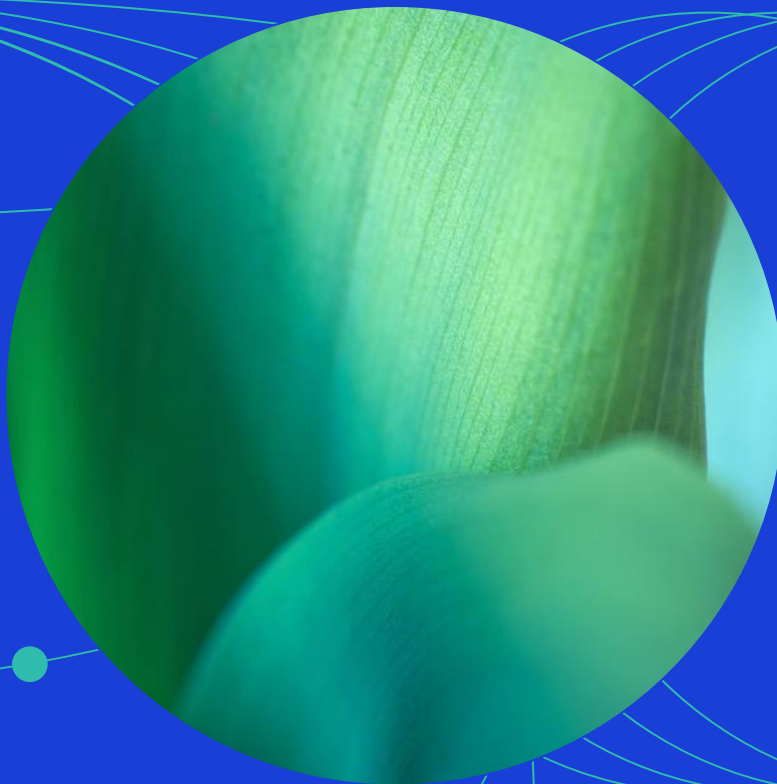




May 2026

MSCI Region ex Select Securities Climate Action 75% Custom Indexes* Methodology

* MSCI custom indexes based on the stock exclusions defined by
Länsförsäkringar Fondförvaltning AB (publ)



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1 Introduction

The MSCI Region ex Select Securities Climate Action 75% Custom Indexes¹ (the 'Indexes')² are designed to represent the performance of companies that have been assessed to lead their sector peers in terms of their positioning and actions relative to a climate transition.

Companies from each of the underlying parent indexes (the "Parent Indexes")³ are assessed relative to their sector peers based on their emissions intensity, emissions reduction commitments, climate risk management and revenue from businesses belonging to a set of 'Clean Tech' themes⁴. The Indexes uses this assessment to identify the top 75% of the companies from each GICS®⁵ sector in the Parent Indexes and are added at their free-float adjusted Market Capitalization. Securities ranked in the bottom quartile within each GICS® sector are included at 75% of their free float adjusted market capitalization.

The Index targets a 100% coverage of companies per sector from the Eligible Universe, with securities in the bottom quartile subject to a weight adjustment reflecting their relative climate positioning. Additionally, the Indexes apply an exclusion list from Länsförsäkringar, to exclude companies involved in serious violations of international norms and conventions, controversial weapons, fossil fuels and tobacco.

¹ MSCI custom indexes based on the stock exclusions provided by Länsförsäkringar Fondförvaltning AB (publ)

² 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.

³ The corresponding Parent Indexes for the Indexes are defined in Section 2.1 of this methodology document.

⁴ Clean Tech themes have been described in Appendix IV.

⁵ GICS, the Global Industry Classification Standard jointly developed by MSCI and S&P Dow Jones Indices.

2 Constructing the Indexes

The Indexes use company ratings and research provided by MSCI Solutions LLC (“MSCI Solutions”)⁶ to determine eligibility for index construction.

2.1 Applicable Universe

The Applicable Universe includes all the existing constituents of their respective Parent Indexes. This approach aims to provide an opportunity set with sufficient liquidity and investment capacity. The below table presents the Parent Indexes for the corresponding Indexes.

Index Name	Parent Index
MSCI World ex Select Securities Climate Action 75% Custom Index	MSCI World Index
MSCI Europe ex Select Securities Climate Action 75% Custom Index	MSCI Europe Index
MSCI Japan ex Select Securities Climate Action 75% Custom Index	MSCI Japan Index
MSCI USA ex Select Securities Climate Action 75% Custom Index	MSCI USA Index
MSCI EM (Emerging Markets) ex Select Securities Climate Action 75% Custom Index	MSCI Emerging Markets (EM) Index

2.2 Eligible Universe

The Eligible Universe is constructed from the Applicable Universe by excluding securities based on the exclusion criteria below:

2.2.1 Specific Stocks Exclusion

The Indexes exclude all securities listed for exclusion by Länsförsäkringar AB's (LFAB) Asset Management and Mutual Fund Company.

The exclusion list⁷ is determined and signed off by LFAB in accordance with LFAB’s Sustainability policy.

⁶ See section 4 for further information regarding ESG 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.

⁷ https://www.lansforsakringar.se/stockholm/privat/om-oss/hallbarhet--forskning/ansvarsfulla_investeringar/exkluderade--bolag-och-omstallningsbolag/

The exclusions are reviewed and updated quarterly and made effective to coincide with the MSCI Index Review as of the close of the last business day of February, May, August and November.

2.2.2 Controversy Score Eligibility

All companies assessed as having involvement in controversies that are classified as Red Flags (MSCI Controversy Score of 0). A Red Flag indicates an ongoing Very Severe controversy implicating a company directly through its actions, products, or operations.

2.2.3 Business Involvement Eligibility

The Indexes use MSCI 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 are excluded from the Indexes. Please refer to Appendix I for details on these criteria.

- Controversial Weapons
- Tobacco
- Thermal Coal Mining
- Oil Sands
- Nuclear Weapons - (Non-Proliferation Treaty⁸)

2.2.4 Emissions Eligibility

Securities which either have higher Emissions Intensity⁹ than the High Emissions Threshold (defined below) or higher total potential emissions¹⁰ than the High Potential Emissions Threshold (defined below) and do not yet have approved science-based targets¹¹ are excluded.

- High Emissions Threshold – GHG emissions intensity of the constituent(s) of the MSCI ACWI Index at the 95th percentile based on GHG emissions intensity. This 95th percentile calculation excludes securities without emissions data.
- High Potential Emissions Threshold – Total Potential Carbon Emissions excluding Metallurgical Coal of the constituent(s) of the MSCI ACWI Index at the 95th percentile based on Total Potential Carbon Emissions excluding Metallurgical Coal. This 95th percentile calculation only includes companies

⁸ The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) is a multilateral international treaty that entered into force on 5 March 1970, aimed at preventing the spread of nuclear weapons and advancing nuclear disarmament. See United Nations Office for Disarmament Affairs (UNODA), available at <https://www.un.org/disarmament/wmd/nuclear/npt/>.

⁹ The calculation of GHG Emissions Intensity is described in Appendix II.

¹⁰ Total Potential Emissions is calculated as the potential carbon emissions of the fossil fuel reserves, excluding metallurgical coal reserves, owned by a company. It is computed as the sum of the potential carbon emissions of the thermal coal, total oil and total gas reserves owned by the company.

¹¹ Company level emissions reduction targets which have been approved by Science Based Targets initiative (SBTi). More details on SBT are available at <https://sciencebasedtargets.org/companies-taking-action>

which are considered most likely to use their fossil fuel reserve for energy applications¹². Securities without Total Potential Carbon Emissions data are not included in this calculation of 95th percentile.

2.3 Selection of Eligible Securities

2.3.1 Security-Level Assessment

- Intensity Score - Each security is assigned to a quartile based on its sector relative Scope 1+2+3 Greenhouse Gas (GHG) Emissions Intensity¹³.

This quartile is labelled as the 'Intensity Score' and is thus an integer between 1 and 4. For example, securities which constitute the lowest 25% of their sector based on emissions intensity would be assigned an 'Intensity Score' of 1.

- Each security is assigned a final Assessment by adjusting the initial Intensity Score according to the following sequence:
 - The Intensity Score is lowered by two quartiles for all securities that either have an approved science-based targets (SBTi) or is in the top quartile based on their sector-relative Emissions Reduction Score.
 - For the remaining securities, the Intensity Score is lowered by one quartile for any securities in the fourth quartile based on sector-relative Carbon Risk Management Average Score or Green Business Revenue¹⁴.
 - The Intensity Score of fourth quartile companies based on sector relative Green Business Revenue is lowered only if the Green Business Revenue \geq 5%.
- The Security-Level Assessment is floored at 1. More details on calculation steps of Security-Level Assessment are described in Appendix II.

The calculation steps for Intensity Score, Emissions Reduction Score, Carbon Risk Management Weighted Score¹⁵, Green Business Score and Green Business Revenue¹⁶ are also described in Appendix II.

2.3.2 Ranked Universe

The Ranked Universe is constructed by sorting eligible securities of each GICS sector, in ascending order of Security-Level Assessment and descending order of float adjusted market capitalization.

¹² Companies with 'Fossil Fuel Reserves – Energy Application' set to True.

¹³ Prior to the May 2020 Semi-Annual Index Review (SAIR) of the Indexes, the Green House Gas (GHG) Emissions Intensity has been calculated based on Scope 1+2 Emissions. The Scope 3 Emissions used in the May 2020 Semi-Annual Index Review of the Indexes is as of Jun 30, 2020.

¹⁴ The fourth quartile here corresponds in broad terms to strong climate risk management or high sector relative green business revenues.

¹⁵ See Appendix III for the definition.

¹⁶ See Appendix IV for the definition.

2.3.3 Security Selection and Tilting

For each GICS sector in the Ranked Universe, 75% of the number of securities in the Applicable Universe are identified in the following order:

- Securities are selected from the top until the number of selected stocks is less than or equal to 60% of the number of securities in the Applicable Universe.
- Securities which are ranked between 60% and 90% of the number of securities in the Applicable Universe and are also current constituents of the Index are selected.
- Remaining securities which are ranked between 60% and 90% of the number of securities in the Applicable Universe are selected until the total number of selected securities is less than or equal to 75% of the number of securities in the Applicable Universe. Any security which takes the number of selected securities beyond 75% of the number of securities in the Applicable Universe is also selected.
- The number of securities in a GICS sector can be less than 75% if, after applying all exclusions, fewer than 75% of securities remain.

Securities ranked between the 75th and 100th percentile of the number of securities in the Applicable Universe within each GICS sector are included in the Index and assigned a weight equal to $\frac{3}{4}$ (75%) of their free float adjusted market capitalization weight, prior to renormalization.

2.4 Issuer Capping

2.4.1 Capping Weights

At each Semi-Annual Index Reviews, the weights are subject to issuer level capping, as per the criteria below:

- **Issuer Capping:** The weight of each issuer is capped at $\text{Min}(\text{Issuer Weight in the Parent Index} + 1\%, 18\%)$
- **Active GICS Sector Capping:** The weight of each sector is constrained to $\pm 5\%$ relative to the weight of the sector in the Parent Index.

The Active Issuer Capping and Active GICS Sector Capping are applied simultaneously.

The Indexes are also rebalanced on an "as needed" basis. This means that the Indexes are rebalanced at the end of any day on which the 20% issuer capping constraint (without buffers) is breached. The rebalancing will take place as of the close of that day, so that the Index will always be within the constraints before the opening of the following trading day.

2.5 Treatment of Unrated Companies

Companies not assessed by MSCI Solutions on data for the following MSCI sustainability and climate product are not eligible for inclusion in the Indexes:

- MSCI Controversies

Companies without Emission Intensity data described in section 2.2.4 (companies for which GHG Emissions Intensity cannot be calculated) are not eligible for inclusion in the indexes.

For the treatment of unrated companies in the calculation of Carbon Risk Management Score, please refer to Appendix III.

3 Maintaining the Indexes

3.1 Semi-Annual Index Reviews

The Indexes are reviewed on a semi-annual basis¹⁷, as of the close of the last business day of May and November, coinciding with the May and November Index Review of the MSCI Global Investable Market Indexes. The pro forma Indexes are in general announced nine business days before the effective date.

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

3.2 Quarterly Index Reviews

The Indexes are reviewed on a quarterly basis, as of the close of the last business day of February and August, coinciding with the February and August Index Review of the MSCI Global Investable Market Indexes. The pro forma Indexes are in general announced nine business days before the effective date. During quarterly reviews, the ‘Specific Stocks Exclusion’ criterion for existing constituents is reviewed. Existing constituents that meet the exclusion criterion are deleted from the indexes and the weight of remaining constituents are renormalized to 100%.

3.3 Ongoing Event Related Changes

The general treatment of corporate events in the Indexes 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.

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

No new securities will be added (except where noted below) to the Index between Index Reviews. Parent Index deletions will be reflected simultaneously.

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 be added to the Index at the time of event implementation. Reevaluation for

¹⁷ Certain ESG datapoints required for historical index rebalancing are unavailable. In those cases, the Index used the values of those datapoints as of the date described below. For example, each periodic rebalancing of the Index prior to November 30, 2021, would have applied the “Approved Science Based Targets” from November 30, 2021.

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 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 ESG Ratings, MSCI Controversies, MSCI Business Involvement Screening Research, MSCI Climate Change Metrics, and MSCI Impact Solutions. MSCI Indexes are administered by MSCI Limited and MSCI Deutschland GmbH.

4.1 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/sustainability-and-climate-resources-and-disclosures>.

4.2 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>.

4.3 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.

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

4.4 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.

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

4.5 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	<ol style="list-style-type: none"> 1. Alternative energy 2. Energy efficiency 3. Green building
	Natural capital	<ol style="list-style-type: none"> 4. Sustainable water 5. Pollution prevention 6. Sustainable agriculture
Social Impact	Basic needs	<ol style="list-style-type: none"> 7. Nutrition 8. Major Disease Treatment 9. Sanitation 10. Affordable Real Estate
	Empowerment	<ol style="list-style-type: none"> 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.

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

Appendix I: ESG Business Involvement Eligibility

- **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/indexmethodology>.
- **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.
- **Thermal Coal Mining**
 - All companies deriving 1% or more revenue (either reported or estimated) 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 (either reported or estimated).
- **Oil Sands**
 - All companies deriving 5% or more revenue from oil sands extraction, which own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction. It does not cover revenue from non-extraction activities (e.g., exploration, surveying, processing, refining), ownership of oil sands reserves with no associated extraction revenue, or intra-company sales.
- **Nuclear Weapons – (Non-Proliferation Treaty¹⁸)**
 - All companies that have a country of classification corresponding to a country that is not a signatory of the Non-Proliferation Treaty of Nuclear Weapons (Signatory = False) and are flagged by the categories listed below are excluded:
 - All companies that manufacture nuclear warheads and/or whole nuclear missiles. It includes assembly and integration of warhead and missile body, as well as companies with contracts to operate/manage government-owned facilities that manufacture nuclear warheads and missiles.
 - All companies that manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles). It includes companies with contracts to operate/manage government-owned facilities that manufacture components for nuclear warheads and missiles.

¹⁸ The Non-Proliferation Treaty of Nuclear Weapons (NPT) is a multilateral international treaty that entered into force on 5 March 1970, aimed at preventing the spread of nuclear weapons and advancing nuclear disarmament. See United Nations Office for Disarmament Affairs (UNODA), available at <https://www.un.org/disarmament/wmd/nuclear/npt/>.

- 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, such as repairing and maintaining nuclear weapons, providing overhaul and upgrade services, stockpiling and stewardship, R&D work, testing and simulations, etc. It also includes companies with contracts to operate/manage government-owned facilities that conduct R&D, testing, simulations, and other essential sciences on 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.

Appendix II: Calculation of Security Level Scoring Factors

Sector Relative Quartiles

For each security in the Applicable Universe, the following security level scores are calculated as sector relative quartiles:

Table 1

Score	Ranking Metric
1	Intensity Score
2	Green Business Score
3	Carbon Risk Management Score
4	Emissions Reduction Score

- GHG Intensity
 - Security level GHG Intensity = Global Green House Gas (GHG) Emissions / (Enterprise Value + Cash (\$))
 - GHG Emissions = Emissions from Scope 1+2+3
- Green Business Revenue - Security level cumulative % of revenue from a set of Environmental Impact categories described in Appendix IV.
- Carbon Risk Management Score –
 - Product Carbon Footprint Management Score – Score from 0 to 10 assessed under the MSCI ESG Ratings Methodology.
 - Carbon Emissions Management Score – Score from 0 to 10 assessed under the MSCI ESG Ratings Methodology.

Additional details on the calculation of the score are in Appendix III.

- Average Yearly Emissions Change –

The Emissions Reduction Score is only calculated for securities which meet the following conditions:

- Average Yearly Emission Change for the last 4 years (3 yearly changes): reduction of $\geq 2\%$
- Reports Scope 1 and 2 Emissions
- Has published an Emission Reduction Target

For all securities that meet the above criteria – the Emissions Reduction Score is equal to the Sector-level Quartile value based on the Average Yearly Emissions Change (calculated as the Geometric

Average of the Yearly GHG Emissions Change for the last 4 years). Average Yearly Emission Change is not calculated for securities with less than 4 years of emission data.

Calculation of Sector Relative Quartiles Scores

- For each GICS sector, securities are ranked in descending order of their ranking metric and then descending order of float adjusted market capitalization.
- Ranked securities are divided into four equal groups (quartiles).
- Securities in the top group receive a score of 4 and securities in the bottom group receive a score of 1 within each sector.
- Securities that receive a quartile score of 4 based on Ranking Metrics described in Table 1 are, in broad terms, securities that have (compared to sector peers)
 - relatively higher values for their Emissions Intensity,
 - higher levels of Green Business Revenues,
 - more favorably assessed Climate Risk Management Weighted Average Scores, or
 - a weaker Emission Track Record¹⁹

Calculation of Tilt Score

Table 2 describes the calculation of Security Level Assessment through examples of 5 hypothetical companies.

- Company A and Company E do not receive any promotion and hence their Security Level Assessments are the same as their respective Intensity Score.
- Company B is assigned a Climate Risk Management Score of 4 and hence its Intensity Score is lowered by one quartile and the company is assigned a Security Level Assessment of 1.
- Company C is assigned a Climate Risk Management Score of 4 and its emission reduction targets are approved as science-based targets. Because of approved science-based targets, the company's Intensity Score is lowered by two quartiles. However, Security Level Assessment cannot be lower than 1 and hence the company is assigned a Security Level Assessment of 1
- Company D's emission reduction targets are approved as science-based targets, because of which the company's Intensity Score is lowered by two quartiles and the company is assigned a Security Level Assessment of 1.
- Company F is assigned a Green Business Score of 4 and hence its Intensity Score is lowered by one quartile and company is assigned a Security Level Assessment of 2.

¹⁹ Since a favorable Track Record is negative, lower values of the Track Record indicate a stronger historic reduction in emissions

Table 2

	Companies					
	A	B	C	D	E	F
Intensity Score	1	2	2	3	4	3
Carbon Risk Management Score*	2	4	4	2	2	2
Green Business Score*	3	2	1	2	2	4
Has Approved Science Based Targets	No	No	Yes	Yes	No	No
Emissions Reduction Score	No	No	No	No	No	No
Promoted by Quartile(s)	0	1	2	2	0	1
Security Level Assessment	1	1	1	1	4	2

* Refers to Sector Relative Quartiles

Appendix III: Calculation of the Carbon Risk Management Score

The calculation is done for each security in the Applicable Universe and is equal to the Product Carbon Footprint Management Score when the key issue weight is non-zero and a score is available. In cases where the key issue weight for the Product Carbon Footprint Management Score is zero or a score is not available, the Carbon Risk Management Score is equal to the Carbon Emissions Management Score.

Product Carbon Footprint Management Score: Assesses the company’s ability to manage its exposure to risks related to the carbon intensity of its products and its ability to reduce the carbon footprint in its supply chains or in the use of its products and services. (Score: 0-10)

Carbon Emissions Management Score: Assesses the company’s ability to manage its exposure to risks related to the carbon intensity of its operations. (Score: 0-10)

Appendix IV: Calculation of Green Business Revenue

For each constituent in the Parent Index, the Green Revenue% is calculated as the cumulative revenue (%) from the six Clean Tech themes which are as follows:

- **Alternative Energy** – products and services that support the transmission, distribution and generation of renewable energy and alternative fuels to reduce carbon and pollutant emissions in supporting affordable and clean energy to combat climate change.
- **Energy Efficiency** – products, and services that support the maximization of productivity in labor, transportation, power, and domestic applications with minimal energy consumption to ensure universal access to affordable, reliable, and modern energy services.
- **Sustainable Water** – products, services, infrastructure projects and technologies that resolve water scarcity and water quality issues, through minimizing and monitoring current water demand, improving the quality and availability of water supply to improve resource management in both domestic and industrial use.
- **Green Building** – design, construction, redevelopment, retrofitting, or acquisition of green-certified properties to promote mechanisms for raising capacity for effective climate change mitigation and adaptation.
- **Pollution Prevention** – products, services, infrastructure projects and technologies that reduces volume of waste materials through recycling, minimizes introduction of toxic substances, and offers remediation of existing contaminants such as heavy metals and organic pollutants in various environmental media to significantly address pollution in all levels and its negative effects.
- **Sustainable Agriculture** - revenues from forest and agricultural products that meet environmental and organic certification requirements to significantly address biodiversity loss, pollution, land disturbance, and water overuse.

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 Global ex Tobacco Involvement Index – <https://www.msci.com/index/methodology/latest/ExTobacco>
- 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.

Appendix VI: Change to this Document

The following sections have been modified as of May 2026:

Section 2.2.3: Business Involvement Eligibility

- Updated the exclusion criteria for nuclear weapons, to screen only when their country of classification is not a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons

Section 2.3.3: Security Selection

- Updated the security selection methodology to include securities ranked between the 75th and 100th percentile within each GICS sector at 75% of their free float adjusted market capitalization, prior to renormalization.

Section 2.4.2: Issuer Capping

- Added a new sub-section to detail the new issuer capping applied to the Indexes

Appendix I: Controversial Business Involvement Eligibility

- The nuclear weapons screen was modified to a screen excluding companies in countries that are non-signatories of the Non-Proliferation Treaty of nuclear weapons

Appendix II: Calculation of Security Level Scores

- The definition of the Climate Risk Management Score was simplified to include only the Carbon Emissions Management Score and the Product Carbon Footprint Management Score, replacing the previous multiple score approach
- The assessment of emissions intensity score was updated.

Appendix III: Calculation of the Carbon Risk Management Score

- Updated Appendix to reflect the simplified definition of the Carbon Risk Management Score

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