avoid multiple securities of the same company in the final Indexes, only the most liquid security for each issuer per its 3-month ADTV, is eligible for inclusion in the Indexes.

ADTV is calculated as:

$$ADTV_{3M} = \frac{ATV_{3M}}{252}$$

Where ATV_{3M}[11] is annualized 3-month Average Traded Value of the security.

3.2.2 ESG Based Exclusions

The MSCI World Water Enablers Subset Index uses MSCI BISR, MSCI Controversies, MSCI Climate Change Metrics, and MSCI Impact Solutions to identify companies that have been assessed as negatively impacting the index objective. The exclusions criteria are as follows[12]:

- Biocides
- Compliance with all the UN Global Compact Principles

[11] Please refer to MSCI Index Calculation Methodology at https://www.msci.com/index-methodology for more details on ATV calculation

[12] Please refer to Appendix I for detailed exclusion criteria

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- Controversial Weapons
- Oil & Gas
- Thermal Coal
- Tobacco
- Genetic Engineering
- SDG 06 and 14 Net Alignment
- Disturbance to Land or Marine Areas
- Toxic Emissions Controversies
- Water Usage Controversies
- Environmental Controversies of Supply Chain

3.2.3 Treatment of Unrated Companies

Companies not assessed by MSCI Solutions on the following MSCI sustainability and climate products are not eligible for inclusion in the Indexes.

- MSCI Business Involvement Screening Research (BISR)
- MSCI Climate Change Metrics
- MSCI Impact Solutions

3.3 Security Selection

A security becomes eligible for inclusion if it meets any of the five criteria below, assessed using the most recent actual or maximum estimated data[13]:

1 Eligible NACE[14] industry + moderate revenue/SDG[15] threshold

- The NACE Class Code linked to the issuer's largest revenue stream in the latest financial year is one of {26.51, 42.21, 46.84, 28.13, 36.00, 37.00, 71.12, 22.24, 28.14}; and at least one of the following holds:
  1) 2 % or more of revenue is derived from products, services or projects that address water-scarcity or water-quality challenges
  2) 2 % or more of revenue is derived from wastewater-treatment technologies or

[13] Missing values are imputed with default 0 for all the data used in the five criteria below

[14] NACE is the European Union's classification of economic activities. For further details regarding NACE, please refer to https://ec.europa.eu/eurostat/statistics-explained/index.php?title=NACE_background

[15] SDG is the United Nations Sustainable Development Goals. For further details regarding MSCI SDG Alignment Methodology, please refer to MSCI SDG Alignment Methodology.

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services

3) The sum[16] of the issuer's net-alignment scores for SDG 14 and SDG 6 is greater than or equal to 2

2 High exposure to water-scarcity solutions

More than 6 % of revenue comes from products, services or projects that tackle water scarcity or water quality

3 High exposure to wastewater-treatment solutions

More than 6 % of revenue comes from wastewater-treatment technologies or services

4 Strong SDG 14 alignment

Net-alignment score for SDG 14 – Life Below Water is greater than or equal to 3

5 Strong SDG 6 alignment

Net-alignment score for SDG 6 – Clean Water and Sanitation is greater than or equal to 7

Based on the constituents which meet the selection criteria, the top 6 securities, ranked by their free float market capitalization are selected for inclusion in the MSCI World Water Enablers Subset Index.

3.4 Security Weighting

At each Index Review, the securities selected for inclusion in the MSCI World Water Enablers Subset Index are assigned weights in proportion to their weights in the Parent Index.

Additionally, constituent weights are capped at 25% to mitigate concentration risk in the MSCI World Water Enablers Subset Index. Any excess weight above 25% in relation to a constituent will be allocated to the other constituents in proportion to their weight, subject to the 25% cap.

[16] Missing values are imputed with default 0 before the summation step.

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4 Constructing the MSCI Euro Blue Select and World Water Enablers Index and the MSCI Euro Blue Select and World Water Enablers Decrement 5% Index

4.1 Constructing the Combined Index

At each rebalancing date, the Combined Index is calculated as a weighted blend of the two Subset Indexes:

Subset No.	Subset Index Name	Weight
1	MSCI Euro Blue Select Subset Index	80%
2	MSCI World Water Enablers Subset Index	20%

The target weights are applied on the rebalancing date and may drift freely between scheduled reviews.

4.2 Applying the MSCI Decrement Indexes Methodology

A constant markdown ('synthetic dividend') is applied on the MSCI Euro Blue Select and World Water Enablers Index levels on a daily basis, expressed as a percentage of performance, to construct the MSCI Euro Blue Select and World Water Enablers Decrement 5% Index.

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5 Maintaining the MSCI Euro Blue Select and World Water Enablers Indexes

5.1 Index Reviews

The MSCI Euro Blue Select Subset Index and the MSCI World Water Enablers Subset Index are reviewed on a quarterly basis as per the steps described in Section 2 and 3, coinciding with the Quarterly Index Reviews of the Parent Indexes. The pro forma Indexes are in general announced nine business days before the effective date.

In general, MSCI uses MSCI Solutions data (including MSCI Controversies Scores, MSCI Business Involvement Screening Research, MSCI Climate Change Metrics and MSCI Impact Solutions: Sustainable Impact Metrics) as of the end of the month preceding the Index Reviews for the rebalancing of the Index.

For each index review, the annualized 3-month Average Traded Value of the security as of the end of the month preceding the Index Review is used.

The Combined Index is calculated on a quarterly basis as per the steps described in Section 4 coinciding with the Quarterly Index Reviews of the MSCI Euro Blue Select Subset Index and the MSCI World Water Enablers Subset Index.

5.2 Ongoing Event-Related Changes

The general treatment of corporate events in the MSCI Euro Blue Select Subset Index, the MSCI World Water Enablers Subset Index and the Combined Index aims to minimize turnover outside of Index Reviews. The methodology aims to appropriately represent an investor's participation in an event based on relevant deal terms and pre-event weighting of the index constituents that are involved. Further, changes in index market capitalization that occur as a result of corporate event implementation will be offset by a corresponding change in the Variable Weighting Factor (VWF) of the constituent.

The following section briefly describes the treatment of common corporate events within the MSCI Euro Blue Select Subset Index, the MSCI World Water Enablers Subset Index and the Combined Index.

No new securities will be added (except where noted below) to the MSCI Euro Blue Select Subset Index, the MSCI World Water Enablers Subset Index and the Combined Index. Parent Index deletions will be reflected simultaneously.

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EVENT TYPE	EVENT DETAILS
New additions to the Parent Index	A new security added to the Parent Index (such as IPO and other early inclusions) will not be added to the Index.
Spin-Offs	All securities created as a result of the spin-off of an existing Index constituent will not be added to the Index at the time of event implementation. Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.
Merger/Acquisition	For Mergers and Acquisitions, the acquirer's post event weight will account for the proportionate amount of shares involved in deal consideration, while cash proceeds will be invested across the Index. If an existing Index constituent is acquired by a non- Index constituent, the existing constituent will be deleted from the Index and the acquiring non-constituent will not be added to the Index.
Changes in Security Characteristics	A security will continue to be an Index constituent if there are changes in characteristics (country, sector, size segment, etc.) Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

Further detail and illustration regarding specific treatment of corporate events relevant the MSCI Euro Blue Select Subset Index, the MSCI World Water Enablers Subset Index and the Combined Index can be found in the MSCI Corporate Events Methodology book under the

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sections detailing the treatment of events in Capped Weighted and Non-Market Capitalization Weighted Indexes.

The MSCI Corporate Events methodology book is available at: https://www.msci.com/Index-methodology

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6 MSCI Solutions

The Indexes are products of MSCI Inc. that utilize information such as company ratings and research produced and provided by MSCI Solutions LLC (MSCI Solutions), a subsidiary of MSCI Inc. In particular, the Indexes use the following MSCI sustainability and climate products: MSCI Climate Change Metrics, MSCI Climate Value-at-Risk, MSCI Impact Solutions, MSCI Controversies and MSCI Business Involvement Screening Research. MSCI Indexes are administered by MSCI Limited and MSCI Deutschland GmbH.

6.1 MSCI Controversies

MSCI Controversies provide assessments of controversies concerning the potential negative environmental, social, and/or governance impact of company operations, products and services. The evaluation framework used in MSCI Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI Controversies Score falls on a 0-10 scale, with "0" being the most severe controversy.

The MSCI Controversies methodology can be found at: https://www.msci.com/legal/sustainability-and-climate-resources-and-disclosures.

6.2 MSCI Climate Change Metrics

MSCI Climate Change Metrics provides climate data & tools to support institutional investors seeking to integrate climate risk & opportunities into their investment strategy and processes. This includes investors seeking to achieve a range of objectives, including measuring and reporting on climate risk exposure, implementing low carbon and fossil fuel-free strategies, alignment with temperature pathways and factoring climate change research into their risk management processes, in particular through climate scenario analysis for both transition and physical risks.

The dataset spans across the four dimensions of a climate strategy: transition risks, green opportunities, physical risks and 1.5° alignment.

For more details on MSCI Climate Change Metrics, please refer to https://www.msci.com/legal/sustainability-and-climate-resources-and-disclosures.

6.2.1 Fossil Fuels and Power Generation Metrics

MSCI Solutions identifies companies involved in fossil fuel-related assets and activities including fossil fuel reserves, resource extraction, power generation and generation capacity, revenue from such assets and activities and capital investments in such assets and activities. The metrics are based on disclosed activities, disclosed revenue and estimates of revenue that are extrapolated from company disclosures and eligible third-party sources (such as NGOs).

6.3 MSCI Business Involvement Screening Research

MSCI Business Involvement Screening Research (BISR) aims to enable institutional investors to manage environmental, social and governance (ESG) standards and restrictions reliably and efficiently.

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The MSCI Business Involvement Screening Research methodology can be found at: https://www.msci.com/legal/sustainability-and-climate-resources-and-disclosures.

6.4 MSCI Impact Solutions: Sustainable Impact Metrics

MSCI Impact Solutions' Sustainable Impact Metrics is designed to identify companies that derive revenue from products or services with positive impact on society and the environment. The Sustainable Impact Metrics are comprised of six Environmental Impact categories and seven Social Impact categories arranged by theme.

MSCI Sustainable Impact Taxonomy

Pillar	Themes	Categories
Environmental Impact	Climate Change	1. Alternative energy 2. Energy efficiency 3. Green building
	Natural capital	4. Sustainable water 5. Pollution prevention 6. Sustainable agriculture
Social Impact	Basic needs	7. Nutrition 8. Major Disease Treatment 9. Sanitation 10. Affordable Real Estate
	Empowerment	11. SME Finance 12. Education 13. Connectivity – Digital divide

Under each of the actionable environmental and social impact themes, MSCI Solutions has identified specific categories of products and services that it has determined companies can offer as potential solutions to environmental and social challenges.

More detailed taxonomy for each category can be found in Section 2.4 of the MSCI ACWI Sustainable Impact Index Methodology available at https://www.msci.com/legal/sustainability-and-climate-resources-and-disclosures.

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Appendix I: ESG Based Exclusion

Companies are excluded based on the following MSCI BISR, MSCI Controversies, MSCI Climate Change Metrics, and MSCI Impact Solutions Metrics filters:

Compliance with all the UN Global Compact Principles

- All companies that fail to comply with the United Nations Global Compact principles are excluded. In this filter, activities are not classified under any specific tolerance level[17].

Values and Climate-Based Exclusion Criteria

Tobacco

- All companies deriving 5% or more revenues (or estimated revenue) from the distribution of tobacco products are excluded.

Controversial Weapons

- All companies that have a tie to landmines, cluster munitions, chemical weapons or biological weapons are excluded[18]. (Note: industry tie includes ownership, manufacture or investment. Landmines do not include related safety products.)
- All companies deriving more than 10% of revenues from the production of conventional weapons, components for such products or support systems and services for such products; production of biological or chemical weapons, components for such products; production of nuclear weapons, exclusive and dual-use delivery platform capable to deliver such products, intended and dual-use components of such products, services provided for such products; and the production of blinding laser, incendiary or non-detectable fragments weapons.

Biocides

- All companies deriving more than 5% of revenues from the production or supply of biocides as a percentage of total revenue[19].

Oil & Gas

- All companies with the maximum percentage of revenue (either reported or estimated) greater than 5% that a company derives from unconventional oil and gas. It includes revenues from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane. It excludes all types of conventional oil and gas production including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore[20].

[17] Backfilled data is used for UN Global Compact Principles exclusions criteria before August 1, 2015.

[18] Backfilled data is used for Controversial Weapons exclusions criteria before Dec 1, 2015.

[19] Backfilled data is used for Biocides exclusions criteria before Nov 1, 2019.

[20] Backfilled data is used for Unconventional Oil & Gas exclusions criteria before Nov 1, 2018.

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- All companies with the maximum percentage of revenue (either reported or estimated) greater than 10% that a company derives from conventional oil and gas. It includes all types of conventional oil and gas production including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore. It excludes revenues from unconventional oil & gas (oil sands, shale oil, shale gas)[21].
- All companies with the maximum percentage of revenue (either reported or estimated) greater than 10% that a company derives from the distribution of oil and related products. The data point includes revenues from crude and petroleum products storage facilities and terminals and bulk stations[22].
- All companies with maximum percentage of revenue (either reported or estimated) greater than 10% that a company derives from the refining of oil fuels[23].

Thermal Coal

- All companies deriving more than 10% of revenue (either reported or estimated) from thermal coal-based power generation are excluded[24].
- All companies deriving more than 5% of revenue (either reported or estimated) from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties are excluded. It excludes revenue from metallurgical coal, coal mined for internal power generation[25].

Genetic Engineering

- All companies deriving 5% or more from genetic engineering as a percentage of total revenue

SDG 06 and 14 Net Alignment

- All companies with net alignment score to SDG 14, Life Below Water, based on the nature of its product and service lines (positive: environmental remediation and waste water treatment; negative: plastic materials) and its operational alignment to the goal (positive: certified seafood; negative: extent of its revenue from plastic resin and plastic packaging manufacturing, involvement in commercial fishing, offshore drilling, and controversies related to adverse impact on marine ecology) less than zero[26].
- All companies with net alignment score to SDG 6, Clean Water and Sanitation, based on the nature of its product and service lines (positive: sanitation related products and services, sustainable agriculture and sustainable water projects) and its operational alignment to the goal (positive:

[21] Backfilled data is used for Conventional Oil & Gas exclusions criteria before Nov 1, 2018.

[22] Backfilled data is used for Oil & Gas Distribution exclusions criteria before Nov 1, 2024.

[23] Backfilled data is used for Oil & Gas Refining exclusions criteria before Nov 1, 2024.

[24] Backfilled data is used for exclusions criteria of Thermal coal-based power generation before Aug 1, 2017.

[25] Backfilled data is used for exclusions criteria of Thermal coal mining and sales before Aug 1, 2016.

[26] Backfilled data is used for SDG 14 exclusions criteria before Sep 1, 2020.

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evidence of water reduction targets and water recycling initiatives; negative: involvement in water polluting operations or water-related controversies) less than zero[27].

Disturbance to land or marine areas

- All companies deriving 20% or more of revenue from activities that involve substantial disturbance to land or marine areas[28].

Toxic emissions controversies

- All companies with one or more of severe and very severe controversy cases in the last three years related to toxic releases or spills issues[29].

Water usage controversies

- All companies with one or more of severe and very severe controversy cases in the last three years related to water usage issues[30].

Environmental controversies of supply chain

- All companies with a score of 3 or less which measures controversies related to the environmental impact of a company's supply chain and the sourcing of natural resource. Factors affecting this evaluation include, but are not limited to, a history of widespread or egregious environmental impacts in a firm's supply chain, legal cases, resistance to improved practices, and criticism by NGOs and/or other third-party observers[31].

[27] Backfilled data is used for SDG 6 exclusions criteria before Sep 1, 2020.

[28] Backfilled data is used for exclusions criteria of Disturbance to land or marine areas before Feb 1, 2017.

[29] Backfilled data is used for exclusions criteria of Toxic emissions controversies before Nov 1, 2020.

[30] Backfilled data is used for exclusions criteria of Water usage controversies before May 1, 2020.

[31] Backfilled data is used for exclusions criteria of Environmental controversies of supply chain before March 1, 2019.

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Appendix II: Parameters used for the MSCI Euro Blue Select and World Water Enablers Decrement 5% Index

The following parameters are used for the calculation of the MSCI Euro Blue Select and World Water Enablers Decrement 5% Index.

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	EUR
2	Return Variant of MSCI Euro Blue Select and World Water Enablers Decrement 5% Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	5%
6	Day-count Convention	Actual / 360
7	Index Floor	0
8	Decrement Frequency	Daily

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Appendix III: Mapping Scales for Policy Indicators

Indicator	Mapping Category	Score
Water Reduction Program – Supply Chain	No evidence	0
	Programs to reduce water consumptions for selected suppliers	1
	General statements on water consumption reduction programs for suppliers	1
	Programs to reduce water consumptions across all suppliers	1.5
Water Consumption Reduction Program – Operations	No evidence	0
	General statements on water usage reduction programs	1
	Programs to reduce water consumption at selected operations	1.25
	Programs to reduce water consumption across all operations	1.5
CDP Water Disclosure	No evidence	0
	Yes	1
Water-Risk Monitoring Program	No evidence	0
	Minimum practices expected based on domestic industry norms	0.75
	Risk assessment under development	1
	Risk assessment covers selected operations	1.25
	Risk assessment covers all operations	1.5
Evidence of Quantitative Reduction Targets	No evidence	0
	Minimum practices expected based on domestic industry norms	0.75
	Qualitative evidence	1
	Yes	1.25

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Appendix IV: Methodology Set

The Indexes are governed by a set of methodology and policy documents ("Methodology Set"), including the present index methodology document as mentioned below:

- Description of methodology set – https://www.msci.com/index/methodology/latest/ReadMe
- MSCI Corporate Events Methodology – https://www.msci.com/index/methodology/latest/CE
- MSCI Fundamental Data Methodology – https://www.msci.com/index/methodology/latest/FundData
- MSCI Index Calculation Methodology – https://www.msci.com/index/methodology/latest/IndexCalc
- MSCI Index Glossary of Terms – https://www.msci.com/index/methodology/latest/IndexGlossary
- MSCI Index Policies – https://www.msci.com/index/methodology/latest/IndexPolicy
- MSCI Global Industry Classification Standard (GICS) Methodology – https://www.msci.com/index/methodology/latest/GICS
- MSCI Global Investable Market Indexes Methodology – https://www.msci.com/index/methodology/latest/GIMI
- MSCI Global ex Controversial Weapons Indexes Methodology – www.msci.com/index/methodology/latest/XCW
- MSCI Decrement Indexes Methodology – www.msci.com/index/methodology/latest/Decrement
- ESG Factors In Methodology*

The Methodology Set for the Indexes can also be accessed from MSCI's webpage https://www.msci.com/index-methodology in the section 'Search Methodology by Index Name or Index Code'.

* 'ESG Factors in Methodology' contains the list of environmental, social, and governance factors considered, and how they are applied in the methodology (e.g., selection, weighting or exclusion). It can be accessed in the Methodology Set as described above.

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Appendix V: Changes to this Document

The following sections have been updated as of November 2026:

Section 3.3: Security Selection

- Updated the eligible NACE Class Codes following the EU's latest update to the statistical classification of economic activities (NACE 2.1):
  - NACE Code 46.74 was updated to 46.84
  - NACE Code 22.23 was updated to 22.24

Section 2.2.3: Treatment of Unrated Companies

- New section detailing the treatment of companies with ratings and research not available from MSCI Solutions

Section 3.2.3: Treatment of Unrated Companies

- New section detailing the treatment of companies with ratings and research not available from MSCI Solutions

Section 6.1: MSCI Climate Change Metrics.

- Added a sub-section under Climate Change Metrics to provide additional details on Fossil Fuels related activities.

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