

MSCI SRI Sustainable Select and Decrement Indexes Methodology

May 2025

Contents

1. Introduction	4
2. Constructing the MSCI World SRI Sustainable Select Index.....	5
2.1 Initial Eligible Universe	5
2.2 Eligibility Criteria.....	5
2.2.1 Controversial Business Involvement Criteria	6
2.2.2 ESG Ratings Eligibility	6
2.2.3 ESG Controversies Score Eligibility.....	6
2.3 Index Construction.....	7
2.3.1 Liquidity Screen	7
2.4 Weighting Scheme	7
2.5 Applying the MSCI Decrement Indexes Methodology	7
3. Constructing the MSCI Euro SRI Sustainable Select Index.....	8
3.1 Initial Eligible Universe.....	8
3.2 Eligibility Criteria.....	8
3.2.1 Controversial Business Involvement Criteria	8
3.2.2 ESG Ratings Eligibility	9
3.2.3 ESG Controversies Score Eligibility.....	9
3.2.4 Final Eligible Universe	9
3.3 Index Construction.....	9
3.3.1 Euro Screen.....	9
3.3.2 Country Screen	9
3.3.3 Liquidity Screen	10
3.4 Weighting Scheme	10
3.5 Applying the MSCI Decrement Indexes Methodology	10
4 Maintaining the Indexes.....	11
4.1 Annual Index Review for the MSCI World SRI Sustainable Select Index	11
4.1.1 Updating the Eligible Universe.....	11
4.1.2 Ranking of Eligible Universe	11

4.1.3	Selection of Eligible Securities	12
4.2	Annual Index Review for the MSCI Euro SRI Sustainable Select Index	13
4.2.1	Updating The Eligible Universe.....	13
4.2.2	Ranking of Eligible Securities	13
4.2.3	Selection of Eligible Securities	14
4.3	Quarterly Index Review for both Indexes.....	14
4.4	Daily Decrement Calculation for both Indexes	15
4.5	Ongoing Event Related Changes for both Indexes.....	15
5	MSCI ESG Research.....	17
5.1	MSCI ESG Ratings	17
5.2	MSCI ESG Controversies	17
5.3	MSCI ESG Business Involvement Screening Research.....	17
5.4	MSCI Climate Change Metrics	17
5.4.1	Fossil Fuels and Power Generation Metrics	18
	Appendix I: Controversial Business Involvement Criteria	19
	Appendix II: Guidelines on Achieving the Target Sector Coverage of 25%	22
	Appendix III: Parameters used for the MSCI World SRI Sustainable Select 3.5% Decrement (EUR) Index.....	23
	Appendix IV: Parameters used for the MSCI World SRI Sustainable Select 3.5% Decrement (USD) Index.....	24
	Appendix V: Parameters used for the MSCI Euro SRI Sustainable Select 3.5% Decrement Index	25
	Appendix VI: Methodology Set.....	26
	Appendix VII: Changes to this Document	27
	Contact Us.....	28

1. Introduction

The MSCI World SRI Sustainable Select Index aims to represent the performance of a set of securities from the MSCI World Universe with improved ESG characteristics. Overall, the Index targets a coverage of 25% of the underlying MSCI World Index ("Parent Index").

The MSCI Euro SRI Sustainable Select Index aims to represent the performance of a set of securities from the MSCI World SRI Sustainable Select Index that are also a part of MSCI Euro Index

The MSCI World SRI Sustainable Select 3.5% Decrement (EUR) Index and MSCI World SRI Sustainable Select 3.5% Decrement (USD) Indexes aim to represent the net performance of the MSCI World SRI Sustainable Select Index, while applying a constant markdown ('synthetic dividend') of 3.5% on an annual basis, expressed as a percentage of performance.

The MSCI Euro SRI Sustainable Select 3.5% Decrement Index aims to represent the net performance of the MSCI Euro SRI Sustainable Select Index, while applying a constant markdown ('synthetic dividend') of 3.5% on an annual basis, expressed as a percentage of performance.¹

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 VI for more details.

2. Constructing the MSCI World SRI Sustainable Select Index

The Indexes use company ratings and research provided by MSCI ESG Research² to determine eligibility for index construction.

2.1 Initial Eligible Universe

The selection universe for the MSCI World SRI Sustainable Select Index is defined by the constituents of the MSCI World Index.

The following regional Parent Indexes are aggregated to construct the Initial Eligible Universe of MSCI World SRI Sustainable Select Index.

Regional Underlying Sub-Index	Region	Parent Index
Pacific Underlying Sub-Index	Developed Asia Pacific	MSCI Pacific Index
Europe & Middle East Underlying Sub-Index	Developed Europe & Middle East	MSCI Europe & Middle East Index
Canada Underlying Sub-Index	Canada	MSCI Canada Index
USA Underlying Sub-Index	USA	MSCI USA Index

2.2 Eligibility Criteria

The MSCI World SRI Sustainable Select Index uses company ratings and research provided by MSCI ESG Research to determine eligibility for index inclusion. The eligibility criteria is in line with the eligibility criteria from the MSCI SRI Indexes Methodology with a few exceptions that are summarized below:

- The following exclusion criteria are not applied to the index:
 - Oil & Gas Activities
 - Power Generation
 - Thermal Coal Distribution
 - Arctic Oil & Gas
- The Concentration Control Mechanism, introduced at the May 2025 Index Review to the SRI Indexes Methodology, is not applied.

² See section 5 for further information regarding ESG and climate data used in the Indexes that MSCI Limited and MSCI Deutschland GmbH source from MSCI ESG Research LLC, a separate subsidiary of MSCI Inc. MSCI ESG Research 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.

- A few additional screens are applied; this is listed in Section 2.2.1 with detailed description in Appendix I.

2.2.1 Controversial Business Involvement Criteria

The Regional Underlying Sub-Indexes use MSCI ESG Business Involvement Screening Research and MSCI Climate Change Metrics to identify companies that are involved in the following business activities. Companies that meet the business involvement criteria below are excluded from each Regional Underlying Sub-Index of the MSCI World SRI Sustainable Select Index. Please refer to Appendix I for details on these criteria.

- Controversial Weapons
- Civilian Firearms
- Nuclear Weapons
- Tobacco
- Adult Entertainment
- Alcohol
- Conventional Weapons
- Gambling
- Genetically Modified Organisms
- Nuclear Power
- Fossil Fuel Reserves Ownership
- Fossil Fuel Extraction
- Thermal Coal Power

2.2.2 ESG Ratings Eligibility

The Regional Underlying Sub-Indexes uses MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities. Companies are required to have an MSCI ESG Rating of 'A' or above to be eligible for inclusion in each Regional Underlying Sub-Index of the MSCI World SRI Sustainable Select Index.

2.2.3 ESG Controversies Score Eligibility

The Regional Underlying Sub-Indexes use MSCI ESG Controversies Scores to identify those companies that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. Companies are required to have an MSCI ESG Controversies Score of 4 or above to be eligible for inclusion in the Regional Underlying Sub-Indexes which are combined to construct the MSCI World SRI Sustainable Select Index.

2.3 Index Construction

The Regional Underlying Sub-Indexes are aggregated to create the MSCI World SRI Sustainable Select Index. Each Regional Underlying Sub-Index targets 25% of the free float-adjusted market capitalization within each Global Industry Classification Standard (GICS®) sector of its Parent Index.

At each Index Review, the following selection criteria are applied to construct the Index

2.3.1 Liquidity Screen

The securities from the initial eligible universe are screened for 12-month ADTV to be greater than USD 10 Million to be eligible for inclusion in the Regional Underlying Sub-Indices.

ADTV is defined as Average Daily Traded Volume and is calculated as:

$$ADTV_{12M} = \frac{ATV_{12M}}{252}$$

The remaining securities from above are subsequently filtered to include a single security per issuer. For issuers having multiple securities which are part of the eligible universe, the security with the highest 12-month ADTV is selected.

2.4 Weighting Scheme

At each rebalancing, the securities selected for inclusion in the Index are assigned weights in proportion to their free-float adjusted market capitalization. The security weights are capped at 5% at each Quarterly Index Review.

2.5 Applying the MSCI Decrement Indexes Methodology

The MSCI Decrement Indexes Methodology³ is applied on the MSCI World SRI Sustainable Select Index to construct the MSCI World SRI Sustainable Select 3.5% Decrement Index. The parameters for the application of the decrement methodology in the above index is noted in Appendix III and IV.

³ Please refer to the MSCI Decrement Indexes methodology at www.msci.com/index-methodology

3. Constructing the MSCI Euro SRI Sustainable Select Index

The Indexes use company ratings and research provided by MSCI ESG Research⁴ to determine eligibility for index construction.

3.1 Initial Eligible Universe

The constituents of MSCI Europe & Middle East Index are used to construct the Initial Eligible Universe of MSCI Euro SRI Sustainable Select Index.

3.2 Eligibility Criteria

The MSCI Euro SRI Sustainable Select Index uses company ratings and research provided by MSCI ESG Research to determine eligibility for index inclusion. The eligibility criteria is in line with the eligibility criteria from the MSCI SRI Indexes Methodology with a few exceptions that are summarized below:

- The following exclusion criteria are not applied to the index:
 - Oil & Gas Activities
 - Power Generation
 - Thermal Coal Distribution
 - Arctic Oil & Gas
- The Concentration Control Mechanism, introduced at the May 2025 Index Review to the SRI Indexes Methodology, is not applied.
- A few additional screens are applied; this is listed in Section 3.2.1 with detailed description in Appendix I.

3.2.1 Controversial Business Involvement Criteria

The Index uses MSCI ESG Business Involvement Screening Research and MSCI Climate Change Metrics to identify companies that are involved in the following business activities. Companies that meet the business involvement criteria below are excluded from the MSCI Euro SRI Sustainable Select Index. Please refer to Appendix I for details on these criteria

- Controversial Weapons
- Civilian Firearms
- Nuclear Weapons
- Tobacco

⁴ See section 5 for further information regarding ESG and climate data used in the Indexes that MSCI Limited and MSCI Deutschland GmbH source from MSCI ESG Research LLC, a separate subsidiary of MSCI Inc. MSCI ESG Research 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.

- Adult Entertainment
- Conventional Weapons
- Gambling
- Genetically Modified Organisms
- Nuclear Power
- Fossil Fuel Reserves Ownership
- Fossil Fuel Extraction
- Thermal Coal Power

3.2.2 ESG Ratings Eligibility

The Index uses MSCI ESG Ratings to identify companies that have demonstrated an ability to manage their ESG risks and opportunities. Companies are required to have an MSCI ESG Rating of 'A' or above to be eligible for inclusion in the MSCI Euro SRI Sustainable Select Index.

3.2.3 ESG Controversies Score Eligibility

The Index uses MSCI ESG Controversies Scores to identify those companies that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. Companies are required to have an MSCI ESG Controversies Score of 4 or above to be eligible for inclusion in the MSCI Euro SRI Sustainable Select Index.

3.2.4 Final Eligible Universe

The index targets selecting 25% of the free float-adjusted market capitalization within each Global Industry Classification Standard (GICS®) sector of the parent index

3.3 Index Construction

At each Index Review, the following selection criteria are applied to construct the Index

3.3.1 Euro Screen

Only the securities from final eligible universe from 3.2.4, that belong to MSCI Euro Index are selected. The MSCI Euro SRI Sustainable Select Index is a regional carve-out derived from the broader Europe & Middle East SRI Sustainable Select Index

3.3.2 Country Screen

The remaining securities from above are subsequently filtered to ensure only the securities that are listed on the exchange which is in the same country as the country of primary exchange⁵ of listing are selected.

⁵ Please refer to Appendix III of MSCI Global Investable Market Indexes Methodology at <https://www.msci.com/index-methodology>

3.3.3 Liquidity Screen

The securities from the final eligible universe are screened for 12-month ADTV to be greater than USD 10 Million to be eligible for inclusion in the Index.

ADTV is defined as Average Daily Traded Volume and is calculated as:

$$ADTV_{12M} = \frac{ATV_{12M}}{252}$$

The remaining securities from above are subsequently filtered to include a single security per issuer. For issuers having multiple securities which are part of the eligible universe, the security with the highest 12-month ADTV is selected.

3.4 Weighting Scheme

At each rebalancing, the securities selected for inclusion in the Index are assigned weights in proportion to their free-float adjusted market capitalization. The security weights are capped at 10% at each Quarterly Index Review

3.5 Applying the MSCI Decrement Indexes Methodology

The MSCI Decrement Indexes Methodology⁷ is applied on the MSCI Euro SRI Sustainable Select Index to construct the MSCI Euro SRI Sustainable Select 3.5% Decrement Index. The parameters for the application of the decrement methodology in the above index is noted in Appendix V.

⁶ MSCI Index Calculation Methodology at <https://www.msci.com/index-methodology>

MSCI Global Investable Market Indexes Methodology at <https://www.msci.com/index-methodology>

⁷ Please refer to the MSCI Decrement Indexes methodology at www.msci.com/index-methodology

4 Maintaining the Indexes

4.1 Annual Index Review for the MSCI World SRI Sustainable Select Index

The MSCI World SRI Sustainable Select Index is reviewed on an annual basis in May to coincide with the May Semi-Annual Index Review of the Parent Index, and the changes are implemented at the end of May. In general, the pro forma indexes are announced nine business days before the effective date.

In general, MSCI uses MSCI ESG Research data (including MSCI ESG Ratings, MSCI ESG Controversies Scores and MSCI Business Involvement Screening Research) as of the end of the month preceding the Index Reviews for the rebalancing of the MSCI SRI Sustainable Select Indexes. For some securities, such data may not be published by MSCI ESG Research by the end of the month preceding the Index Review. For such securities, MSCI will use ESG data published after the end of month, when available, for the rebalancing of the MSCI SRI Indexes.

At each Annual Index Review, the eligible universe is updated and the composition of the index is reassessed in order to target 25% free float-adjusted cumulative market capitalization of each sector of the Parent Index.

4.1.1 Updating the Eligible Universe

The eligible universe is updated during each Annual Index Review. Companies that are currently not constituents of the MSCI World SRI Sustainable Select Index are evaluated using the same eligibility criteria described in Section 2.2.

Existing constituents of the MSCI World SRI Sustainable Select Index are maintained in the eligible universe if they meet all the following conditions.

- MSCI ESG Rating of 'BB' or above
- MSCI ESG Controversies Score of 1 or above
- Not screened by the business involvement criteria described in Section 2.2.1

4.1.2 Ranking of Eligible Universe

For each sector, eligible securities of the Regional Underlying Sub-Index Index are ranked based on the following criteria:

- ESG Rating
- ESG Trend³ (positive ESG Trend preferred to neutral ESG Trend and neutral ESG Trend preferred to negative ESG Trend)
- Current index membership (existing constituents above non-constituents)
- Industry adjusted ESG scores

³ ESG Trend is defined as the latest change in ESG Rating over the previous 12 months. A security without any change in ESG Rating over the previous 12 months will have a neutral ESG Trend. Also, companies that receive a re-initiated ESG Rating due to a change in the ESG Ratings Industry are considered to have a neutral ESG Trend.

- Decreasing free float-adjusted market capitalization.

4.1.3 Selection of Eligible Securities

For each sector, eligible securities of the Regional Underlying Sub-Index Parent Index are then selected from the ranked universe in the following order until the target 25% coverage by cumulative free float-adjusted market capitalization is reached:

- Securities in the top 17.5% cumulative free float-adjusted market capitalization coverage of the ranked universe, including the first security that increases the cumulative coverage above 17.5%
- 'AAA' and 'AA' rated securities in the top 25% cumulative free float-adjusted market capitalization coverage of the ranked universe, including the first security that increases the cumulative coverage above 25%
- Current index constituents in the top 32.5% cumulative free float-adjusted market capitalization coverage of the ranked universe, including the first security that increases the cumulative coverage above 32.5% if that security is a current index constituent
- Remaining eligible securities in the ranked universe

Please see Appendix II for additional details on the ranking and selection rules

4.2 Annual Index Review for the MSCI Euro SRI Sustainable Select Index

The MSCI Euro SRI Sustainable Select Index is reviewed on an annual basis in May to coincide with the May Semi-Annual Index Review of the Parent Index, and the changes are implemented at the end of May. In general, the pro forma indexes are announced nine business days before the effective date.

In general, MSCI uses MSCI ESG Research data (including MSCI ESG Ratings, MSCI ESG Controversies Scores and MSCI Business Involvement Screening Research) as of the end of the month preceding the Index Reviews for the rebalancing of the MSCI SRI Sustainable Select Indexes. For some securities, such data may not be published by MSCI ESG Research by the end of the month preceding the Index Review. For such securities, MSCI will use ESG data published after the end of month, when available, for the rebalancing of the MSCI SRI Indexes.

At each Annual Index Review, the eligible universe is updated and the composition of the index is reassessed in order to target 25% free float-adjusted cumulative market capitalization of each sector of the Parent Index.

4.2.1 Updating The Eligible Universe

The eligible universe is updated during each Annual Index Review.

Companies that are currently not constituents of the MSCI Euro SRI Sustainable Select Index are evaluated using the same eligibility criteria described in Section 3.2.

Existing constituents of the MSCI Euro SRI Sustainable Select Index are maintained in the eligible universe if they meet all the following conditions:

- MSCI ESG Rating of 'BB' or above
- MSCI ESG Controversies Score of 1 or above
- Not screened by the business involvement criteria described in Section 3.2.

4.2.2 Ranking of Eligible Securities

For each sector, eligible securities of the Parent Index are ranked based on the following criteria:

- ESG Rating
- ESG Trend⁴ (positive ESG Trend preferred to neutral ESG Trend and neutral ESG Trend preferred to negative ESG Trend)
- Current index membership (existing constituents above non-constituents)
- Industry adjusted ESG scores
- Decreasing free float-adjusted market capitalization

⁴ ESG Trend is defined as the latest change in ESG Rating over the previous 12 months. A security without any change in ESG Rating over the previous 12 months will have a neutral ESG Trend. Also, companies that receive a re-initiated ESG Rating due to a change in the ESG Ratings Industry are considered to have a neutral ESG Trend.

4.2.3 Selection of Eligible Securities

For each sector, eligible securities of the Parent Index are then selected from the ranked universe in the following order until the target 25% coverage by cumulative free float-adjusted market capitalization is reached:

- Securities in the top 17.5% cumulative free float-adjusted market capitalization coverage of the ranked universe, including the first security that increases the cumulative coverage above 17.5%
- 'AAA' and 'AA' rated securities in the top 25% cumulative free float-adjusted market capitalization coverage of the ranked universe, including the first security that increases the cumulative coverage above 25%
- Current index constituents in the top 32.5% cumulative free float-adjusted market capitalization coverage of the ranked universe, including the first security that increases the cumulative coverage above 32.5% if that security is a current index constituent
- Remaining eligible securities in the ranked universe Please see Appendix II for additional details on the ranking and selection rules.

Please see Appendix II for additional details on the ranking and selection rules.

4.3 Quarterly Index Review for both Indexes

The MSCI World SRI Sustainable Select Index and MSCI Euro SRI Sustainable Select Index are also reviewed on a quarterly basis to coincide with the regular Index Reviews of the Parent Indexes. The changes are implemented at the end of February, August and November. The pro forma indexes are in general announced nine business days before the effective date.

For the Quarterly Index Reviews, MSCI ESG Ratings, MSCI ESG Controversies Score assessments and MSCI BISR data are taken as of the end of the month preceding the Index Reviews, i.e., January, July and October. For some securities, this data may not be published by MSCI ESG Research by the end of the month preceding the Index Review. For such securities, MSCI will use ESG data published after the end of month, when available, for the rebalancing of the MSCI SRI Sustainable Select Indexes.

At the Quarterly Index Reviews, existing constituents are deleted from MSCI World SRI Sustainable Select Index and MSCI Euro SRI Sustainable Select Index if they do not meet the eligibility criteria described in Section 4.1.1 and 4.2.1. Existing constituents that meet the eligibility criteria are retained in the index.

Additions, from the eligible securities as per Section 2.2 and 3.2, are made only to those sectors where the current market capitalization coverage is less than 22.5%, until the 25% target is reached.

Market price movements may cause small deviations in the sector coverage between two Index Reviews. Therefore, in order to minimize turnover, a buffer of 10% is used on the target coverage of 25% to define under-representation.

4.4 Daily Decrement Calculation for both Indexes

The performance of the MSCI World SRI Sustainable Select 3.5% Decrement Index is computed by reducing the net performance of the MSCI World SRI Sustainable Select Index, by a fixed percentage, on a daily basis using parameters detailed in Appendix III and IV.

The performance of the MSCI Euro SRI Sustainable Select 3.5% Decrement Index is computed by reducing the net performance of the MSCI Euro SRI Sustainable Select Index, by a fixed percentage, on a daily basis using parameters detailed in Appendix V.

4.5 Ongoing Event Related Changes for both Indexes

The following section briefly describes the treatment of common corporate events within the MSCI World SRI Sustainable Select Index and MSCI Euro SRI Sustainable Select Index.

No new securities will be added (except where noted below) to the Index between Index Reviews. For cases where additions are noted below, securities will be added to the index only if added to the parent index. Parent Index deletions will be reflected simultaneously.

EVENT TYPE

EVENT DETAILS

New additions to the Parent Index

New securities added to the Parent Index (such as IPOs, other early inclusions and migrations from a different size-segment) will be added to the indexes on the date of security inclusion only if they meet the eligibility criteria described in Section 3.2 and the market capitalization coverage of the sector to which the security belongs is less than 22.5%.

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 addition in the Indexes will occur at the subsequent Index Review.

Merger/Acquisition

If an existing Index constituent is acquired by a non-Index constituent, the existing constituent will be deleted from the Index and the acquiring nonconstituent 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 to this Index can be found in the MSCI Corporate Events Methodology book under the sections detailing the treatment of events in Capped Weighted and NonMarket Capitalization Weighted indexes.



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

5 MSCI ESG Research

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

5.1 MSCI ESG Ratings

MSCI ESG Ratings aim to measure entities' management of environmental, social and governance risks and opportunities. MSCI ESG Ratings use a weighted average key issue calculation that is normalized by industry to arrive at an industry-adjusted ESG score (0-10), which is then translated to a seven-point scale from 'AAA' to 'CCC', indicating how an entity manages relevant key issues relative to industry peers.

The MSCI ESG Ratings methodology can be found at: <https://www.msci.com/legal/disclosures/esg-disclosures>.

5.2 MSCI ESG Controversies

MSCI ESG 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 ESG 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 ESG Controversies Score falls on a 0-10 scale, with "0" being the most severe controversy.

The MSCI ESG Controversies methodology can be found at: <https://www.msci.com/legal/disclosures/esg-disclosures>.

5.3 MSCI ESG Business Involvement Screening Research

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

The MSCI Business Involvement Screening Research methodology can be found at: <https://www.msci.com/legal/disclosures/esg-disclosures>.

5.4 MSCI Climate Change Metrics

MSCI Climate Change Metrics provides climate data and tools to support institutional investors seeking to integrate climate risk and 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/disclosures/climate-disclosures>

5.4.1 Fossil Fuels and Power Generation Metrics

MSCI ESG Research 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).

Appendix I: Controversial Business Involvement Criteria

MSCI ESG Research has developed a framework designed to define significant involvement in controversial activities. According to this framework, there are four levels of restrictiveness: Most Restrictive, Highly Restrictive, Moderately Restrictive, Least Restrictive.

Each controversial activity screened by the MSCI SRI Sustainable Select Indexes (except Fossil Fuel Reserves Ownership, Fossil Fuel Extraction and Thermal Coal Power) is assigned to one of these restrictiveness levels.

"Most Restrictive" screen applied

- **Controversial Weapons**

- All companies with any tie to Controversial Weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), as defined by the methodology of the MSCI Global Ex-Controversial Weapons Indexes available at <https://www.msci.com/index-methodology>

"Highly Restrictive" screen applied

- **Civilian Firearms**

- All companies classified as "Producer" of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets
- All companies deriving 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use

- **Nuclear Weapons**

- All companies that manufacture nuclear warheads and/or whole nuclear missiles
- All companies that manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles)
- All companies that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons
- All companies that provide auxiliary services related to nuclear weapons
- All companies that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles) but can be used in nuclear weapons
- All companies that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons
- All companies that manufacture components for nuclear-exclusive delivery platforms

- **Tobacco**

- All companies classified as a “Producer”
- All companies deriving 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products

Moderately Restrictive” screen applied

- **Adult Entertainment**

- All companies deriving 5% or more revenue from the production of adult entertainment materials
- All companies deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials

- **Alcohol**

- All companies deriving 5% or more revenue from the production of alcohol-related products
- All companies deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products

- **Conventional Weapons**

- All companies deriving 5% or more revenue from the production of conventional weapons and components
- All companies deriving 5% or more aggregate revenue from weapons systems, components, and support systems and services

- **Gambling**

- All companies deriving 5% or more revenue from ownership of operation of gambling-related business activities
- All companies deriving 15% or more aggregate revenue from gambling-related business activities

- **Genetically Modified Organisms (GMO)**

- All companies deriving 5% or more revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption

- **Nuclear Power**

- All companies that generate 5% or more of their total electricity from nuclear power in a given year
- All companies that have 5% or more of installed capacity attributed to nuclear sources in a given fiscal year
- All companies deriving 15% or more aggregate revenue from nuclear power activities

No specific restrictiveness level applied

- **Fossil Fuel Reserves Ownership**
 - All companies with evidence of owning proven & probable coal reserves and/or proven oil and natural gas reserves used for energy purposes, as defined by the methodology of the MSCI Global Ex Fossil Fuels Indexes available at <https://www.msci.com/index-methodology>
- **Fossil Fuel Extraction**
 - All companies deriving any revenue (either reported or estimated) from thermal coal mining or unconventional oil and gas extraction.
 - **Thermal Coal Mining:** Revenue from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It does not cover revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intracompany sales of mined thermal coal; and revenue from coal trading
 - **Unconventional Oil & Gas Extraction:** Revenue from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane. It does not cover all types of conventional oil and gas production including Arctic onshore/offshore, deep water, shallow water and other onshore/offshore.
- **Thermal Coal Power**
 - All companies deriving 5% or more revenue (either reported or estimated) from thermal coal-based power generation.

Appendix II: Guidelines on Achieving the Target Sector Coverage of 25%

The MSCI SRI Sustainable Select Indexes target 25% coverage of the free float-adjusted market capitalization of each Global Industry Classification Standard (GICS®)⁵ sector of the regional Parent Index (“cumulative sector coverage”). The underlying principle in the construction of the indexes is to achieve cumulative sector coverage closest to 25%, while aiming to maintain index stability.

The following guidelines are used in achieving the target cumulative sector coverage of 25%:

- For each sector, the eligible companies of the regional Parent Index are first ranked based on the company level ESG Rating.
- If two companies have the same ESG Rating, the company with better ESG Trend is given priority (positive ESG Trend preferred to neutral ESG Trend and neutral ESG Trend preferred to negative ESG Trend).
- In case of two companies with the same ESG Rating, and the same ESG Trend, an existing SRI index constituent is given priority to maintain index stability. Between two existing constituents with the same ESG Rating and the same ESG Trend, the company with the higher industry adjusted ESG Score is given priority. For two existing SRI index constituents with the same industry adjusted ESG score, the security with the largest free float-adjusted market capitalization is given priority.
- The cumulative sector coverage at each rank is calculated.
- In each sector, companies are selected as per the rules mentioned in Sections 4.1.3 and 4.2.3 until the cumulative sector coverage crosses 25% or there are no eligible securities left to be selected.
- MSCI defines the company that increases the cumulative sector coverage above 25% as the “marginal company”.
 - If the marginal company is a current SRI index constituent, then it is always selected.
 - If the marginal company is not a current SRI index constituent, then it is selected only if the cumulative sector coverage with the marginal company is closer to 25% compared to the cumulative sector coverage without the marginal company.
- The minimum cumulative sector coverage is set to 22.5%.
 - The marginal company is always selected if this is required to achieve cumulative sector coverage of 22.5%.
- Securities which are ineligible as per Sections 4.1.1 and 4.2.1 will not be selected even if the cumulative sector coverage after selection of all eligible securities is below 25%.

⁵ GICS, the global industry classification standard jointly developed by MSCI Inc. and S&P Dow Jones Indices.

Appendix III: Parameters used for the MSCI World SRI Sustainable Select 3.5% Decrement (EUR) Index

The following parameters are used for the calculation of MSCI World SRI Sustainable Select 3.5% Decrement (EUR) Index

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	EUR
2	Return Variant of the Parent Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	3.5%
6	Day-count Convention	Actual / 360
7	Index Floor	0
8	Decrement Frequency	Daily

Appendix IV: Parameters used for the MSCI World SRI Sustainable Select 3.5% Decrement (USD) Index

The following parameters are used for the calculation of MSCI World SRI Sustainable Select 3.5% Decrement (USD) Index

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	USD
2	Return Variant of the Parent Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	3.5%
6	Day-count Convention	Actual / 360
7	Index Floor	0
8	Decrement Frequency	Daily

Appendix V: Parameters used for the MSCI Euro SRI Sustainable Select 3.5% Decrement Index

The following parameters are used for the calculation of MSCI Euro SRI Sustainable Select 3.5% Decrement Index

	MSCI Decrement Indexes Methodology Parameters	Parameters
1	Currency of Calculation	EUR
2	Return Variant of the MSCI Euro SRI Sustainable Select Index	Daily Net Total Return
3	Decrement Type	Fixed Percentage
4	Decrement Application	Geometric
5	Decrement Value	3.5%
6	Day-count Convention	Actual / 360
7	Index Floor	0
8	Decrement Frequency	Daily
9	Exchange Holiday	XETRA

Appendix VI: 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 –
<https://www.msci.com/index/methodology/latest/XCW>
- MSCI Global Fossil Fuel Exclusion Indexes Methodology –
<https://www.msci.com/index/methodology/latest/XFF>
- MSCI Capped Indexes Methodology –
<https://www.msci.com/index/methodology/latest/Capped>
- MSCI Decrement Indexes Methodology –
<https://www.msci.com/index/methodology/latest/Decrement>
- ESG Factors In Methodology*

The Methodology Set for the Index 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.

Appendix VII: Changes to this Document

The following sections have been modified since August 2021:

Update to include the index construction and maintenance parameters for:

- MSCI Euro SRI Sustainable Select Index and MSCI Euro SRI Sustainable Select 3.5% Decrement Index

The following sections have been modified since December 2021:

- Update to include the holiday calendar in decrement calculation for MSCI Euro SRI Sustainable Select 3.5% Decrement Index

The following sections have been modified as of May 2025

Section 2.2, Section 3.2

- Updated the eligibility criteria for the MSCI World SRI Sustainable Select and MSCI Euro SRI Sustainable Select Indexes.

Section 5: MSCI ESG Research

- Moved the section which provides description of ESG Products to Section 5.
- Updated the section to add additional description for the Climate Change product.

Appendix VI: Methodology Set

- Added details on the Methodology Set for the Indexes.

Contact Us

About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

To learn more, please visit www.msci.com.
msci.com/contact-us

The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: <https://www.msci.com/index-regulation>.

AMERICA

United States	+ 1 888 588 4567 *
Canada	+ 1 416 687 6270
Brazil	+ 55 11 4040 7830
Mexico	+ 52 81 1253 4020

EUROPE, MIDDLE EAST & AFRICA

South Africa	+ 27 21 673 0103
Germany	+ 49 69 133 859 00
Switzerland	+ 41 22 817 9777
United Kingdom	+ 44 20 7618 2222
Italy	+ 39 02 5849 0415
France	+ 33 17 6769 810

EUROPE, MIDDLE EAST & AFRICA

China	+ 86 21 61326611
Hong Kong	+ 852 2844 9333
India	+ 91 22 6784 9160
Malaysia	1800818185 *
South Korea	+ 82 70 4769 4231
Singapore	+ 65 67011177
Australia	+ 612 9033 9333
Taiwan	008 0112 7513 *
Thailand	0018 0015 6207 7181
Japan	*
* toll-free	+ 81 3 4579 0333

Notice and disclaimer

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), or MSCI's licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or redisseminated in whole or in part without prior written permission from MSCI. All rights in the Information are reserved by MSCI and/or its Information Providers.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information may include "Signals," defined as quantitative attributes or the product of methods or formulas that describe or are derived from calculations using historical data. Neither these Signals nor any description of historical data are intended to provide investment advice or a recommendation to make (or refrain from making) any investment decision or asset allocation and should not be relied upon as such. Signals are inherently backward-looking because of their use of historical data, and they are not intended to predict the future. The relevance, correlations and accuracy of Signals frequently will change materially.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investible assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. The calculation of indexes and index returns may deviate from the stated methodology. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.'s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of msci.com.

MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such, provided that applicable products or services from MSCI ESG Research may constitute investment advice. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. MSCI ESG and climate ratings, research and data are produced by MSCI ESG Research LLC, a subsidiary of MSCI Inc. MSCI ESG Indexes, Analytics and Real Estate are products of MSCI Inc. that utilize information from MSCI ESG Research LLC. MSCI Indexes are administered by MSCI Limited (UK) and MSCI Deutschland GmbH.

Please note that the issuers mentioned in MSCI ESG Research materials sometimes have commercial relationships with MSCI ESG Research and/or MSCI Inc. (collectively, "MSCI") and that these relationships create potential conflicts of interest. In some cases, the issuers or their affiliates purchase research or other products or services from one or more MSCI affiliates. In other cases, MSCI ESG Research rates financial products such as mutual funds or ETFs that are managed by MSCI's clients or their affiliates, or are based on MSCI Inc. Indexes. In addition, constituents in MSCI Inc. equity indexes include companies that subscribe to MSCI products or services. In some cases, MSCI clients pay fees based in whole or part on the assets they manage. MSCI ESG Research has taken a number of steps to mitigate potential conflicts of interest and safeguard the integrity and independence of its research and ratings. More information about these conflict mitigation measures is available in our Form ADV, available at <https://adviserinfo.sec.gov/firm/summary/169222>.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and S&P Dow Jones Indices. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and S&P Dow Jones Indices.

MIFID2/MIFIR notice: MSCI ESG Research LLC does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI ESG Research product or service supports, promotes or is intended to support or promote any such activity. MSCI ESG Research is an independent provider of ESG data.

Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.