

**S&P DJI Fixed Income
Sustainability Metrics
*Reference Guide***

December 2025

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Introduction

The S&P DJI Fixed Income Sustainability Metrics Guide ('Guide')¹ is designed to aid in understanding the sustainability metrics used by S&P Dow Jones Indices ('S&P DJI'), including the metrics' calculations and disclosures. The Guide contains information on a range of commonly disclosed sustainability, Environmental, Social, and Governance (ESG), and climate-related metrics, including definitions, formulas (where relevant), and data sources.

S&P DJI's disclosures under the EU Benchmark Regulation for fixed income and sovereign debt benchmarks are here: [S&P DJI Fixed Income EU Low Carbon Benchmark Regulation Disclosure Report](#).

The '**S&P DJI Sustainability Metrics – Data Source A**' chapter within this Guide provides information on a range of index-level sustainability metrics, organized into Combined ESG Factors, Environmental Factors, Social Factors, and Governance Factors. This chapter details metrics calculated using Sustainalytics datapoints and, is applicable to indices in the ('Disclosure Report') that use Sustainalytics, a Morningstar company (Sustainalytics) as the ESG data source.

The '**S&P DJI Sustainability Metrics – Data Source B**' chapter also provides information on a range of index-level sustainability metrics. This section focuses on metrics calculated using MSCI, Inc. (MSCI) data points and is applicable to indices in the 'Disclosure Report' that use MSCI as the ESG data source.

For clarity, the Disclosure Report associated with this Guide provides information relevant to the following underlying assets: sovereign debt, corporate bonds, or a combination of both. Metrics in this Guide related to sovereign debt are applicable to indices with an underlying sovereign debt asset, while metrics related to corporate bonds are applicable to indices with an underlying corporate fixed income asset.

If an index measures underlying assets for both corporate bonds and sovereign debt, then both sets of metrics are applicable. S&P DJI classification methods are used in classifying an index as measuring either sovereign debt, corporate bonds, or both underlying assets.

References to 'sovereign debt' may encompass debt issued not only by governments but also by quasi-sovereign entities, such as government agencies and supranational organizations.

S&P DJI's disclosures under the EU BMR for S&P DJI's indices that measure ESG factors for equity benchmarks are [here](#).

The ('**EU Low Carbon Benchmark Regulation Metrics**') chapter provides an overview of the key disclosure requirements applicable to benchmark administrators, including the specific index-level ESG metrics required by [Regulation \(EU\) 2016/1011](#) (EU Benchmark Regulation or 'EU BMR').

For more information on the EU Benchmark Regulation, please refer to the 'ESG Disclosure – EU Low Carbon Benchmark Regulation' section of the S&P DJI [Regulatory Information](#).

¹ S&P DJI first published the Guide on the 24th December 2025, and supports S&P DJI's EU Benchmark Regulation disclosure requirements. For information on Guide updates, please refer to *Appendix I*.
S&P Dow Jones Indices: Fixed Income Sustainability Metrics Guide

Data Point Coverage

The following approach is used to calculate data point coverage metrics for the data points discussed in the Guide. The formula is generalized using squared parentheses (“[”, “]”) below:

- i. **‘Data Point Coverage: “[DATA POINT(S)]” (Index Weight, %)**’ is calculated as the sum of index constituent weights with “[DATA POINT(S)]”, and ranges between 0% and 100%.

‘Data Point Coverage: “[DATA POINT(S)]” (Constituent Coverage, %)’ is calculated as the number of index constituents with available data for the “[DATA POINT(S)]”, divided by the total number of index constituents in the benchmark, expressed as a percentage, and ranges between 0% and 100%.

Equations: Data Point Coverage:

Data point coverage is calculated by these two formulas unless specified for the metric.

$$\text{Data Point Coverage: "[DATA POINT(S)]" (Index Weight, \%)} = \sum w_i * \text{Coverage}_i \begin{cases} \text{is covered} & 1 \\ \text{else} & 0 \end{cases}$$

where:

$w_{i,t}$ = index weight of constituent i, as at metric calculation date t

$\text{Coverage}_{i,t}$ = coverage status of a constituent i, in the specific data point(s)

$$\begin{aligned} \text{Data Point Coverage: "[DATA POINT(S)]" (Constituent Coverage, \%)} \\ = \frac{\text{Number of constituents with available data}}{\text{Total number of constituents of the index}} \end{aligned}$$

Where a metric's calculation can draw from multiple underlying data points, a constituent is considered covered if data is available for at least one of those data points.

Only one data source, either Data Source A (Sustainalytics) or Data Source B (MSCI), is used to calculate coverage at any given time.

S&P DJI Sustainability Metrics – Data Source A

I. Combined ESG Factors - Corporate Bonds and Sovereign Debt

Sustainalytics Data Points (External)

The metrics in this section are calculated using data from Sustainalytics to provide insights into the ESG performance of index constituents. These metrics offer an overall ESG profile of the indices.

For information on Sustainalytics Risk Ratings, please refer to the [Sustainalytics Risk Ratings Methodology document](#).

For more information on Sustainalytics' methodologies and data offerings, please refer to <http://www.sustainalytics.com/>.

Table 1: Combined ESG Factors

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[A-FI/SOV-ESG]	Weighted-Average ESG Score	Yes
[A-FI/SOV-ENV]	Weighted-Average Environmental Score	Yes
[A-FI/SOV-SOC]	Weighted-Average Social Score	Yes
[A-FI/SOV-GOV]	Weighted-Average Governance Score	Yes

Weighted-Average ESG Score [A-FI/SOV-ESG]

EU BMR ESG Factor/Metric: “Weighted average ESG rating of the benchmark (voluntary).”²

This metric is calculated as a weighted average of the Sustainalytics ESG Risk Scores. If the index includes both corporate bonds and sovereign debt, scores from both asset types are consolidated. If the index is composed solely of corporate bonds or sovereign debt, only the respective ESG scores are used. Both corporate fixed income and sovereign debt ESG scores range from 0 (best) to 100 (worst).

Equation:

$$\text{Weighted Average ESG Score} = \sum(W_i \times \text{ESG Risk Score}_i)$$

where:

W_i = ESG Score coverage-adjusted index weight³ of constituent i, as at metric calculation date

ESG Risk Score_i = ESG Risk Score of constituent i (scaled to 0-100), as at metric calculation date

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Environmental Score [A-FI/SOV-ENV]

EU BMR ESG Factor/Metric: “Weighted average Environmental rating of the benchmark (voluntary).”

This metric is calculated as an index-weighted average of the Sustainalytics Environment Risk Scores. If the index includes both corporate bonds and sovereign debt, scores from both asset types are consolidated.

² Annex II Section 1 Regulation (EU) 2020/1816.

³ Adjusted index weights are calculated by redistributing the weights of those constituents without coverage, to those with coverage, ensuring the sum equals 100%.

If the index is composed solely of corporate bonds or sovereign debt, only the respective scores are used. Scores range from 0 (best) to 100 (worst), with higher scores indicating greater unmanaged environmental risk.

Corporate Fixed Income: The Environment Risk Score measures the unmanaged environmental risk exposure of a constituent, based on available information regarding policies, programs, quantitative performance, and event track record.

Sovereign Debt: The Environment Risk Score for sovereign debt assesses environmental performance across various dimensions, including Natural and Produced Capital, Human Capital, and Institutional Capital.

Equation:

$$\text{Weighted Average Environmental Score} = \sum(W_i \times \text{Environment Risk Score}_i)$$

where:

W_i = Environment Score coverage-adjusted index weight⁴ of constituent i, as at metric calculation date

$\text{Environment Risk Score}_i$ = Environment Risk Score of constituent i (scaled to 0-100), as at metric calculation date

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Social Score [A-FI/SOV-SOC]

EU BMR ESG Factor/Metric: “*Weighted average social rating of the benchmark (voluntary).*”

This metric is calculated as an index-weighted average of the Sustainalytics Social Risk Scores. Similar to metric [A-FI/SOV-ENV] above, this metric accommodates both corporate bonds and sovereign debt asset types. Scores range from 0 (best) to 100 (worst), with higher scores indicating greater unmanaged social risk.

Corporate Fixed Income: The Social Risk Score measures a constituent's unmanaged social risk exposure and assesses social issues, including labor practices, community relations, and human rights.

Sovereign Debt: The Social Risk Score for sovereign debt assesses a country's performance on social factors that impact human capital, including education, health, and workforce development.

Equation:

$$\text{Weighted Average Social Score} = \sum(W_i \times \text{Social Risk Score}_i)$$

where:

W_i = Social Score coverage-adjusted index weight of constituent i, as at metric calculation date

$\text{Social Risk Score}_i$ = Social Risk Score of constituent i (scaled to 0-100), as at metric calculation date

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

⁴ Adjusted index weights are calculated by dividing the weight of each constituent covered by the specific ESG data point by the total weight of all covered constituents, ensuring the sum equals 100%.

Weighted-Average Governance Score [A-FI/SOV-GOV]

EU BMR ESG Factor/Metric: “Weighted average governance rating of the benchmark (voluntary).”

This metric is calculated as an index-weighted average of the Sustainalytics Governance Risk Scores. Similar to metric [A-FI/SOV-ENV] above, this metric accommodates both corporate bonds and sovereign debt asset types. Scores range from 0 (best) to 100 (worst), with higher scores indicating greater unmanaged governance risk.

Corporate Fixed Income: The Governance Risk Score measures the unmanaged governance risk exposure of a constituent and assesses governance issues, including board structure, executive compensation, and shareholder rights.

Sovereign Debt: The Governance Risk Score for sovereign debt evaluates a country's performance on governance factors impacting Institutional Capital, including political stability, regulatory quality, and rule of law.

Equation:

$$\text{Weighted Average Governance Score} = \sum(W_i \times \text{Governance Risk Score}_i)$$

where:

W_i = Governance Score coverage-adjusted index weight of constituent i, as at metric calculation date

$\text{Governance Risk Score}_i$ = Governance Risk Score of constituent i (scaled to 0-100), as at metric calculation date

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

II. Environmental Factors

Sustainalytics Data Points (External)

The metrics in this section are calculated using data from Sustainalytics to provide insights into the environmental performance of both corporate bonds and sovereign debt index constituents. These metrics offer an overall environmental profile of the indices.

For more information on Sustainalytics' methodologies and data offerings, please refer to <http://www.sustainalytics.com/>.

Environmental Factors - Corporate Bonds

Table 2: Fixed-Income Environmental Factors

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[A-FI-NACE]	High Climate Impact NACE Sector Exposure (Index Weight, %)	Yes
[A-FI-CTV]	Carbon-to-Value Footprint	Yes
[A-FI-GHG-D]	GHG Emissions Disclosed	Yes
[A-FI-GHG-ND]	GHG Emissions Not Disclosed	Yes
[A-FI-GHG-NC]	GHG Emissions Not Covered (Index Weight, %)	Yes
[A-FI-HES]	High Emitting Sector Exposure (Index Weight, %)	Yes
[A-FI-GBE]	Green Bond Exposure (Index Weight, %)	Yes

High Climate Impact NACE Sector Exposure - Corporate Bonds [A-FI-NACE]

EU BMR ESG Factor/Metric: “Degree of exposure of the portfolio to the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council as a percentage of the total weight in the portfolio.”

This metric is calculated as the summed index weight of index constituents that are classified into NACE Sections A to H or Section L. NACE Sections are a classification of economic activities used within the European Community.

Equation:

$$\text{High Climate Impact NACE Sector Exposure} = \sum(W_i \times \text{Indicator}_i)$$

where:

W_i = Weight of index constituent i classified into High Climate Impact NACE Sections, as at metric calculation date

Indicator_i = A binary indicator (1 if index constituent i is classified into NACE Sections A to H or Section L, 0 if it is not)

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Carbon-to-Value Footprint - Corporate Bonds [A-FI-CTV]

EU BMR ESG Factor/Metric: “Greenhouse gas (GHG) intensity of the benchmark.”

The ‘Carbon-to-Value Footprint’ for corporate bonds is calculated as the weighted-average metric tons of scope 1, 2, and 3 greenhouse gas emissions (tCO₂e) per USD 1 million of revenue. This metric reflects the GHG intensity of the benchmark's constituents, using company revenue as the apportionment factor.

Carbon Intensity is computed as the ratio of absolute GHG emissions (Scope 1, 2, and 3) to company revenue. Absolute emissions, whether reported or estimated, are expressed in tons of CO₂ equivalent. Company revenue is measured in millions of US Dollars. **Constituents with zero revenue are excluded from this calculation as a valid carbon intensity cannot be determined.** The metric value is non-negative, where a higher value indicates greater carbon intensity.

Equation:

$$\text{Carbon – to – Value Footprint} = \sum w'_i \times \frac{(\text{Scope 1} + \text{Scope 2} + \text{Scope 3 Emissions (tCO}_2\text{eq)})_i}{\text{Revenue}_i}$$

where:

W_i = Adjusted index weight of constituent i in the index as at metric calculation date

$(\text{Scope 1} + \text{Scope 2} + \text{Scope 3 Emissions (tCO}_2\text{e)})_i$ = sum of Scope 1 + Scope 2 + Scope 3 GHG emissions for constituent i , measured in (tCO₂e) as at metric calculation date

Revenue_i = Company revenue for constituent i , in millions of USD

Note: For the Metric [A-FI-1] Scope 1,2 and 3 emissions are used as the numerator, and revenue as the denominator, to calculate the GHG intensity of the benchmark. The metric [SP-ENV-1] is found on worksheet ‘I. ESG Factors Report’ of the S&P DJI Equity EU Low Carbon Benchmark Regulation Disclosure Report. For the Paris-Aligned (PAB) and Climate-Transition (CTB) related disclosures found on the ‘II. EU CTB & PAB Report’ worksheet of the same report, please refer to the Methodology documents for the GHG intensity definition.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Greenhouse Gas Emissions Disclosed - Corporate Bonds [A-FI-GHG-D]

EU Benchmark Regulation ESG Factor: “Percentage of GHG emissions reported versus estimated.”

The ‘GHG Emissions Disclosed’ metric for corporate bonds is calculated as the index weight of corporate constituents that have reported their greenhouse gas emissions. This metric provides insight into the transparency of emissions reporting within the index, distinguishing between reported and estimated data. The value is expressed as a percentage from 0% to 100%, where a higher percentage indicates greater transparency.

A constituent’s emissions are considered ‘Disclosed’ if the source type for its emissions data is marked as ‘Reported’, and the data required for the GHG Intensity calculation (i.e., Scope 1, 2, and 3 emissions, in tCO₂eq, and company revenue) is available.

Equation:

$$GHG\ Emissions\ Disclosed = \sum(W_i \times Disclosure_i)$$

where:

W_i = Index weight of constituent i, as at metric calculation date

$Disclosure_i$ = A binary indicator that is 1 if the constituent’s emissions are considered ‘Disclosed’, and 0 otherwise.

Data Point Coverage: The coverage is calculated using Sustainalytics’ data set coverage, following the standard formulas in the Data Point Coverage section.

Other metrics using this calculation:

Greenhouse Gas Emissions Not Disclosed - Corporate Bonds [A-FI-GHG-ND]

EU Benchmark Regulation ESG Factor: “Percentage of GHG emissions reported versus estimated.”

This metric is calculated as the index weight of constituents whose greenhouse gas emissions are estimated and uses the same methodology as the Greenhouse Gas Emissions Disclosed metric [A-FI-GHG-D]. For this calculation, the binary indicator is set to 1 for constituents with ‘Estimated’ emissions. For these constituents, both the estimated emissions data and company revenue are available.

Data Point Coverage: The coverage is calculated using Sustainalytics’ data set coverage, following the standard formulas in the Data Point Coverage section.

Greenhouse Gas Emissions Not Covered - Corporate Bonds [A-FI-GHG-NC]

This metric is calculated as the index weight of constituents without sufficient data to calculate GHG intensity and, uses the same methodology as the Greenhouse Gas Emissions Disclosed metric [A-FI-GHG-D]. For this calculation, the binary indicator is set to 1 for constituents that are ‘Not Covered’. For these constituents, the required Scope 1, 2, and 3 emissions data or company revenue data is unavailable.

Data Point Coverage: The coverage is calculated using Sustainalytics’ data set coverage, following the standard formulas in the Data Point Coverage section.

Note: In addition to the Index Weight (%), Constituent Coverage (%) is reported for these ESG factors using the standard dataset coverage definition (number of benchmark constituents with available data ÷ total number of benchmark constituents at the metric calculation date). “available data” means the provider has sufficient company reported GHG information to assign a “Reported” or “Not Disclosed” (estimated) classification.

High Emitting Sector Exposure - Corporate Bonds [A-FI-HES]

EU Benchmark Regulation ESG Factor: “Exposure of the benchmark portfolio to companies activities of which fall under Divisions 05 to 09, 19 and 20 of Annex I to Regulation (EC) No 1893/2006.”

The metric is calculated as the summed index weight of index constituents that are classified into NACE Divisions 05 to 09, 19 or 20. This metric provides insight into the portfolio's exposure to high-emitting sectors.

Equation:

$$\text{High Emitting Sector Exposure} = \sum(W_i \times \text{Sector Involvement Indicator}_i)$$

where:

W_i = Index weight of constituent i, as at metric calculation date

$\text{Sector Involvement Indicator}_i$ = A binary indicator (1 if constituent i is involved in high-emitting sectors, 0 if not)

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Green Bond Exposure - Corporate Bonds [A-FI-GBE]

EU BMR ESG Factor/Metric: "Percentage of green bonds in the benchmark portfolio."

The ‘Green Bond Exposure’ metric for corporate bonds is calculated as the summed index weight of index constituents that are classified as green bonds. This metric provides insight into the extent of green bond investments within the index, reflecting the index's commitment to environmentally sustainable projects.

Sustainalytics provides the data for this metric, using the data point “Green_Bond_Eligible” to assess whether constituents are classified as green bonds.

Equation:

$$\text{Green Bond Exposure} = \sum(W_i \times \text{Green Bond Indicator}_i)$$

where:

W_i = Index weight of constituent i, as at metric calculation date

$\text{Green Bond Indicator}_i$ = A binary indicator (1 if constituent i is classified as a green bond, 0 if not)

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Environmental Factors - Sovereign Debt

Table 2: Sovereign Debt Environmental Factors

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[A-SOV-CTV]	Carbon-to-Value Footprint	Yes
[A-SOV-GHG-D]	GHG Emissions Disclosed	Yes

Carbon-to-Value Footprint - Sovereign Debt [A-SOV-CTV]

EU BMR ESG Factor/Metric: “Greenhouse gas (GHG) intensity of the benchmark.”

The ‘Carbon-to-Value Footprint’ for sovereign debt is calculated as the intensity of countries’ greenhouse gas emissions, expressed in kilotons (Kton) per unit of Gross Domestic Product (GDP) in Euro Millions. This

metric assesses countries' environmental impact relative to their economic output, with scores ranging from low to high intensity.

This approach mirrors the methodology used for the corporate bonds metric [A-FI-CTV], which uses company revenue as its apportionment factor. For sovereign debt, GDP serves as the apportionment factor, serving as a proxy for the country's economic output.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

GHG Emissions Disclosed - Sovereign Debt [A-SOV-GHG-D]

EU Benchmark Regulation ESG Factor: "Percentage of GHG emissions reported versus estimated."

The 'GHG Emissions Disclosed' metric for sovereign debt calculates the index weight of constituents that sufficiently disclose their greenhouse gas emissions. However, all sovereign emissions are estimated, resulting in the metric being set to 0%.

III. Social Factors

Sustainalytics Data (External)

The metrics in this section are calculated using data from Sustainalytics, which provides comprehensive insights into the social performance of both corporate bonds and sovereign debt index constituents. These metrics provide key indicators of the social performance of the indices.

For more information on Sustainalytics' methodologies and data offerings, please refer to <http://www.sustainalytics.com>.

Social factors - Corporate Bonds

Table 3: Social Factors - Corporate Bonds

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[A-FI-CWD]	Controversial Weapons Definition	Yes
[A-FI-CWE]	Controversial Weapons Exposure (Index Weight, %)	Yes
[A-FI-TE]	Tobacco Exposure (Index Weight, %)	Yes
[A-FI-SVE-CC]	Social Violations Exposure (Constituent Count)	Yes
[A-FI-SVE-SVT]	Social Violations Exposure (Exposure Constituent Count/Total Constituent Count)	Yes
[A-FI-LD]	Lack of Due Diligence (ILO) Exposure (Index Weight, %)	Yes
[A-FI-GP]	Weighted-Average Gender Pay Gap	Yes
[A-FI-FMBR]	Weighted-Average Ratio of Female-to-Male Board Members	Yes
[A-FI-TRIR]	Weighted-Average Total Recordable Injury Rate	Yes
[A-FI-CV-CORR]	Number of Convictions for Violations of Anti-Corruption & Anti-Bribery Laws	Yes
[A-FI-FIN]	Amount of Fines for Violations of Anti-Corruption & Anti-Bribery Laws (EURmn)	Yes

Controversial Weapons Definition [A-FI-CWD]

EU Benchmark Regulation ESG Factor: "International treaties and conventions, United Nations principles, or, where applicable, national law used to determine what constitutes a 'controversial weapon'."

This indicator, provided by Sustainalytics, assesses whether companies are involved in the manufacturing of controversial weapons or their components or services.

The indicator covers two involvement categories:

- Tailor-made and essential: The company is involved in the core weapon system or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.
- Non-tailor-made or non-essential: The company provides components/services for the core weapon system that are either not considered tailor-made or not essential to the weapon's lethal use.

Controversial weapons are classified by Sustainalytics as any of the following:

- Anti-Personnel mines
- Biological and chemical weapons
- Cluster weapons
- Depleted Uranium
- Nuclear weapons
- White Phosphorus

International treaties and conventions used to define Controversial Weapons include: Non-proliferation Treaty (1968), Biological and Toxin Weapons Convention (1972), Chemical Weapons Convention (1997), Anti-Personnel Mine Ban Convention (1999), Convention on Cluster Munitions (2008), United Nations Convention on Certain Conventional Weapons (1980), and Convention on the Physical Protection of Nuclear Material (1980).

Controversial Weapons Exposure - Corporate Bonds [A-FI-CWE]

EU Benchmark Regulation ESG Factor: "Weighted average percentage of benchmark constituents in the controversial weapons sector."

This metric calculates the summed index weight of constituents involved in activities related to controversial weapons. By assessing exposure to companies engaged in the production or distribution of controversial weapons, this metric reflects the index's alignment with ethical investment standards.

The metric assesses involvement based on specific conditions:

- Involvement in Non tailor-made or non essential (CW3)
- Significant ownership in Non-tailor-made or non-essential (Ownership > 25, range 0-100)
- Involvement in Tailor-made and essential (CW1)
- Significant ownership in Tailor-made and essential (Ownership > 0, range 0-100)

These conditions are combined to create a binary indicator for involvement, which is then used to calculate the metric.

Equation:

$$\text{Controversial Weapons Exposure} = \sum(W_i \times \text{Controversial Weapons Indicator}_i)$$

Where:

W_i = Weight of index constituent i, as at metric calculation date

*Controversial Weapons Indicator*_i = A binary indicator (1 if constituent i is involved in controversial weapons-related activities, 0 if not)

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Tobacco Exposure - Corporate Bonds [A-FI-TE]

EU Benchmark Regulation ESG Factor: "Weighted average percentage of benchmark constituents in the tobacco sector."

This metric calculates the summed index weight of constituents involved in tobacco-related activities such as producing, distributing, and retailing tobacco products. The assessment of involvement evaluates a company's revenue derived from tobacco products, including cigarettes, cigars, tobacco, electronic cigarettes, paper used by end consumers for rolling cigarettes, filters, and snuff tobacco. Involvement is determined by production, related services, retail, and significant ownership, with levels defined by revenue ranges from 0% to over 50%. These conditions are combined into a binary indicator for involvement, which is used to calculate the metric.

Equation:

$$\text{Tobacco Exposure (Weight, \%)} = \sum(W_i \times \text{Tobacco Indicator}_i)$$

where:

W_i = Weight of index constituent i, as at metric calculation date

*Tobacco Indicator*_i = A binary indicator (1 if constituent i is involved in tobacco-related activities, 0 if not)

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Social Violations Exposure (Constituent Count) - Corporate Bonds [A-FI-SVE-CC]

EU Benchmark Regulation ESG Factor: "Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law."

This metric is calculated as the count of constituents classified as 'Non-compliant'. This classification identifies constituents in violation of any of the ten principles of the United Nations Global Compact (UNGC), International Labour Organization (ILO) Conventions, the UN Guiding Principles on Business and Human Rights, and Chapters of the OECD Guidelines for Multinational Enterprises.

Sustainalytics provides the data for this metric, indicating whether constituents are classified as "Non-compliant," "Compliant," or "Watchlist."⁵ This classification helps assess the extent to which constituents are involved in relevant country events such as repression, conflict, or corruption.

Equation:

$$\text{Social Violations Exposure (Constituent Count)} = \text{Number of constituents subject to social violations}$$

where:

Number of constituents subject to social violations = The total count of constituents classified as 'Non-compliant'.

⁵ For further information, please see the [ESG Risk Rating Methodology Document](#) from Sustainalytics. S&P Dow Jones Indices: Fixed Income Sustainability Metrics Guide

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Social Violations Exposure (Exposure Constituent Count/Total Constituent Count) - Corporate Bonds [A-FI-SVE-SVT]

EU Benchmark Regulation ESG Factor: "Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law."

This metric is derived from the previous metric for Fixed Income, "Social Violations Exposure (Constituent Count)." [A-FI-SVE-CC] It calculates the proportion of the index exposed to companies classified as 'Non-compliant' by dividing the count of such constituents by the total number of constituents in the index.

Equation:

$$\text{Social Violations Exposure (\% of Constituents)} = \frac{\text{Number of constituents subject to social violations}}{\text{Total Number of Constituents}}$$

where:

Number of constituents subject to social violations = The total count of constituents classified as 'Non-compliant'.

Total Number of Constituents = The total number of constituents in the index as at the metric calculation date.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Lack of Due Diligence (ILO) Exposure - Corporate Bonds [A-FI-LD]

EU Benchmark Regulation ESG Factor: "Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by Conventions 1 to 8 of the International Labour Organisation."

The 'Lack of Due Diligence (ILO) Exposure' for corporate bonds is calculated as the summed index weight of constituents without due diligence policies on issues addressed by the ILO's Conventions 1 to 8. This metric assesses the benchmark portfolio's exposure to companies that lack policies in alignment with fundamental ILO Conventions, which cover essential labour rights such as freedom of association, non-discrimination, and supply chain management.

A constituent is identified as lacking due diligence if it receives a score indicating the absence of adequate policies in key areas such as Freedom of Association, Discrimination, Social Supplier Standards, and Supply Chain Management.

Equation:

$$\text{ILO Due Diligence Exposure} = \sum(W_i \times \text{ILO Policy Absence}_i)$$

Where:

W_i = The index weight of constituent i, as at the metric calculation date

$\text{ILO Policy Absence}_i$ = A binary indicator (1 if constituent i lacks due diligence policies, 0 if not)

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Gender Pay Gap - Corporate Bonds [A-FI-GP]

EU Benchmark Regulation ESG Factor: “Weighted average gender pay gap.”

This metric is calculated as the index-weighted average of the unadjusted gender pay gap, measuring the difference in average hourly earnings between male and female employees, expressed as a percentage of the average gross hourly earnings of male employees.

Equation:

$$\text{Weighted Average Gender Pay Gap} = \sum(W_i \times \frac{\text{Pay of male paid employees}_i - \text{Pay of female paid employees}_i}{\text{Pay of male paid employees}_i})$$

Where:

W_i = The index weight of constituent i, as at the metric calculation date

$\text{Pay of male employees}_i$ = Average gross hourly earnings of male employees for constituent i

$\text{Pay of female employees}_i$ = Average gross hourly earnings of female employees for constituent i

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Ratio of Female-to-Male Board Members - Corporate Bonds [A-FI-FMBR]

EU Benchmark Regulation ESG Factor: “Weighted average ratio of female to male board members.”

The ‘Weighted-Average Female-to-Male Board Member Ratio’ metric for corporate bonds is calculated as the index weight of constituents based on the division of female board members by male board members. This metric offers insight into gender diversity within corporate boards, reflecting the index's commitment to promoting diversity and inclusion.

The ratio is computed by dividing the number of female board members by the number of male board members, adjusted by the index weight.

Equation:

$$\text{Weighted Average Female to Male Board Member Ratio} = \sum(W_i \times \frac{\text{Number of Female Board Members}_i}{\text{Number of Male Board Members}_i})$$

Where:

W_i = The index weight of constituent i, as at the metric calculation date

$\text{Number of Female Board Members}_i$ = The total number of female board members for constituent i.

$\text{Number of Male Board Members}_i$ = The total number of male board members for constituent i.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Total Recordable Injury Rate - Corporate Bonds [A-FI-TRIR]

EU Benchmark Regulation ESG Factor: “Weighted average ratio of accidents, injuries, fatalities.”

This metric is calculated as an index-weighted average of the rate of all recordable work-related injuries suffered by the company’s employees and contractors. This includes fatalities, lost-time injuries, restricted work cases, and medical treatment cases. The metric is expressed as the count of recordable injuries per million hours worked, providing insight into workplace safety within the corporate bonds index.

Equation:

$$\text{Weighted – Average Total Recordable Injury Rate (Index Weight)} = \sum(W_i \times TRIR_i)$$

Where:

W_i = The index weight of constituent i, as at the metric calculation date

$TRIR_i$ = The Total Recordable Injury Rate for employees and contractors of constituent i

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section

Number of Convictions for Violations of Anti-Corruption & Anti-Bribery Laws - Corporate Bonds [A-FI-CV-CORR]

EU Benchmark Regulation ESG Factor: “Number of convictions and amount of fines for violations of anti-corruption and anti-bribery laws.”

This metric is calculated as the total number of convictions for violations of anti-corruption and anti-bribery laws per issuer, summed at the index level. It assesses the total number of convictions for violations of anti-corruption and anti-bribery laws per company and across the company's family tree.

Equation:

$$\begin{aligned} \text{Number of Convictions for Violations of Anti – Corruption \& Anti – Bribery Laws} \\ = \sum(W_i \times \text{total number of convictions}_i) \end{aligned}$$

Where:

$\text{total number of convictions}_i$ = The total number of convictions for issuer i

w_i = Adjusted index weight of the company i in the index as at the metric calculation date.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Amount of Fines for Violations of Anti-Corruption & Anti-Bribery Laws (EURmn) - Corporate Bonds [A-FI-FIN]

EU Benchmark Regulation ESG Factor: “Number of convictions and amount of fines for violations of anti-corruption and anti-bribery laws.”

This metric is calculated as the total value of fines for violations of anti-corruption and anti-bribery laws per issuer, summed at the index level. It assesses the financial penalties incurred for violations of anti-corruption and anti-bribery laws per company and across the company's family tree, denominated in Euros.

Equation:

$$\text{Amount of Fines for Violations of Anti – Corruption \& Anti – Bribery Laws (EURmn)} = \sum(\text{Fines}_i)$$

$$\begin{aligned} & \text{Amount of Fines for Violations of Anti – Corruption \& Anti – Bribery Laws (EURmn)} \\ & = \sum(W_i \times \text{total amount of fines}_i) \end{aligned}$$

Where:

$\text{total number of fines}_i$ = The total amount of fines for anti-corruption and anti-bribery violations for issuer i , denominated in Euros

w_i = Adjusted index weight of the company i in the index as at the metric calculation date.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Social Factors - Sovereign Debt

Table 4: Social Factors - Sovereign Debt

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[A-SOV-SVE-CC]	Social Violations Exposure (Constituent Count)	Yes
[A-SOV-SVE-SVT]	Social Violations Exposure (Exposure Constituent Count/Total Constituent Count)	Yes
[A-SOV-HRS]	Weighted-Average Human Rights Score	Yes
[A-SOV-IIS]	Weighted-Average Income Inequality Score	Yes
[A-SOV-PFS]	Weighted-Average Press Freedom Score	Yes

Social Violations Exposure (Constituent Count) - Sovereign Debt [A-SOV-SVE-CC]

EU Benchmark Regulation ESG Factor: "Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law."

This metric is calculated as the total count of constituents involved in social violations related to events of repression, conflict, and corruption, summed at the index level.

The assessment utilizes data relating to repression, conflict, and corruption that evaluate the presence of severe social violations based on country events. Country events represent current actions that may impact a country's prosperity and economic development, as well as its ability to manage its wealth effectively and sustainably. Relevant news is assessed to determine whether it is expected to have material negative implications for Human Capital and is filtered to be processed as incidents. The impact from an incident, or severity, is measured in terms of Depth (the degree of impact), Breadth (how widespread the impact is), and Duration (the likely duration). Event assessments are based on one or more incident assessments, considering Impact, Risk to Capitals, and Government Response (if applicable). Each event is categorized from 0 (low impact) to 5 (severe impact), with only categories 4 and 5 considered significant. Category 1 is low impact, Category 2 is moderate impact, Category 3 is significant impact, Category 4 is high impact, and Category 5 is severe impact.⁶

Equation:

$$\text{Social Violations Exposure (Constituent Count)} = \sum(\text{Violations}_i)$$

where:

⁶ For further information, please see the [Country Risk Rating Methodology](#) from Sustainalytics. S&P Dow Jones Indices: Fixed Income Sustainability Metrics Guide

$Violations_i$ = A binary indicator (1 if constituent i has events categorized as 4 or 5, 0 if not)

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Social Violations Exposure (Exposure Constituent Count/Total Constituent Count) - Sovereign Debt [A-SOV-SVE-SVT]

EU Benchmark Regulation ESG Factor: "Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law."

This metric is derived from the previous metric for Sovereign Debt, "Social Violations Exposure (Constituent Count)." [A-SOV-SVE-CC] It calculates the proportion of the index exposed to countries involved in social violations related to events of repression, conflict, and corruption. The calculation involves dividing the count of such constituents by the total number of constituents in the index.

The assessment evaluates severe social violations based on country events, categorized from 0 (low impact) to 5 (severe impact), with categories 4 and 5 considered significant.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Human Rights Score - Sovereign Debt [A-SOV-HRS]

EU Benchmark Regulation ESG Factor: "Average human rights performance of the issuers."

This metric is calculated as the index-weighted average of various human rights indicators for sovereign debt constituents, providing insight into the human rights performance of countries within the index. Scores range between 0 (worst) and 100 (best), reflecting the extent to which civil liberties, political rights, and adherence to human rights conventions are upheld.

The score is a composite of several underlying indicators, each weighted to reflect its importance in the overall human rights performance. These indicators include Civil Liberties, Number of Refugees, Homicide Rate, Conflict-related Deaths, Political Rights, and Human Rights Conventions.

Equation:

$$\begin{aligned} & \text{Weighted - Average Human Rights Score} \\ &= \sum (W_i \times (0.3 \times \text{Civil Liberties}_i \times 0.1 \times \text{Number of Refugees}_i + 0.1 \times \text{Homocide Rate}_i \\ &+ 0.1 \times \text{Conflict - related Deaths}_i + 0.3 \times \text{Political Rights}_i + 0.1 \times \text{Human Rights}_i \end{aligned}$$

where:

W_i = The index weight of constituent i, as at the metric calculation date

$\text{Civil Liberties}_i, \text{Number of Refugees}_i, \text{Homocide Rate}_i, \text{Conflict - related Deaths}_i, \text{Political Rights}_i, \text{Human Rights}_i$ = The respective scores for constituent i.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Income Inequality Score - Sovereign Debt [A-SOV-IIS]

EU BMR ESG Factor/Metric: "Average income inequality score, measuring the distribution of income and economic inequality among the participants in a particular economy."

This metric is calculated as an index-weighted average of the Income Inequality Scores of index constituents. This metric provides insight into the economic disparities within the economies represented by the index constituents, using a standardized Gini coefficient to measure the distribution of income and economic inequality. Higher scores indicate greater income inequality.

Income Inequality Scores are calculated using a standardized Gini coefficient, with values ranging from 0 to 100. This range allows for an intuitive understanding of economic disparities, where lower scores represent lower levels of inequality.

Equation:

$$\text{Weighted Average Income Inequality Score} = \sum(W_i \times \text{Income Inequality Score}_i)$$

Where:

W_i = The weight of index constituent i, as at the metric calculation date.

$\text{Income Inequality Score}_i$ = The Income Inequality Score for constituent i.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Press Freedom Score - Sovereign Debt [A-SOV-PFS]

EU BMR ESG Factor/Metric: "Average freedom of expression score measuring the extent to which political and civil society organizations can operate freely."

This metric is calculated as an index weighted average of Voice and Accountability Scores for freedom of expression among index constituents. Scores range from 0 (worst) to 100 (best), with higher scores indicating greater freedom. The Voice and Accountability scores capture perceptions of the extent to which a country's citizens can participate in selecting their government, as well as their freedom of expression, freedom of association, and access to a free media. This indicator is computed by the World Governance Indicators (WGI) Project and delivered by the World Bank. The data is transformed into a 0-100 scale to make it more intuitive. Countries receive a higher score only if they outperform their peers on the given indicator.

Equation:

$$\text{Weighted Average Press Freedom Score} = \sum(W_i \times \text{Voice and Accountability Score}_i)$$

Where:

W_i = The weight of index constituent i, as at the metric calculation date.

$\text{Voice and Accountability Score}_i$ = The Voice and Accountability Score for constituent i.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

IV. Governance Factors

Sustainalytics Data Points (External)

The metrics in this section are calculated using data from Sustainalytics to provide comprehensive insights into the governance performance of sovereign debt index constituents. These metrics provide key indicators of the governance performance of the indices.

For more information on Sustainalytics' methodologies and data offerings, please refer to <http://www.sustainalytics.com>.

Governance Factors - Sovereign Debt

Table 5: Sovereign Debt Governance Factors

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[A-SOV-CS]	Weighted-Average Corruption Score	Yes
[A-SOV-PSS]	Weighted-Average Political Stability Score	Yes
[A-SOV-RL]	Weighted-Average Rule of Law Score	Yes

Weighted-Average Corruption Score - Sovereign Debt [A-SOV-CS]

EU BMR ESG Factor/Metric: "Average corruption score measuring the perceived level of public sector corruption."

The metric is calculated as an index-weighted average of the Sustainalytics 'Corruption Score' of index constituents. This metric provides insight into the level of public sector corruption within the economies represented by the index constituents. Scores range from 0 (worst) to 100 (best), with higher scores indicating lower levels of corruption.

The Corruption Score captures perceptions of the extent to which public power is exercised for private gain, including both petty and grand forms of corruption, as well as "capture" of the state by elites and private interests. This indicator is computed by the World Governance Indicators (WGI) Project and delivered by the World Bank. The data is transformed by Sustainalytics into a 0-100 scale to make it more intuitive and is used in the Country Risk Rating. Countries receive a higher score only if they outperform their peers on the given indicator.

Equation:

$$\text{Weighted Average Corruption Score} = \sum(W_i \times \text{Corruption Score}_i)$$

Where:

W_i = The weight of index constituent i, as at the metric calculation date.

$\text{Corruption Score}_i$ = The Corruption Score for constituent i.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Political Stability Score - Sovereign Debt [A-SOV-PSS]

EU BMR ESG Factor/Metric: "Average political stability score, measuring the likelihood that the current regime will be overthrown by the use of force."

This metric is calculated as an index-weighted average of the Sustainalytics 'Political Stability Score' of index constituents. This metric provides insight into the likelihood of political instability and/or politically motivated violence, including terrorism, within the economies represented by the index constituents. Scores range from 0 (worst) to 100 (best), with higher scores indicating greater political stability.

The Political Stability Score measures perceptions of the likelihood of political instability and/or politically motivated violence, including terrorism. This indicator is computed by the World Governance Indicators (WGI) Project and delivered by the World Bank. The data is transformed by Sustainalytics into a 0-100 scale to make it more intuitive and is used in the Country Risk Rating. Countries receive a higher score only if they outperform their peers on the given indicator.

Equation:

$$\text{Weighted Average Political Stability Score} = \sum(W_i \times \text{Political Stability Score}_i)$$

Where:

W_i = The weight of index constituent i, as at the metric calculation date.

Political Stability Score_i = The Political Stability Score for constituent i.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Rule of Law Score - Sovereign Debt [A-SOV-RL]

EU BMR ESG Factor/Metric: "Average rule of law score, based on the absence of corruption, respect for fundamental rights, and the state of civil and criminal justice."

This metric is calculated as a weighted average index of the Sustainalytics 'Rule of Law Score' for index constituents. This metric provides insight into the extent to which agents have confidence in and abide by the rules of society, including the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence within the economies represented by the index constituents. Scores range from 0 (worst) to 100 (best), with higher scores indicating stronger adherence to the rule of law.

The Rule of Law Score captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. Countries receive a higher score only if they outperform their peers on the given indicator.

Equation:

$$\text{Weighted Average Rule of Law Score} = \sum(W_i \times \text{Rule of Law Score}_i)$$

Where:

W_i = The weight of index constituent i, as at the metric calculation date.

Rule of Law Score_i = The Rule of Law Score for constituent i.

Data Point Coverage: The coverage is calculated using Sustainalytics' data set coverage, following the standard formulas in the Data Point Coverage section.

S&P DJI Sustainability Metrics – Data Source B

I. Combined ESG Factors - Corporate Bonds and Sovereign Debt

MSCI Data (External)

The metrics in this section are calculated using data sourced from MSCI, which provides insights into the combined ESG performance of both corporate bonds and sovereign debt index constituents. These metrics assess entities based on their ESG scores, providing insight into their ESG risk management and overall sustainability profile. By utilizing MSCI's methodologies, these metrics contribute to a comprehensive assessment of ESG practices across diverse asset classes.

For more information on MSCI's methodologies and data offerings, please refer to the [MSCI Index ESG Metrics Calculation Methodology](#).

Table 6: Combined ESG Factors

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[B-FI/SOV-ESG]	Weighted-Average ESG Score	Yes
[B-FI/SOV-ENV]	Weighted-Average Environmental Score	Yes
[B-FI/SOV-SOC]	Weighted-Average Social Score	Yes
[B-FI/SOV-GOV]	Weighted-Average Governance Score	Yes

Weighted-Average ESG Score [B-FI/SOV-ESG]

EU BMR ESG Factor/Metric: “Weighted average ESG rating of the benchmark (voluntary).”⁷

This metric is calculated as an index-weighted average of the Combined ESG Scores of index constituents, providing insight into the overall ESG performance of both corporate bonds and sovereign debt constituents. Scores range from 0 (worst) to 10 (best), reflecting the effectiveness of ESG risk management. If the index includes both corporate bonds and sovereign debt, scores from both asset types are consolidated. If the index is composed solely of corporate bonds or sovereign debt, only the respective scores are used.

Fixed Income: For constituents, the Combined ESG Score is derived from a methodology that normalizes the issuer’s ESG performance to its industry peer set and incorporates any relevant adjustments or overrides.

Sovereign Debt: For constituents, the Combined ESG Score is derived from a methodology that provides a comprehensive assessment of ESG performance at the sovereign level.

Equation:

$$\text{Weighted Average ESG Score} = \sum(W_i \times \text{Combined ESG Score}_i)$$

where:

W_i = The weight⁸ of index constituent i, as at the metric calculation date.

$\text{Combined ESG Score}_i$ = The Combined ESG Score for constituent i.

Dataset Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

⁷ Annex II Section 1 Regulation (EU) 2020/1816.

⁸ Adjusted index weights are calculated by dividing the weight of each constituent covered by the specific ESG data point by the total weight of all covered constituents, ensuring the sum equals 100%.

Weighted-Average Environmental Score [B-FI/SOV-ENV]

EU BMR ESG Factor/Metric: “*Weighted average Environmental rating of the benchmark (voluntary).*”

This metric is calculated as an index-weighted average of the Combined Environmental Scores of index constituents, providing insight into the overall environmental performance of both corporate bonds and sovereign debt constituents. Scores range from 0 (worst) to 100 (best), reflecting the effectiveness of environmental risk management. Similar to metric [B-FI/SOV-ESG] above, this metric accommodates both corporate bonds and sovereign debt asset types.

Fixed Income: For constituents, the Combined Environmental Score is derived from a methodology that aggregates the issuer’s performance across key environmental issues within the relevant sector.

Sovereign Debt: For constituents, the Combined Environmental Score is derived from a methodology that provides a comprehensive assessment of environmental performance at the sovereign level.

Equation:

$$\text{Weighted Average Environmental Score} = \sum(W_i \times \text{Combined Environmental Score}_i)$$

where:

W_i = The weight of index constituent i, as at the metric calculation date.

$\text{Combined Environmental Score}_i$ = The Combined Environmental Score for constituent i.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Social Score [B-FI/SOV-SOC]

EU BMR ESG Factor/Metric: “*Weighted average governance rating of the benchmark (voluntary).*”

This metric is calculated as an index-weighted average of the Combined Social Scores of index constituents, providing insight into the overall social performance of both corporate bonds and sovereign debt constituents. Scores range from 0 (worst) to 10 (best), reflecting the effectiveness of social risk management. Similar to metric [B-FI/SOV-ESG] above, this metric accommodates both corporate bonds and sovereign debt asset types.

Fixed Income: For constituents, the Combined Social Score is derived from a methodology that aggregates the issuer’s performance across key social issues within the relevant sector.

Sovereign Debt: For constituents, the Combined Social Score is derived from a methodology that provides a comprehensive assessment of social performance at the sovereign level.

Equation:

$$\text{Weighted Average Social Score} = \sum(W_i \times \text{Combined Social Score}_i)$$

where:

W_i = The weight of index constituent i, as at the metric calculation date.

$\text{Combined Social Score}_i$ = The Combined Social Score for constituent i.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Governance Score [B-FI/SOV-GOV]

EU BMR ESG Factor/Metric: “Weighted average governance rating of the benchmark (voluntary).”

This metric is calculated as an index-weighted average of the Combined Governance Scores of index constituents, providing insight into the overall governance performance of both corporate bonds and sovereign debt constituents. Scores range from 0 (worst) to 10 (best), reflecting the effectiveness of governance risk management. Similar to metric [B-FI/SOV-ESG] above, this metric accommodates both corporate bonds and sovereign debt asset types.

Fixed Income: For constituents, the Combined Governance Score is derived from a methodology that assesses risk and management practices related to corporate governance and corporate behavior. The score is based on deductions from Key Metrics in themes such as Board, Pay, Ownership & Control, Accounting, Business Ethics, and Tax Transparency.

Sovereign Debt: For constituents, the Combined Governance Score is derived from a methodology that provides a comprehensive assessment of governance performance at the sovereign level.

Equation:

$$\text{Weighted Average Governance Score} = \sum(W_i \times \text{Combined Governance Score}_i)$$

where:

W_i = The weight of index constituent i, as at the metric calculation date.

$\text{Combined Governance Score}_i$ = The Combined Governance Score for constituent i.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

II. Environmental Factors

MSCI Points (External)

Metrics in this section are calculated using methodologies and data sourced from MSCI, providing insights into the environmental performance of both corporate bonds and sovereign debt index constituents. These metrics assess entities based on greenhouse gas emissions intensity, sector exposure, and involvement in environmentally sustainable activities, offering a comprehensive environmental profile of the indices. By applying MSCI’s methodologies, these metrics facilitate the evaluation of environmental risk management practices across various asset classes.

For more information on MSCI’s methodologies and data offerings, please refer to the [MSCI Index ESG Metrics Calculation Methodology](#).

Environmental Factors - Corporate Bonds Income

Table 7: Environmental Factors - Fixed-Income

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[B-FI-NACE]	High Climate Impact NACE Sector Exposure (Index Weight, %)	Yes
[B-FI-CTV]	Carbon-to-Value Footprint	Yes
[B-FI-GHG-D]	GHG Emissions Disclosed	Yes
[B-FI-GHG-ND]	GHG Emissions Not Disclosed	Yes
[B-FI-GHG-NC]	GHG Emissions Not Covered (Index Weight, %)	Yes

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[B-FI-HES]	High Emitting Sector Exposure (Index Weight, %)	Yes
[B-FI-GBE]	Green Bond Exposure (Index Weight, %)	Yes

High Climate Impact NACE Sector Exposure - Corporate Bonds [B-FI-NACE]

EU BMR ESG Factor/Metric: "Degree of exposure of the portfolio to the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council as a percentage of the total weight in the portfolio."

This metric is calculated as the summed index weight of constituents classified into NACE Sections A to H or Section L, using a methodology similar to section [A-FI-NACE]. It provides insight into the portfolio's exposure to high climate impact sectors.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Carbon-to-Value Footprint - Corporate Bonds [B-FI-CTV]

EU BMR ESG Factor/Metric: "Greenhouse gas (GHG) intensity of the benchmark."

The Carbon-to-Value Footprint for corporate bonds is calculated as the weighted-average metric tons of scope 1, 2, and 3 greenhouse gas emissions (tCO₂e) per EUR 1 million of revenue. This metric reflects the GHG intensity of the benchmark's constituents, using company revenue as the apportionment factor. **Constituents with zero revenue are excluded from this calculation as a valid carbon intensity cannot be determined.**

Note: For the Metric [B-FI-CTV] Scope 1,2 and 3 emissions are used at the numerator and revenues as the denominator to calculate the GHG intensity of the benchmark. The metric [B-FI-CTV] is found on worksheet 'I. ESG Factors Report - FI (1)' of the S&P DJI Fixed Income EU Low Carbon Benchmark Regulation Disclosure Report. For the Paris-Aligned (PAB) and Climate-Transition (CTB) related disclosures found on the 'II. EU CTB & PAB Report' worksheet of the same report, the GHG intensity is calculated using Scope 1,2 and 3 emissions as the numerator and EVIC as the denominator.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Greenhouse Gas Emissions Disclosed - Corporate Bonds [B-FI-GHG-D]

EU Benchmark Regulation ESG Factor: "Percentage of GHG emissions reported versus estimated."

This metric is calculated as the index weight of constituents that sufficiently disclose their greenhouse gas emissions. It uses the same calculation methodology as the Data Source A metric Greenhouse Gas Emissions Disclosed [A-FI-GHG-D]. For this calculation, the binary indicator is set to 1 for constituents considered 'Disclosed', which requires that both the reported emissions data and company revenue are available from the data provider.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Greenhouse Gas Emissions Not Disclosed - Corporate Bonds [B-FI-GHG-ND]

EU Benchmark Regulation ESG Factor: “Percentage of GHG emissions reported versus estimated.”

This metric is calculated as the index weight of constituents with modeled greenhouse gas emissions. It uses the same calculation methodology as the Data Source A metric Greenhouse Gas Emissions Disclosed [A-FI-GHG-D]. For this calculation, the binary indicator is set to 1 for constituents with 'Estimated' emissions, where both modeled data and company revenue are available.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

Greenhouse Gas Emissions Not Covered - Corporate Bonds [B-FI-GHG-NC]

This metric is calculated as the index weight of constituents without greenhouse gas emissions data, whether disclosed or modeled, using the same calculation methodology as the Data Source A metric Greenhouse Gas Emissions Disclosed [A-FI-GHG-D]. For this calculation, the binary indicator is set to 1 for constituents that are 'Not Covered'. For these constituents, the required Scope 1, 2, and 3 emissions data or company revenue data is unavailable.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

High Emitting Sector Exposure - Corporate Bonds [B-FI-HES]

EU Benchmark Regulation ESG Factor: “Exposure of the benchmark portfolio to companies the activities of which fall under Divisions 05 to 09, 19 and 20 of Annex I to Regulation (EC) No 1893/2006.”

This metric is calculated as the summed index weight of constituents classified into NACE Divisions 05 to 09, 19 or 20, using a methodology similar to the Data Source A section [A-FI-HES]. It provides insight into the portfolio’s exposure to high-emitting sectors.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

Green Bond Exposure - Corporate Bonds [B-FI-GBE]

EU BMR ESG Factor/Metric: "Percentage of green bonds in the benchmark portfolio."

This metric is calculated as the index weight of constituents classified as green bonds, using a methodology similar to the Data Source A section [A-FI-GBE]. It assesses the portfolio’s commitment to sustainable investment practices, with eligibility determined by the MSCI ESG Research Green Bond Assessment methodology, which evaluates the use of proceeds and adherence to the four Green Bond Principles (GBPs).

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

Environmental Factors - Sovereign Debt

Table 8: Environmental Factors - Sovereign Debt

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[B-SOV-CTV]	Carbon-to-Value Footprint	Yes
[B-SOV-GHG-D]	GHG Emissions Disclosed	Yes

Carbon-to-Value Footprint - Sovereign Debt [B-SOV-CTV]

EU BMR ESG Factor/Metric: “Greenhouse gas (GHG) intensity of the benchmark.”

This metric is calculated as the intensity of countries’ greenhouse gas emissions, expressed in tons per USD million GDP nominal, using a methodology similar to the corporate bonds metric [A-FI-CTV]. It assesses economies’ environmental impact relative to their economic output, with GDP serving as the apportionment factor. The calculation considers six greenhouse gases under the Kyoto Protocol: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

Greenhouse Gas Emissions Disclosed - Sovereign Debt [B-SOV-GHG-D]

EU Benchmark Regulation ESG Factor: “Percentage of GHG emissions reported versus estimated.”

The GHG Emissions Disclosed metric for Sovereign Debt (bonds) reflects the index weight of constituents that sufficiently disclose their greenhouse gas emissions. For sovereign bonds, MSCI ESG Research only estimates the Carbon Emissions Intensity, resulting in reported emissions always being 0%.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

III. Social Factors

MSCI Data (External)

The metrics in this section are calculated using data sourced from MSCI, which provides comprehensive insights into the social performance of both corporate bonds and sovereign debt index constituents. These metrics evaluate entities based on their adherence to social standards, involvement in social violations, and commitment to ethical business practices, offering a detailed social profile of the indices. By applying MSCI’s methodologies, these metrics support the evaluation of social risk management practices across two asset classes.

For more information on MSCI’s methodologies and data offerings, please refer to The [MSCI Index ESG Metrics Calculation Methodology](#).

Social factors - Corporate Bonds

Table 9: Social Factors - Corporate Bonds

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[B-FI-CWD]	Controversial Weapons Definition	Yes
[B-FI-CWE]	Controversial Weapons Exposure (Index Weight, %)	Yes
[B-FI-TE]	Tobacco Exposure (Index Weight, %)	Yes
[B-FI-SVE-CC]	Social Violations Exposure (Constituent Count)	Yes
[B-FI-SVE-SVT]	Social Violations Exposure (Exposure Constituent Count/Total Constituent Count)	Yes
[B-FI-LD]	Lack of Due Diligence (ILO) Exposure (Index Weight, %)	Yes
[B-FI-GP]	Weighted-Average Gender Pay Gap	Yes

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[B-FI-FMBR]	Weighted-Average Ratio of Female-to-Male Board Members	Yes
[B-FI-TRIR]	Weighted-Average Total Recordable Injury Rate	Yes
[B-FI-CV-CORR]	Number of Convictions for Violations of Anti-Corruption & Anti-Bribery Laws	Yes
[B-FI-FIN]	Amount of Fines for Violations of Anti-Corruption & Anti-Bribery Laws (EURmn)	Yes

Controversial Weapons Definition [B-FI-CWD]

EU Benchmark Regulation ESG Factor: "International treaties and conventions, United Nations principles, or, where applicable, national law used to determine what constitutes a 'controversial weapon'."

This indicator, provided by MSCI ESG Research, assesses exposure to companies with ties to controversial weapons. MSCI ESG Research's definition covers a range of weapons recognized for their controversial nature due to their indiscriminate impact and potential for mass destruction.

Controversial Weapons Covered:

- Cluster Munitions
- Landmines
- Depleted Uranium Weapons
- Biological and Chemical Weapons
- Blinding Lasers
- Non-Detectable Fragments
- Incendiary Weapons

The list of treaties and conventions that MSCI relates to when identifying which benchmark constituents are in the controversial weapons sector is as follows:

- The Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (1997)
- The Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction (1972)
- Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on their Destruction (1997)
- Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects (1980)
- The Convention on Cluster Munitions (2008)

Controversial Weapons Exposure - Corporate Bonds [B-FI-CWE]

EU Benchmark Regulation ESG Factor: "Weighted average percentage of benchmark constituents in the controversial weapons sector."

The Controversial Weapons Exposure metric is calculated as the summed index weight of constituents involved in controversial weapons-related activities. This metric provides insight into the extent of exposure to companies with ties to controversial weapons within the benchmark.

Controversial Weapons Definition: MSCI ESG Research's definition covers a range of weapons recognized for their controversial nature, including cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments, and incendiary weapons.

Equation:

$$\text{Controversial Weapons Exposure} = \sum(W_i \times \text{Controversial Weapons Factor}_i)$$

Where:

W_i = Weight of index constituent i, as at metric calculation date

$\text{Controversial Weapons Factor}_i$ = Controversial weapons factor for security i, equals to 1 if security i has ties to controversial weapon, otherwise equals to 0.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Tobacco Exposure - Corporate Bonds [B-FI-TE]

EU Benchmark Regulation ESG Factor: "Weighted average percentage of benchmark constituents in the tobacco sector."

This metric is calculated as the index weight of constituents involved in tobacco-related activities, using a methodology similar to the Data Source A section [A-FI-TE]. It provides insight into exposure to companies classified as tobacco producers or those with significant revenue from tobacco-related activities. Revenues are assessed from cigarettes, cigars, tobacco, electronic cigarettes, paper used by end consumers for rolling cigarettes, filters, and snuff tobacco. Tobacco producers include companies manufacturing tobacco products like cigars, cigarettes, e-cigarettes, and smokeless tobacco, as well as those growing or processing raw tobacco leaves. Significant revenue from tobacco-related activities is based on the Maximum Percentage of Revenue, which represents the recent-year percent of revenue, or the maximum estimated percent, a company has derived from the manufacture of tobacco products. Constituents are identified as involved in tobacco-related activities if they have a classified Tobacco Producer status or a Maximum Percentage of Revenue greater than or equal to 5%.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Social Violations Exposure (Constituent Count) - Corporate Bonds [B-FI-SVE-CC]

EU Benchmark Regulation ESG Factor: "Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law."

This metric is calculated as the count of constituents involved in social violations, using a methodology similar to the Data Source A section [A-FI-SVE-CC]. Social violations are defined as 'Red Flag' controversies related to customers, human rights & community impact, or labor rights & supply chain, in accordance with the MSCI ESG Controversies methodology. A constituent will have a 'Red Flag' when its social controversy score equals 0, indicating an ongoing 'Very Severe' ESG controversy implicating a company directly through its actions, products, or operations.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Social Violations Exposure (Exposure Constituent Count/Total Constituent Count) - Corporate Bonds [B-FI-SVE-SVT]

EU Benchmark Regulation ESG Factor: "Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law."

This metric is derived from the previous metric for Fixed Income, "Social Violations Exposure (Constituent Count)" [B-FI-SVE-CC]. It calculates the proportion of the index exposed to companies with 'Red Flag' social controversies by dividing the count of such constituents by the total number of constituents in the index.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Lack of Due Diligence (ILO) Exposure - Corporate Bonds [B-FI-LD]

EU Benchmark Regulation ESG Factor: "Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by Conventions 1 to 8 of the International Labour Organisation."

The Lack of Due Diligence (ILO) Exposure metric is calculated as the summed index weight of constituents without due diligence policies on issues addressed by the ILO's Conventions 1 to 8. These ILO Conventions cover essential labour rights, including the freedom of association, the elimination of forced labour, equal remuneration, non-discrimination, the prohibition of child labour, collective bargaining, and the prevention of human trafficking.

This metric provides insight into the extent of exposure to companies lacking policies that address fundamental labor rights.

A company is assessed with a "Yes" or "No" as to whether it has a policy addressing internationally recognized labor conventions.

Equation:

$$\text{Lack of Due Diligence (ILO) Exposure} = \sum(W_i \times \text{ILO Due Diligence Factor}_i)$$

Where:

W_i = Weight of index constituent i , as at metric calculation date

$\text{ILO Due Diligence Factor}_i$ = A binary indicator for constituent i , equal to 1 if the issuer does not have due diligence policies on labor issues addressed by the fundamental ILO Conventions 1 to 8, and 0 otherwise.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Gender Pay Gap - Corporate Bonds [B-FI-GP]

EU Benchmark Regulation ESG Factor: "Weighted average gender pay gap."

This metric is calculated as the index-weighted average of the unadjusted gender pay gap, using a methodology similar to the Data Source A section [A-FI-GP]. It measures the difference between the average gross hourly earnings of female and male employees, expressed as a percentage of male gross earnings, based on company-reported data, providing insight into gender pay equity within the benchmark. Reporting on this metric is inconsistent, with variations in how companies report the pay gap, either absolute or controlled for compensable factors.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Ratio of Female-to-Male Board Members - Corporate Bonds [B-FI-FMBR]

EU Benchmark Regulation ESG Factor: “Weighted average ratio of female to male board members.”

This metric is calculated as the index-weighted average of the ratios of female to male board members, using a methodology similar to the Data Source A section [A-FI-FMBR]. It provides insight into gender diversity within the boardrooms of the benchmark constituents, reflecting the index's commitment to promoting diversity and inclusion.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Total Recordable Injury Rate - Corporate Bonds [B-FI-TRIR]

EU Benchmark Regulation ESG Factor: “Weighted average ratio of accidents, injuries, fatalities.”

This metric is calculated as the index-weighted average of the total recordable injury rate (TRIR) per million hours worked, using a methodology similar to that in the Data Source A section [A-FI-TRIR]. It provides valuable insights into workplace safety practices and risk management within the fixed-income portfolio, with the TRIR assessed for a company's employees and contractors, including fatalities, lost-time injuries, restricted work cases, and medical treatment cases.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Number of Convictions for Violations of Anti-Corruption & Anti-Bribery Laws - Corporate Bonds [B-FI-CV-CORR]

EU Benchmark Regulation ESG Factor: “Number of convictions and amount of fines for violations of anti-corruption and anti-bribery laws.”

This metric assesses the total number of convictions for violations of anti-corruption and anti-bribery laws per issuer and across the issuer's family tree, using a methodology similar to the Data Source A section [A-FI-CV-CORR]. It provides a comprehensive view of legal and ethical compliance within the companies represented in the index, highlighting the extent of involvement in bribery and corruption issues over the last three years.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Amount of Fines for Violations of Anti-Corruption & Anti-Bribery Laws (EURmn) - Corporate Bonds [B-FI-FIN]

EU Benchmark Regulation ESG Factor: “Number of convictions and amount of fines for violations of anti-corruption and anti-bribery laws.”

This metric assesses the total value of fines for violations of anti-corruption and anti-bribery laws per issuer and across the issuer's family tree, using a methodology similar to the Data Source A section [A-FI-FIN]. It aids in understanding the financial penalties incurred by companies within the corporate bonds index, reflecting the index's commitment to ethical business conduct.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Social Factors - Sovereign Debt

Table 10: Social Factors - Sovereign Debt

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[B-SOV-SVE-CC]	Social Violations Exposure (Constituent Count)	Yes
[B-SOV-SVE-SVT]	Social Violations Exposure (Exposure Constituent Count/Total Constituent Count)	Yes
[B-SOV-HRS]	Weighted-Average Human Rights Score	Yes
[B-SOV-IIS]	Weighted-Average Income Inequality Score	Yes
[B-SOV-PFS]	Weighted-Average Press Freedom Score	Yes

Social Violations Exposure (Constituent Count) - Sovereign Debt [B-SOV-SVE-CC]

EU Benchmark Regulation ESG Factor: "Number of benchmark constituents subject to social violations (absolute number and relative number divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law."

The 'Social Violations Exposure (Constituent Count)' metric for sovereign debt is calculated as the count of unique issuers identified by MSCI with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports.

The assessment considers EU Government Sanctions, which indicate whether a country is subject to EU sanctions due to alleged involvement in human rights violations and abuses. These sanctions may include asset freezes, travel bans, economic and financial measures, or arms embargoes, among other measures. The aggregation involves counting all unique issuers identified as being subject to such sanctions, reflecting severe impacts on social compliance.

Equation:

$$\text{Social Violations Exposure (Constituent Count)} = \sum(W_i \times \text{Social Violations Factor}_i)$$

Where:

$\text{Social Violations Factor}_i$ = A binary indicator (1 if any Social Violations Factors for issuer i equals 'Yes', 0 if not)

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Social Violations Exposure (Exposure Constituent Count/Total Constituent Count) - Sovereign Debt [B-SOV-SVE-SVT]

EU Benchmark Regulation ESG Factor: "Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law."

This metric is derived from the previous metric for Sovereign Debt, "Social Violations Exposure (Constituent Count)" [B-SOV-SVE-CC]. It calculates the proportion of the index exposed to countries subject to EU sanctions for human rights violations by dividing the count of such issuers by the total number of constituents in the index. This provides insight into the adherence to international social standards, with the identification of such sanctions indicating severe impacts on social compliance.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Human Rights Score - Sovereign Debt [B-SOV-HRS]

EU Benchmark Regulation ESG Factor: "Average human rights performance of the issuers."

The 'Weighted-Average Human Rights Score' metric for sovereign debt is calculated as an index-weighted average of the MSCI Government's 'Fundamental Rights Sub-score' for index constituents. This score offers insight into the human rights performance of countries within the sovereign debt index, with scores ranging from 0 (worst) to 100 (best).

The assessment is derived from the WJP Rule of Law Index, Fundamental Rights Sub-score. This sub-score measures a country's performance on human rights issues, as per Factor 4 of the WJP Rule of Law Index. Scores can range from 0 to 1.0, with higher values indicating stronger national performance across a broad range of human rights issues. Countries not covered will not have a value populated for this indicator, and values are updated annually via the World Justice Project.

Equation:

$$\text{Weighted - Average Human Rights Score} = \sum(W_i \times \text{Human Rights Score}_i)$$

Where:

W_i = The index weight of constituent i, as at the metric calculation date

$\text{Human Rights Score}_i$ = The human rights score for constituent i

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section. This metric utilizes data from the World Justice Project (WJP) Rule of Law Index®.

Weighted-Average Income Inequality Score - Sovereign Debt [B-SOV-IIS]

EU BMR ESG Factor/Metric: "Average income inequality score, measuring the distribution of income and economic inequality among the participants in a particular economy."

This metric is calculated as an index-weighted average of the Income Inequality Score of index constituents, using a methodology similar to the Data Source A section [A-SOV-IIS]. It provides insight into the distribution of income and economic inequality within the countries represented in the sovereign debt index. The GINI Index, ranging from 0 (perfect equality) to 100 (perfect inequality), is used to measure the equality of income distribution within the population, with higher values indicating greater inequality. The GINI Index data is sourced from international databases such as the CIA and World Development Indicators (WDI).

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Press Freedom Score - Sovereign Debt [B-SOV-PFS]

EU BMR ESG Factor/Metric: "Average freedom of expression score measuring the extent to which political and civil society organizations can operate freely."

The 'Weighted-Average Press Freedom Score' metric for sovereign debt is calculated as an index weighted average of the MSCI Government's 'World Press Freedom Index Score' of index constituents. This score provides insight into the level of press freedom within the countries represented in the sovereign debt index, with higher scores indicating greater levels of press freedom.

The assessment is based on the World Press Freedom Index, which defines press freedom as the ability of journalists, both individually and collectively, to select, produce, and disseminate news in the public interest, independent of political, economic, legal, and social interference, and without threats to their physical and mental safety. The World Press Freedom Index compares the level of press freedom in 180 countries and

territories, with higher scores denoting higher levels of press freedom. The data source for this indicator is Reporters Without Borders.

Equation:

$$\text{Weighted Average Press Freedom Score} = \sum(W_i \times \text{Press Freedom Score}_i)$$

Where:

W_i = The weight of security i, as at the metric calculation date.

$\text{Press Freedom Score}_i$ = World Press Freedom Index for security i.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

IV. Governance Factors

MSCI Data (External)

The metrics in this section are calculated using data sourced from MSCI, which provide comprehensive insights into the governance performance of sovereign debt index constituents. These metrics evaluate entities based on factors such as corruption perception, political stability, and adherence to the rule of law, offering a detailed governance profile of the indices. By applying MSCI’s methodologies, these metrics support the assessment of governance practices and risk management across these two different asset classes.

For more information on MSCI’s methodologies and data offerings, please refer to The [MSCI Index ESG Metrics Calculation Methodology](#).

Governance Factors - Sovereign Debt

Table 11: Governance Factors - Sovereign Debt

Metric ID	S&P DJI ESG Metric Name	EU BMR ESG Factor/Metric
[B-SOV-CS]	Weighted-Average Corruption Score	Yes
[B-SOV-PSS]	Weighted-Average Political Stability Score	Yes
[B-SOV-RL]	Weighted-Average Rule of Law Score	Yes

Weighted-Average Corruption Score - Sovereign Debt [B-SOV-CS]

EU BMR ESG Factor/Metric: "Average corruption score measuring the perceived level of public sector corruption."

This metric is calculated as an index-weighted average of the corruption perception scores of index constituents, using a methodology similar to the Data Source A section [A-SOV-CS]. It provides insight into the perceived level of public sector corruption within the countries represented in the sovereign debt index, with lower scores indicating higher levels of perceived corruption. The assessment considers indicators sourced from the World Bank’s World Governance Indicators and Transparency International.

Data Point Coverage: Coverage is calculated using MSCI’s dataset coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Political Stability Score - Sovereign Debt [B-SOV-PSS]

EU BMR ESG Factor/Metric: "Average political stability score, measuring the likelihood that the current regime will be overthrown by the use of force."

This metric is calculated as an index-weighted average of the MSCI 'Stability & Peace Score' of index constituents, using a methodology similar to the Data Source A section [A-SOV-PSS]. It provides insight into the political stability within the countries represented in the sovereign debt index, with scores ranging between 0 (worst) and 10 (best). The assessment measures perceptions of the likelihood of government destabilization or overthrow by unconstitutional or violent means and incorporates indicators such as the Global Peace Index to gauge conflict and security.

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

Weighted-Average Rule of Law Score - Sovereign Debt [B-SOV-RL]

EU BMR ESG Factor/Metric: "Average rule of law score, based on the absence of corruption, respect for fundamental rights, and the state of civil and criminal justice."

This metric is calculated as an index-weighted average of the rule of law scores of index constituents, using a methodology similar to the Data Source A section [A-SOV-RL]. It provides insight into the extent to which agents have confidence in and abide by the rules of society within the countries represented in the sovereign debt index, with scores typically ranging between 0 (worst) and 1 (best). The assessment captures perceptions of the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence. This metric utilizes data from the Worldwide Governance Indicators (WGI).

Data Point Coverage: Coverage is calculated using MSCI's dataset coverage, following the standard formulas in the Data Point Coverage section.

EU Low Carbon Benchmark Regulation Metrics

This section provides information on disclosing ESG factors in the Benchmark Statement, as specified under Commission Delegated Regulation (EU) 2020/1816.⁹ The disclosure requirements under Delegated Regulation 2020/1816 are two fold:

1. **Consideration of ESG factors (for ESG benchmarks)**¹⁰
 - *Annex I Section 1: Consideration of ESG Factors*
2. **Additional disclosure requirements for EU CTB and EU PAB (only)**¹¹
 - *Annex I Section 2: Additional Disclosure Requirements for EU Climate Transition and EU Paris-aligned Benchmarks*
 - *Annex I Section 3: Disclosure of the Alignment with the Objectives of the Paris Agreement*

This document should be read in conjunction with S&P DJI's [Fixed Income EU Low Carbon Benchmark Regulation Disclosure Report](#).

Supporting Documents

Supporting Document	URL
Frequently Asked Questions: EU Low Carbon Benchmark Regulation	FAQ: EU Low Carbon Benchmark Regulation
Frequently Asked Questions: S&P DJI's Approach to the EU Low Carbon Benchmark Regulation Disclosure Requirements	FAQ: S&P DJI's Approach to the Regulation
S&P DJI Fixed Income EU Low Carbon Benchmark Regulation Disclosure Report	Report
iBoxx Paris-Aligned & Climate Transition (PACT™) Index Family Benchmark Statement	Benchmark Statement
iBoxx ESG Index Family Benchmark Statement	Benchmark Statement
ESG Disclosure – EU Low Carbon Benchmark Regulation S&P DJI Regulatory website	Website

⁹ Commission Delegated Regulation (EU) 2020/1816 is available via <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R1816&from=EN>

¹⁰ Section 1 Annex I of Commission Delegated Regulation (EU) 2020/1816

¹¹ Sections 2 and 3 Annex I of Commission Delegated Regulation (EU) 2020/1816.

Annex I Section 1: Consideration of ESG Factors

Delegated Regulation 2020/1816 specifies ESG metrics to be disclosed for 'equity', 'corporate bonds', 'sovereign debt', 'commodity' and 'other' asset class indices.¹²

The metrics required for the 'Corporate Bonds' and 'Sovereign Debt' benchmarks are outlined in Annex II of Delegated Regulation 2020/1816, and shown in the tables below, alongside the metrics used by S&P DJI.

Table 12: 'Corporate Bonds' EU BMR Annex II 'ESG Factors'/S&P DJI ESG Metrics

ESG Factors	(EU BMR Annex II) 'ESG Factors'/Metric	(S&P DJI) ESG Factor/Metric
Combined ESG Factors	Weighted average ESG rating of the benchmark (voluntary).	Weighted-Average ESG Score
	Weighted average environmental rating of the benchmark (voluntary).	Weighted-Average Environmental Score
	Weighted average social rating of the benchmark (voluntary).	Weighted-Average Social Score
	Weighted average governance rating of the benchmark (voluntary).	Weighted-Average Governance Score
Environmental	Degree of exposure of the portfolio to the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council as a percentage of the total weight in the portfolio.	High Climate Impact NACE Sector Exposure (Index Weight, %)
	Greenhouse gas (GHG) intensity of the benchmark.	Carbon-to-Value Footprint
	Percentage of GHG emissions reported versus estimated.	GHG Emissions Disclosed: GHG Emissions Not Disclosed: GHG Emissions Not Covered: (Index Weight, %)
	Exposure of the benchmark portfolio to companies the activities of which fall under Divisions 05 to 09, 19 and 20 of Annex I to Regulation (EC) No 1893/2006.	High Emitting Sector Exposure (Index Weight, %)
	Percentage of green bonds in the benchmark portfolio.	Green Bond Exposure (Index Weight, %)

¹² The 'underlying assets' are defined in Annex II of European Union Commission Delegated Regulation (EU) 2020/1816. S&P Dow Jones Indices: Fixed Income Sustainability Metrics Guide

ESG Factors	(EU BMR Annex II) 'ESG Factors'/Metric	(S&P DJI) ESG Factor/Metric
Social	Weighted average percentage of benchmark constituents in the controversial weapons sector.	Controversial Weapons Exposure (Index Weight, %)
	Weighted average percentage of benchmark constituents in the tobacco sector.	Tobacco Exposure (Index Weight, %)
	Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law.	Social Violations Exposure (Constituent Count) Social Violations Exposure (Exposure Constituent Count/Total Constituent Count)
	Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by Conventions 1 to 8 of the International Labour Organisation.	Lack of Due Diligence (ILO) Exposure (Index Weight, %)
	Weighted average gender pay gap.	Weighted-Average Gender Pay Gap
	Weighted average ratio of female to male board members.	Weighted-Average Female-to-Male Board Member Ratio
	Weighted average ratio of accidents, injuries, fatalities.	Weighted-Average Total Recordable Injury Rate
	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws	Number of Convictions for Violations of Anti-Corruption & Anti-Bribery Laws Amount of Fines for Violations of Anti-Corruption & Anti-Bribery Laws (EURmn)

The metrics required for 'Sovereign Debt' benchmarks are outlined in Annex II of Delegated Regulation 2020/1816, and shown in the table below, alongside the metric used by S&P DJI.

Table 13: 'Sovereign Debt' EU BMR Annex II 'ESG Factors'/S&P DJI ESG Metrics

ESG Factors	(EU BMR Annex II) 'ESG Factors'/Metric	(S&P DJI) ESG Factor/Metric
Combined ESG Factors	Weighted average ESG rating of the benchmark (voluntary).	Weighted-Average ESG Score
	Weighted average environmental rating of the benchmark (voluntary).	Weighted-Average Environmental Score

ESG Factors	(EU BMR Annex II) 'ESG Factors'/Metric	(S&P DJI) ESG Factor/Metric
	Weighted average social rating of the benchmark (voluntary).	Weighted-Average Social Score
	Weighted average governance rating of the benchmark (voluntary).	Weighted-Average Governance Score
Environmental	Greenhouse gas (GHG) intensity of the benchmark.	Carbon-to-Value Footprint
	Percentage of GHG emissions reported versus estimated.	GHG Emissions Disclosed
Social	Number of benchmark constituents subject to social violations (absolute number and relative number divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	Social Violations Exposure (Constituent Count) Social Violations Exposure (Exposure Constituent Count/Total Constituent Count)
	Average human rights performance of the issuers.	Weighted-Average Human Rights Score
	Average income inequality score, measuring the distribution of income and economic inequality among the participants in a particular economy.	Weighted-Average Income Inequality Score
	Average freedom of expression score measuring the extent to which political and civil society organizations can operate freely	Weighted-Average Press Freedom Score
Governance	Average corruption score measuring the perceived level of public sector corruption.	Weighted-Average Corruption Score
	Average political stability score, measuring the likelihood that the current regime will be overthrown by the use of force.	Weighted-Average Political Stability Score
	Average rule of law score, based on the absence of corruption, respect for fundamental rights, and the state of civil and criminal justice.	Weighted-Average Rule of Law Score

Annex I Section 2: Additional Disclosure Requirements for EU Climate Transition and EU Paris-aligned Benchmarks

Benchmarks labelled 'EU Climate Transition Benchmark/EU CTB', or 'EU Paris-aligned Benchmark/EU PAB' must disclose the following information:

- a. forward-looking year-on-year decarbonization trajectory;
- b. degree to which the IPCC's decarbonization trajectory (1.5°C with no or limited overshoot) has been achieved on average per year since creation;
- c. Overlap between those benchmarks and their investable universe, as defined in Article 1, point (e) of Commission Delegated Regulation (EU) 2020/1818, using the active share at asset level.

Annex I Section 3: Disclosure of the Alignment with the Objectives of the Paris Agreement

- a. Does the benchmark align with the target of reducing greenhouse gas emissions or the attainment of the objectives of the Paris Agreement;
- b. the temperature scenario used, in accordance with international standards, used for the alignment with the target of reducing GHG emissions or attaining of the objectives of the Paris Agreement;
- c. The name of the provider of the temperature scenario used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement;
- d. The methodology used for the measurement of the alignment with the temperature scenario.
- e. The hyperlink to the website of the temperature scenario used.

S&P DJI discloses this information in the [*Fixed Income EU Low Carbon Benchmark Regulation Disclosure Report*](#), and the explanatory information in *Appendix – EU ESG Disclosure* in the [*iBoxx Paris-Aligned & Climate Transition \(PACT™\) Index Family Benchmark Statement*](#).

Appendix I – Changes

The table below documents changes made to the guide.

Publish Date		Change	Previously
N/A	N/A	N/A	N/A

Disclaimer

Performance Disclosure/Back-Tested Data

Where applicable, S&P Dow Jones Indices and its index-related affiliates (“S&P DJI”) defines various dates to assist our clients by providing transparency. The First Value Date is the first day for which there is a calculated value (either live or back-tested) for a given index. The Base Date is the date at which the index is set to a fixed value for calculation purposes. The Launch Date designates the date when the values of an index are first considered live: index values provided for any date or time period prior to the index’s Launch Date are considered back-tested. S&P DJI defines the Launch Date as the date by which the values of an index are known to have been released to the public, for example via the company’s public website or its data feed to external parties. For Dow Jones-branded indices introduced prior to May 31, 2013, the Launch Date (which prior to May 31, 2013, was termed “Date of introduction”) is set at a date upon which no further changes were permitted to be made to the index methodology, but that may have been prior to the Index’s public release date.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations.

Information presented prior to an index’s launch date is hypothetical back-tested performance, not actual performance, and is based on the index methodology in effect on the launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Also, the treatment of corporate actions in back-tested performance may differ from treatment for live indices due to limitations in replicating index management decisions. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Typically, when S&P DJI creates back-tested index data, S&P DJI uses actual historical constituent-level data (e.g., historical price, market capitalization, and corporate action data) in its calculations. As ESG investing is still in early stages of development, certain datapoints used to calculate certain ESG indices may not be available for the entire desired period of back-tested history. The same data availability issue could be true for other indices as well. In cases when actual data is not available for all relevant historical periods, S&P DJI may employ a process of using “Backward Data Assumption” (or pulling back) of ESG data for the calculation of back-tested historical performance. “Backward Data Assumption” is a process that applies the earliest actual live data point available for an index constituent company to all prior historical instances in the index performance. For example, Backward Data Assumption inherently assumes that companies currently not involved in a specific business activity (also known as “product involvement”) were never involved historically and similarly also assumes that companies currently involved in a specific business activity were involved historically too. The Backward Data Assumption allows the hypothetical back-test to be extended over more historical years than would be feasible using only actual data. For more information on “Backward Data Assumption” please refer to the FAQ. The methodology and factsheets of any index that employs backward assumption in the back-tested history will explicitly state so. The methodology will include an Appendix with a table setting forth the specific data points and relevant time period for which backward projected data was used. Index returns shown

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