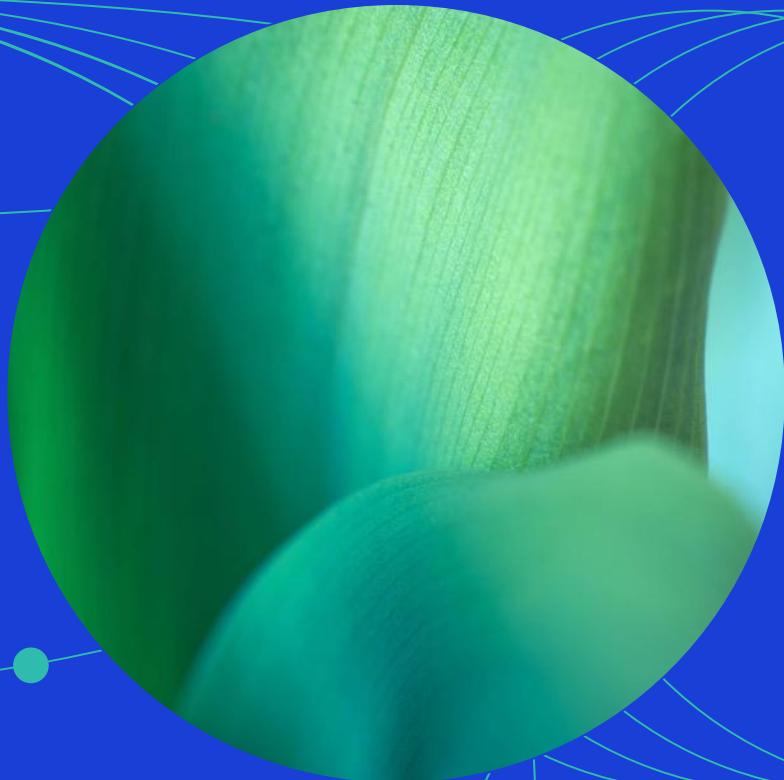


# MSCI Screened Select ex Thermal Coal Indexes Methodology



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## 1 Introduction

The MSCI Screened Select ex Thermal Coal Indexes<sup>1</sup> ("the Indexes") are free float-adjusted market capitalization-weighted indexes that exclude companies from underlying MSCI indexes ("Parent Indexes") based on Environmental, Social and Governance (ESG) criteria. The following companies are excluded:

- Companies that are associated with controversial weapons, civilian firearms as well as tobacco, palm oil and arctic oil & gas or
- Companies that derive revenues from thermal coal power, thermal coal reserves and the extraction of certain fossil fuels or
- Companies that are not in compliance with the United Nations Global Compact principles or
- Companies that are involved in Red Flag Controversies, Orange Flag Land Use and Biodiversity Controversies or Orange Flag Supply Chain Management controversies.

In addition, the Indexes target a minimum 30% reduction in carbon emission intensity relative to the underlying Parent Indexes<sup>2</sup>.

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<sup>1</sup> Please refer to Section 2 for the list of indexes to which this methodology applies.

<sup>2</sup> The Indexes are governed by a set of methodology and policy documents ("Methodology Set"), including the present index methodology document. Please refer to Appendix V for more details.

## 2 Constructing the Indexes

The Indexes use company ratings and research provided by MSCI Solutions LLC ("MSCI Solutions")<sup>3</sup> for Index construction<sup>4</sup>.

Constructing the Indexes involves the following steps

- Defining the Eligible Universe
- Applying the Greenhouse Gas (GHG) Intensity Reduction
- Capping the weight of securities with a MSCI Country of Classification of India.<sup>5</sup>

The Indexes and their respective Parent Indexes are listed in the table below.

Index Name	Parent Index
MSCI World Screened Select ex Thermal Coal Index	MSCI World Index
MSCI World ex EMU Screened Select ex Thermal Coal Index	MSCI World ex EMU Index
MSCI World ex USA Screened Select ex Thermal Coal Index	MSCI World ex USA Index
MSCI USA Screened Select ex Thermal Coal Index	MSCI USA Index
MSCI Europe Screened Select ex Thermal Coal Index	MSCI Europe Index
MSCI EMU Screened Select ex Thermal Coal Index	MSCI EMU Index
MSCI EM Screened Select ex Thermal Coal Index	MSCI Emerging Markets Index
MSCI China Screened Select ex Thermal Coal Index	MSCI China Index
MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index <sup>6</sup>	MSCI EM Asia Index

<sup>3</sup> See Section 4 for further information regarding sustainability and climate data used in the Indexes that MSCI Limited and MSCI Deutschland GmbH source from MSCI Solutions LLC ("MSCI Solutions"), 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.

<sup>4</sup> The Indexes incorporate all methodology changes and transitions of the MSCI Screened Indexes Methodology except for the ones mentioned below, which are applied for the full history:

- The Indexes do not apply the screen to exclude companies involved in nuclear weapons.
- The Indexes apply the Thermal Coal Reserve and Fossil Fuel Power screens. The Fossil Fuel Power screen is applied at a revenue threshold of 50%.

<sup>5</sup> The capping is only applied to the MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index. For more details on capping, please refer to Section 2.4.

<sup>6</sup> The MSCI EM Asia Screened Select ex Thermal Coal Index will transition from the MSCI EM Asia ESG Leaders Select 5% Issuer Custom Capped Index at the May 2025 Index Review, effective June 2, 2025.

## 2.1 Eligible Universe

The Eligible Universe for the Indexes is defined by applying the following exclusions from the Parent Index, as identified by MSCI Business Involvement Screening Research or MSCI Climate Change Metrics. Please refer to Appendix I for details on these criteria:

- Controversial Weapons
- Civilian Firearms
- Tobacco
- Palm Oil
- Arctic Oil & Gas
- Fossil Fuel Extraction
- Thermal Coal Power Generation
- Thermal Coal Reserves

In addition to the above, companies are also excluded from the Indexes if they exhibit any of the following characteristics:

- Companies assessed as having involvement in controversies that are classified as Red Flags (MSCI Controversy Score of 0). A Red Flag<sup>7</sup> indicates an ongoing Very Severe controversy implicating a company directly through its actions, products, or operations.
- Companies assessed as having involvement in Land Use and Biodiversity controversies that are classified as Orange Flags (MSCI Controversies: Environment – Land Use and Biodiversity Score of 1). An Orange Flag indicates an ongoing Severe controversy implicating a company directly, or a Very Severe controversy that is either partially resolved or indirectly attributed to the company's actions, products, or operations.
- Companies assessed as having involvement in Supply Chain Management controversies that are classified as Orange Flags (MSCI Controversies: Environment – Supply Chain Management Score of 1). An Orange Flag indicates an ongoing Severe controversy implicating a company directly, or a Very Severe controversy that is either partially resolved or indirectly attributed to the company's actions, products, or operations.
- Failure to comply with the United Nations Global Compact Principles (UN Global Compact Alignment value of "Fail"). Please refer to Appendix I for details on these criteria.

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<sup>7</sup> A company receives a "Fail" designation under a specific Global Norms screen if it is alleged to be involved in one or more Red Flag controversy cases related to alignment with the corresponding global norms:

Organization for Economic Co-operation and Development, United Nations Global Compact, United Nations Guiding Principles on Business & Human Rights Alignment, International Labor Organization - Fundamental Principles and Rights at Work (with & without Health & Safety).

For more details on Controversies or Global Norms, please refer to the [MSCI Controversies and Global Norms Methodology](#)

## 2.2 GHG Intensity Reduction

After excluding companies as per Section 2.1, the GHG intensity relative to the Parent Index is assessed. If the GHG intensity<sup>8</sup> is not at least 30% lower than the Parent Index, additional securities are excluded from the Eligible Universe to achieve a reduction of 30% GHG intensity relative to the Parent Index. The following iterative process is applied<sup>9</sup>:

1. Securities are ranked in descending order of GHG intensity.
2. The security with the highest GHG intensity is excluded and the resulting Index is compared to the Parent Index, to determine if a 30% reduction in GHG intensity has been achieved.
3. If the reduction has been achieved, no further securities are excluded. If the reduction has not been achieved, further securities are excluded as per steps 1 and 2 until the 30% reduction is achieved.

### 2.2.1 Re-eligibility following GHG Intensity Reduction Exclusion

Any security excluded due to the GHG Intensity Reduction described in Section 2.2 will be subject to a 12-month waiting period before it becomes eligible for re-inclusion in the Indexes. The timeline below illustrates this process, where 't' is the number of Index Reviews:

Time since exclusion	Index Review	Eligibility Status
0	T	Security excluded due to GHG intensity reduction.
< 12 months	T+1, T+2, T+3	Security not eligible for inclusion (waiting period)
>= 12 months	T+4	Security becomes eligible again for inclusion in the Indexes.

## 2.3 Weighting Scheme

The remaining securities, after the exclusions based on Sections 2.1 and 2.2, are weighted in proportion of their free float-adjusted market capitalization.

## 2.4 Quarterly and Daily Capping

Capping is only applied to two Indexes, as outlined below. For additional details on the quarterly and daily capping mechanisms, please refer to Appendix IV:

<sup>8</sup> Please refer to Appendix II for details of the calculation of GHG Intensity.

<sup>9</sup> Not applicable to the MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index and the MSCI China Screened Select ex Thermal Coal Index. Please refer to Appendix III for more details on the iterative process applicable to these indexes.

### **MSCI China Screened Select ex Thermal Coal Index**

The MSCI China Screened Select ex Thermal Coal Index applies capping based on the MSCI 20/35 Index methodology during Quarterly Index Reviews, where the weight of largest group entity is capped at 31.5% and the weight of second largest entity is capped at 18% at Quarterly Index Reviews. Excess weights from capped securities are distributed across other securities in accordance with the GHG Intensity Reduction with Capping mechanism set out in Appendix III.

Additionally, a daily check is performed:

- If the weight of the largest group entity exceeds 35%, it is reduced to 31.5%.
- If the weight of the second-largest group entity exceeds 20%, it is reduced to 18%.

Any excess weight due to the daily capping of securities will be reallocated to securities outside of the capped group in proportion to their weight prior to such capping.

### **MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index**

The MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index applies capping based on the MSCI 20/35 Index methodology at Quarterly Index Reviews, where the weight of largest group entity is capped at 31.5% and the weight of second largest entity is capped at 18% at Quarterly Index Reviews. In addition, the aggregate weight of securities with an MSCI Country of Classification of India is capped at 14% at Quarterly Index Reviews. Excess weights from capped securities are distributed across other securities in accordance with the GHG Intensity Reduction with Capping mechanism set out in Appendix III.

Additionally, a daily check is performed:

- If the weight of securities with an MSCI Country of Classification of India exceeds 18%, the Index is reweighted such that the weight of Indian securities is reduced to 14%.
- If the weight of the largest group entity exceeds 35%, it is reduced to 31.5%.
- If the weight of the second-largest group entity exceeds 20%, it is reduced to 18%.

Any excess weight due to the daily capping of securities will be reallocated to securities outside of the capped group in proportion to their weight prior to such capping.

### **Other Indexes**

Capping is not applied on the other MSCI Screened Select ex Thermal Coal Indexes.

## 2.5 Treatment of Unrated Companies

Companies not assessed by MSCI Solutions on data for any of the following MSCI sustainability and climate products are not eligible for inclusion<sup>7</sup> in the Indexes.

- MSCI Controversy Score
- MSCI Climate Change Metrics
- MSCI Business Involvement Screening Research (BISR)

For the treatment of unrated companies in the calculation of GHG Intensity, please refer to Appendix II.

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<sup>7</sup> The treatment of Unrated Companies for the three MSCI Research Products is applied from September 02, 2024 onwards.

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## 3 Maintaining the Indexes

### 3.1 Index Reviews

The MSCI Screened Indexes are reviewed on a quarterly basis to coincide with the regular Index Reviews of the MSCI Global Investable Market Indexes. The changes are implemented as of the close of the last business day of February, May, August and November.

In general, MSCI uses MSCI Solutions data<sup>8</sup> (including MSCI Controversies Scores, MSCI Business Involvement Screening Research and MSCI Climate Change Metrics) as of the end of the month preceding the Index Reviews for the rebalancing of the Index. For some securities, such data may not be published by MSCI Solutions 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 Index.

The pro forma Indexes are in general announced nine business days before the effective date.

### 3.2 Monthly Review of Controversies

Index constituents are reviewed on a monthly basis for the involvement in controversies and for compliance with the United Nations Global Compact Principles. Existing constituents will be deleted if they face controversies as defined as defined by MSCI Controversy Score of 0 ('Red flag' companies), or if they fail to comply with the UN Global Compact Principles. Existing Index constituents with missing MSCI Controversy Scores are not deleted during Monthly Review of Controversies.

MSCI uses MSCI Controversies data as of the end of the month preceding the review (e.g., end of June data for the end of July monthly review). For some securities, such data may not be published by MSCI Solutions by the end of the month preceding the review. For such securities, MSCI will use ESG data published after the end of month, when available, for the monthly review of the Index.

The pro forma Indexes are generally announced nine business days before the first business day of the month.

### 3.3 Ongoing Event-Related Maintenance

The following section briefly describes the treatment of common corporate events within the Indexes.

No new securities will be added (except where noted below) to the Indexes 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.

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<sup>8</sup> See section 4 for details of data sourced from MSCI Solutions used in the Indexes.

There are no deletions from the MSCI Screened Indexes between Index Reviews on account of a security becoming ineligible because of a change in business involvement and/or failure to comply with the UN Global Compact Principles and/or decrease in MSCI Controversies Score.

Event Type	Event Details
<b>New additions to the Parent Index</b>	A new security added to the Parent Index (such as IPO and other early inclusions), will not be added to the Index.
<b>Spin-Offs</b>	All securities created as a result of the spin-off of an existing Index constituent will not be added to the MSCI Screened Indexes at the time of event implementation. Reevaluation for addition in the Indexes will occur at the subsequent Index Review.
<b>Merger/Acquisition</b>	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.
<b>Changes in Security Characteristics</b>	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 Non-Market Capitalization Weighted indexes.

The MSCI Corporate Events methodology book is available at:

<https://www.msci.com/index/methodology/latest/CE>.

## 4 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 Controversies, MSCI Business Involvement Screening Research and MSCI Climate Change Metrics. MSCI Indexes are administered by MSCI Limited and MSCI Deutschland GmbH.

### 4.1 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>.

### 4.2 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.

For more details on MSCI Business Involvement Screening Research, please refer to

<https://www.msci.com/legal/sustainability-and-climate-resources-and-disclosures>.

### 4.3 MSCI Climate Change Metrics

MSCI Climate Change Metrics provide 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>

#### 4.3.1 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).

#### **4.3.2 Greenhouse Gas (GHG) Emissions**

MSCI Solutions collects reported emissions and uses proprietary estimation methodologies that follows the GHG Protocol in including carbon dioxide (CO<sub>2</sub>) and the five other principal GHGs: hydrofluorocarbons (HFCs), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), perfluorocarbons (PFCs), and sulfur hexafluoride (SF<sub>6</sub>). Emissions of these other gases are accounted for in terms of the quantity of CO<sub>2</sub> that has an equivalent global warming potential.

## Appendix I: Controversial Business Involvement Criteria

MSCI Solutions 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 and Least Restrictive.

Each controversial activity screened by the MSCI Screened Indexes (except Fossil Fuel Extraction, Thermal Coal Power and Global Norms) 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 Ex-Controversial Weapons Indexes available at <https://www.msci.com/index/methodology/latest/XCW>

### **"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.

- **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.

### **No specific restrictiveness level applied**

- **Palm Oil**

- All companies deriving 5% or more aggregate revenue from the production of Palm Oil.

- **Global Norms – United Nations Global Compact Compliance**

All companies that fail to comply with the United Nations Global Compact principles

- **Fossil Fuel Extraction**

- All companies deriving 5% or more aggregate revenue (either reported or estimated) from thermal coal mining and 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); intra-company 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.
  - All companies deriving 50% or more from power from thermal coal.

- **Thermal Coal Reserves**

All companies providing evidence of owning thermal coal including those that own less than 50% of a reserves field. Evidence of owning reserves includes companies providing the exact volume of reserves, and companies making a statement about their ownership of reserves

- **Arctic Oil & Gas**

All companies deriving 5% or more revenue from arctic oil and arctic gas production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude. This includes offshore or onshore oil and gas production.

## Appendix II: Calculation of GHG Intensity

The security level and Index level GHG intensity are calculated as per below formula:

$$\text{Security Level GHG Intensity} = \frac{\text{Carbon Emissions Scope 1 + 2 + 3}}{\text{Enterprise Value + Cash (in M\$)}}$$

$$\text{Index Level GHG Intensity} = \frac{\text{sum of (Constituent weight * Security Level GHG Intensity)}}{\text{sum of constituent weight with Carbon emissions and EVIC data available}}$$

Securities with missing Carbon Emissions and/or Enterprise Value + Cash are not considered for potential exclusion under Section 2.2.

## Appendix III: GHG Intensity Reduction for MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index and the MSCI China Screened Select ex Thermal Coal Index

For the MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index and the MSCI China Screened Select ex Thermal Coal Index, the iterative exclusion process incorporates capping criteria as outlined below. This process ensures that the Greenhouse Gas (GHG) Intensity of each Index is at least 30% lower than that of its respective Parent Index, while also satisfying the applicable capping constraints.

Index	20/35 Capping	Country Capping
MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index	Applicable	Applicable to securities with an MSCI Country of Classification of India
MSCI China Screened Select ex Thermal Coal Index	Applicable	Not Applicable

### GHG Intensity Reduction with Capping

After excluding companies as per Section 2.1, the following iterative process is applied:

1. Securities are capped in accordance with the MSCI 20/35 Index methodology and the weight of securities with an MSCI Country of Classification of India is capped at 14%, if applicable. Excess weights from capped securities are distributed across other securities in accordance with the Excess Weight Distribution Mechanism described below.
2. Securities are ranked in descending order based on GHG Intensity.
3. Securities with the highest GHG Intensity are excluded until the relevant Index achieves a (at least) 30% reduction in GHG Intensity relative to the respective Parent.
4. The capping is applied once again in accordance with Step 1 (if applicable) with excess weights from capped securities being distributed across other securities in accordance with the Excess Weight Distribution Mechanism described below.
5. If the GHG Intensity reduction and all capping constraints are met, no further exclusions are applied. If not, Steps 2 through 4 are repeated until the target GHG Intensity reduction and applicable capping criteria are fully met.

**Excess Weight Redistribution Mechanism applicable to Steps 1 and 4**

Redistribution of excess weights in Steps 1 to 4 follows an iterative process:

1. Find the most violating group (group entity or country group, as applicable) (each a "group") from all the given capping constraints (group entity maximum weighting and country maximum weighting, if applicable) by applying Step 2 below.
2. For each group (for example, for group 'A') the deviation ratio is calculated as:

- Deviation Ratio = Current Weight of Group 'A' / Maximum Permitted Weight of Group 'A' under capping requirements

The most violating group is the group with the largest deviation ratio.

3. Adjust the weight of the most violating group to its maximum permitted weighting under the capping requirements.
4. The excess weight (difference between current weight of the group and the maximum permitted weight of the group), is distributed proportionally to all other securities in the Index.

The iterative process is repeated until the most violating group has a deviation ratio less than 1 (rounded to five decimal places) or the process has reached a maximum of 5000 Iterations, in which case the Index will reflect such final iteration even if the capping requirements are not fully satisfied.

## Appendix IV: Checks for 20/35 Capping and India Capping

The MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index and MSCI China Screened Select ex Thermal Coal will apply a 20/35 capping on all group entities as per the MSCI Capped Indexes Methodology. In addition, the MSCI EM Asia Screened Select ex Thermal Coal 14 % India Capped Index will also apply a cap on aggregate weight of companies with an MSCI Country of Classification of India.

Under the 20/35 Capping framework, the weight of the largest group entity is constrained to a maximum of 35%, while all other group entities are constrained to a maximum of 20%. A buffer of 10% is applied to these limits at each Quarterly Index Reviews (31.5% and 18%, respectively). In parallel, the aggregate weight of Indian securities is capped at 14% in relation to MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index, while also meeting the 20/35 capping constraints.

In relation to Quarterly Index Reviews, excess weights from capped securities are distributed across other securities in accordance with the GHG Intensity Reduction with Capping mechanism described in Appendix III. Changes are implemented as of the close of the last business day of each February, May, August and November.

Additionally, both constraints are monitored on a daily basis and are applied whenever a breach is identified. Specifically:

- If the weight of any group entity breaches its respective cap (i.e., 35% for the largest group entity or 20% for others, without buffer), the Index will be rebalanced to reduce such weight to 31.5% and 18% weights, respectively.
- If the aggregate weight of Indian securities exceeds 18% (without buffer), the Index will be rebalanced to reduce such weight to 14%.

Any excess weight due to the daily capping of securities will be reallocated to securities outside of the capped group in proportion to their weight prior to such capping. The pro-forma rebalancing results will be announced at the end of the day on which the breach is identified. The resulting changes will become effective at the open of the third business day following the breach, allowing for a two full business day advance notice.

## Appendix V: 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 Capped Indexes Methodology –  
<https://www.msci.com/index/methodology/latest/Capped>
- 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 VI: Changes to this Document

### **The following sections have been modified as of August 2025:**

#### Section 2.4 Quarterly and Daily Capping

- Updated section to describe the new capping criteria applicable to two Indexes

#### Appendix III: GHG Intensity Reduction for MSCI EM Asia Screened Select ex Thermal Coal 14% India Capped Index and the MSCI China Screened Select ex Thermal Coal Index

- New Appendix added to outline the new carbon emission reduction constraint, incorporating additional capping measures and steps for the applicable Indexes.

#### Appendix IV: Daily checks for 20/35 Capping and India Capping

- New section added outlining the capping framework

#### Appendix V: Methodology Set

- Added the reference to MSCI Capped Indexes Methodology

### **The following sections have been modified as of November 2025**

#### Section 2: Constructing the Indexes

- Updated the table to include the MSCI World ex EMU Screened Select ex Thermal Coal Index, MSCI World ex USA Screened Select ex Thermal Coal Index and MSCI EMU Screened Select ex Thermal Coal Index

### **The following sections have been modified as of February 2026**

#### Section 2.1: Eligible Universe

- Updated disclosure for the Red Flag controversies exclusion to provide additional clarity on the international standards referenced by the MSCI Controversies / Global Norms framework.

#### Section 2.2.1: Re-eligibility following GHG Intensity Reduction Exclusion

- Introduced a 12-month waiting period for securities excluded as a result of the GHG Intensity Reduction process

## Contact Us

### About MSCI

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