S&P Dow Jones Indices

A Division of S&P Global

iBoxx MSCI ESG EUR Financials TCA Index Methodology

March 2026

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Introduction

The iBoxx MSCI ESG EUR Financials TCA index (Transaction Cost Adjusted) negatively screens out issuers from the iBoxx EUR Financials TCA index that are involved in business lines or activities, as captured by MSCI ESG Research data, such as weapons, firearms, tobacco, adult entertainment, alcohol, gambling, nuclear power, genetically modified organisms, fossil fuel extractives and power generated by the use of fossil fuels. Additionally, issuers scoring below a defined threshold based on MSCI ESG Ratings are excluded, as well as those with a notable controversy related to its operations and/or products with a very severe social or environmental impact.

The iBoxx MSCI ESG EUR Financials TCA index consists of EUR denominated investment grade bonds issued by corporate issuers in the financial sector from developed countries and rated by at least one of three rating services: Fitch Ratings, Moody's Investors Service, or S&P Global Ratings. The index covers securities with a minimum time to maturity of 1 year at rebalancing. The index is rebalanced on a monthly basis and is market-value- weighted with a soft cap on each issuer of 3%. In the event that there aren't enough distinct issuers to satisfy the soft cap, a hard cap of 5% will be used.

The bonds in the iBoxx MSCI ESG EUR Financials TCA index must meet all the criteria described below as of the close of business three business days prior to the rebalancing date provided that the relevant bond data can be verified, at S&P DJI's sole discretion, as of such date ('bond selection cut-off date'). The new index composition becomes effective on the first business day of the next month.

All iBoxx indices are priced based on multiple data inputs. The iBoxx MSCI ESG EUR Financials TCA index uses multi-source prices as described in the document 'iBoxx Pricing Methodology'. The iBoxx Pricing Methodology can be found on the S&P DJI's page of www.spglobal.com/spdji.

This document covers the index selection rules and calculation methodology. For more details on the transaction cost adjustment see iBoxx Bond Calculus document available in the Methodology section of the Documentation page on www.spglobal.com/spdji.

Bond selection rules

The following selection criteria are used to determine the index constituents:

- Bond type
- Credit rating
- Time to maturity
- Amount outstanding
- Liquidity Screening
- Bond Classification
- MSCI ESG Research

Bond type

iBoxx indices are comprised solely of bonds. T-Bills and other money market instruments are not eligible for inclusion in the indices. The issuer's domicile is not relevant for bond selection.

The list of proposed eligible bond types is as follows:

- Bullet fixed coupon bonds (plain vanilla bonds)
- Rating-driven bonds
- Step-up bonds
- Callable fixed-to-floating rate bonds are eligible during their fixed-rate term only.
- Zero-coupon bonds
- Fixed-to-float perpetuals

The following bond types are specifically excluded from the index:

- Bonds with odd last coupons
- Sinking funds
- Amortizing bonds
- Optionally and mandatory convertible bonds from non-financial issuers
- Subordinated financial debt with mandatory contingent conversion features that are based on an observable trigger
- Retail bonds and private placements.
- Floating rate bonds
- AT1 or RT1 debt that does not have an explicit capital ratio or solvency/balance-sheet-based trigger, or with conversion features based solely on regulatory discretion for conversion or write-down
- Fixed-rate perpetuals

For retail bonds and private placements, publicly available information is not always conclusive and the classification of a bond as a retail bond or a private placement will be made at S&P DJI's discretion based on the information available at the time of determination. S&P DJI may consult with the specific Index Advisory Committees to review potential retail bonds or private placements. Any bond classified as retail or private placement is added to the list of excluded private placements and retail bonds. The list is published on www.spglobal.com/spdji under News & Information for future reference and to ensure decision's consistency.

In instances where a new bond type is not specifically excluded or included according to the published index rules, S&P DJI will analyze the features of such securities in line with the principles set out in this document. S&P DJI may consult the specific Index Advisory Committees. Any decision as to the eligibility or ineligibility of a new bond type will be published and the index rules will be updated accordingly.

Credit Rating

All bonds in the indices must have an iBoxx Rating of investment grade. Ratings from the following three credit rating agencies are considered for the calculation of the iBoxx Rating:

- Fitch Ratings
- Moody's Investor Service
- S&P Global Ratings

Investment grade is defined as BBB- or higher from Fitch Ratings and S&P Global Ratings and Baa3 or higher from Moody's Investor Service. Bonds with an RD/SD rating are excluded from the indices. If more than one of the above agencies rates a bond, then the iBoxx rating is the average of the provided ratings. The index consolidates ratings to the nearest rating grade and does not use rating notches.

For more information on average ratings, please refer to the iBoxx Rating Methodology, available at www.spglobal.com/spdji.

Time to Maturity

At each rebalancing effective date, all bonds must have a minimum time to maturity of at least 12 months, calculated from the rebalancing effective date to the expected workout date using the respective bond's day count convention.

All bonds must have an initial time to maturity of at least 18 months, calculated from the bond's first settlement date to the expected workout date.

For the specific bond types below, the indices determine the bond's expected workout date as follows:

- Plain vanilla bonds: the expected workout date is the final maturity date
- Dated and undated callable financial hybrid capital bonds: the expected workout date is the first call date
- Non-financial hybrid capital bonds with an interest rate reset: the expected workout date is the first reset date
- Soft bullets: the expected workout date is the first call date

Amount outstanding

All bonds require a minimum amount outstanding of EUR 300 million in order to be eligible for the indices.

Bonds subject to a tender offer (i.e. where the issuer has announced its intention to buy back, tender or call parts or the whole amount of a bond) will not be eligible for the index, in case the results of the tender are not publicly known three business days before the end of the quarterly rebalancing month. If a bond under a tender offer is already in a liquid index, it will be removed at the next regular quarterly rebalancing.

Liquidity Screening

Bonds classified as illiquid by the Technical Committee are excluded from the index.

Bond classification

All bonds are classified based on the principal activities of the issuer and the main sources of the cash flows used to pay coupons and redemptions. In addition, a bond's specific collateral type or legal provisions are evaluated. Hence, it is possible that bonds issued from different subsidiaries of the same issuer carry different classifications.

The issuer classification is reviewed regularly based on updated information received by S&P DJI, and status changes are included in the index at the next rebalancing if necessary.

Where the sector classification of a specific entity is not clear due to the diversified business of the entity, a decision is made at S&P DJI's discretion. S&P DJI assigns the classification according to its evaluation of the business risk presented in the security prospectus and annual reports, if available. S&P DJI also compares the classification to peers in the potential sectors. Membership lists including classification are published on the FTP server and in the *Indices* section of the webpage for registered users.

Issuer Type

Only EUR denominated debt from corporate issuers is eligible.

The issuer or, in the case of a finance subsidiary, the issuer's guarantor must have a country of risk listed as developed markets in *iBoxx Country Classifications*.

The classification is available at: www.spglobal.com/spdji.

Corporates

Corporate bonds are issued by public or private corporations. Corporate bonds are further classified into Financials and Non-Financials bonds, and then into multiple-level economic sectors according to the issuer's business scope. The category insurance-wrapped is added under Financials for corporate bonds whose timely coupon and/or principal payments are guaranteed by a special mono-line insurer such as AMBAC or MBIA. The sector overview is as follows.

iBoxx Corporates Sector Overview

	Economic Sector	Market Sector	Market Sub-Sector
Financials	Core Financials	Banks	Banks
		Insurance	Life Insurance
			Nonlife Insurance
	Financial Services	Financial Services	Equity Investment Instruments
			General Financial
			Nonequity Investment Instruments
		Insurance-wrapped	*
	Real Estate	Real Estate	Real Estate Investment & Services
			Real Estate Investment Trusts

	Economic Sector	Market Sector	Market Sub-Sector
Non-Financials	Basic Materials	Basic Resources	Forestry & Paper
			Industrial Metals
			Mining
		Chemicals	Chemicals
	Consumer Goods	Automobiles & Parts	Automobiles & Parts
		Food & Beverage	Beverages
			Food Producers
		Personal & Household Goods	Household Goods
			Leisure Goods
			Personal Goods
			Tobacco
	Consumer Services	Education	Academic & Educational Services
		Media	Media
		Retail	Food & Drug Retailers
			General Retailers
		Travel & Leisure	Travel & Leisure
	Energy	Oil & Gas	Oil Equipment / Services & Distribution
			Oil & Gas Producers
		Renewable Energy	Renewable Energy
	Health Care	Health Care	Health Care Equipment & Services
			Pharmaceuticals & Biotechnology
	Industrials	Construction & Materials	Construction & Materials
		Industrial Goods & Services	Aerospace & Defense
			Electronic & Electrical Equipment
			General Industrials
			Industrial Engineering
			Industrial Transportation
			Support Services
	Technology	Technology	Software & IT Services
			Technology Hardware & Equipment
	Telecommunications	Telecommunications	Integrated Telecommunications
			Wireless Telecommunications
	Utilities	Utilities	Electricity
			Gas / Water & Multiutilities

Additional Classification

Corporate debt is further classified into senior and subordinated debt. Bank senior debt structure additionally differentiates between Bail-in and Preferred bonds. The Bail-in classification captures all senior notes which are subject to write-down or conversion into a subordinated instrument on the occurrence of a resolution event, as well as senior bank debt issued by bank holding companies.

Hybrid capital issued by banking and insurance institutions is further detailed into the respective tiers of subordination.

The market information on the tier of subordination for insurance capital is often less standardized and clear than the equivalent issues by banks. In these cases, the classification is based on the maturity, coupon payment and deferral provisions of the bond from the offering circulars of the bonds. The table below displays the seniority classification of debt issued by both financial and non-financial sectors.

Seniority Levels Overview

Market Sector	Seniority Level 1	Seniority Level 2	Seniority Level 3
Bank	SEN	Preferred	*
		Bail-in	*
	SUB	T2 (post-Jan ‘13 issuances)	T2 callable
			T2 non-callable
		T2 (pre-Jan ‘13 issuances)	LT2 callable
			LT2 non-callable
			UT2
		T1	T1 step
			T1 non-step
Insurance	SEN	*	*
	SUB	T3	*
		T2 dated	T2 dated callable
			T2 dated non-callable
		T2 perpetual	*
		T1	*
Financial Services	SEN	*	*
	SUB	T3	*
		T2	T2 callable
			T2 non-callable
		T2 dated	T2 dated callable
			T2 dated non-callable
		T2 perpetual	*
		T1	*
			T1 step
			T1 non-step
		Other	Hybrid**
			Non-hybrid
Other sectors	SEN	*	*
	SUB	Other	Hybrid**
			Non-hybrid

** Bonds must satisfy the following criteria to be considered hybrids:

- Subordinated
- Deferrable coupons
- First non-call period >= 5 years
- Either perpetual or ‘long-dated’, where ‘long-dated’ is defined as > 25 years of the time to maturity at issuance

MSCI ESG research

The iBoxx MSCI ESG EUR Financials TCA index screens out the bonds based on the following criteria. Corporate issuers with incomplete MSCI ESG Research data coverage for the below screening criteria as of the bond selection cut-off date are excluded from the index.

For information on MSCI’s ESG Ratings Methodology, please refer here.

For information on MSCI’s ESG Symbols and Definitions, please refer here.

MSCI ESG Business Involvement Screening – exclusion driven by exposure to the following activities and at the following involvement thresholds:

- *Adult Entertainment*

  > derives 5% or more revenue from production of Adult Entertainment material, or; > derives 15% or more revenue from Adult Entertainment material.

- *Alcohol*

> derives 5% or more revenue from production of Alcohol-related products, or; > derives 15% or more revenue from Alcohol-related products.

- *Civilian Firearms*

> involved in production of civilian firearms.

- *Controversial Weapons*

> involved in production/ownership of chemical or biological weapons or related components, depleted uranium weapons, blinding lasers, non-detectable weapons, incendiary weapons, or; > has industry tie to manufacturing of landmines, except those for safety purposes, or; > has industry tie to cluster bombs.

- *All Weapons*

> derives 3% or more revenue from production of Conventional Weapons, or;

> derives 3% or more revenue from weapons systems, components, and support systems and services, or;

> derives 3% or more revenue from civilian firearms.

- *Gambling*

> derives 5% or more revenue from ownership or operation of Gambling-related activities, or;

> derives 15% or more revenue from Gambling-related activities

- *Genetically Modified Organisms*

> derives 5% or more revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption.

- *Nuclear Power*

> generates 5% or more of its total electricity from nuclear power, or; > has 5% or more of installed capacity attributed to nuclear sources, or; > derives 15% or more revenue from Nuclear Power-related activities.

- *Nuclear Weapons*

> manufactures nuclear warheads and/or whole nuclear missiles, or;

> manufactures components for nuclear-exclusive delivery platforms, or;

> provides auxiliary services related to nuclear weapons, or;

> manufactures components that were developed or are significantly modified for exclusive use in nuclear weapons, or;

> manufactures components that were not developed or not significantly modified for exclusive use in nuclear weapons but can be used in nuclear weapons, or;

> manufactures or assembles delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons, or;

> manufactures or assembles delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons but have the capability to deliver nuclear weapons.

- *Tobacco*

> involved in production of Tobacco products, or;

> derives 5% or more revenue from Tobacco products.

For information on MSCI Business Involvement Screening, please refer here.

MSCI Climate Change Metrics

- *Arctic Oil and Gas*

> all companies that derive any revenue from Arctic Oil and Arctic Gas production are excluded.

- *Oil & Gas*

> all companies deriving 10% or more revenue from oil and gas-related activities, including distribution/retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation, and refining (not including biofuel production, sales, and trading activities) are excluded.

- *Oil sands*

> all companies deriving 0% or more of their total revenue from oil sands extraction, which own oil sands reserves and disclose evidence of deriving revenue from oil sands extraction are excluded

- *Power Generation*

> all companies deriving 50% or more revenue from thermal coal-based power generation, liquid fuel-based power generation, and natural gas-based power generation are excluded.

- *Thermal coal*

> all companies deriving 0% or more of their revenue (either reported or estimated) from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties are excluded. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading

> all companies deriving 10% or more of their total revenue from thermal coal-based power generation are excluded

- *Unconventional Oil and Gas*

> all companies that derive any revenue from unconventional oil and gas are excluded. It includes revenues from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane. It excludes all types of conventional oil and gas production including Arctic onshore/offshore, deep water, shallow water and other onshore/offshore.

- *Fossil fuel reserves*

> all companies, regardless of their industries, with evidence of owning fossil fuel reserves used most likely for energy applications. More specifically: For high intensity industries (Energy, Utilities, Diversified Metals & Mining), the companies with evidence of fossil fuel reserves (excluding metallurgical coal). For other industries, the companies with evidence of, fossil fuel reserves (excluding metallurgical coal), deriving revenue from business segments associated with energy

application of fossil fuels such as thermal coal mining, oil & gas exploration & production, downstream activities e.g. refining; distribution & retail; pipeline & transportation; trading And fossil fuel based power generation.

MSCI ESG Ratings

- all issuers with an ESG rating of BB and below are excluded

MSCI ESG Controversies and Global Norms – exclusion driven by the following measures:

- *Controversies score*

> all companies that are involved in very serious controversies involving the environmental, social, or governance impact of their operations and/or products and services. In particular, companies with an MSCI ESG Controversies Score of 0 are excluded. MSCI ESG Controversies Scores are designed to assess controversies across three pillars (Environmental, Social and Governance). A company's overall score is determined by its worst controversy. For example, a company scoring

0 for a Governance-related controversy will have an MSCI ESG Controversies Score of 0 and be excluded from the Index. Please refer to MSCI ESG documentation for further information.

Corporate issuers that have incomplete MSCI ESG data coverage as of the bond selection cut-off date are excluded from the iBoxx MSCI ESG EUR Financials TCA index.

Please note that these screens were not applied historically. They were implemented 30th June 2021 onwards as part of an index transition to an ESG product.

Minimum Issuer Exclusion Rule

After all of the MSCI ESG screenings are applied, the iBoxx MSCI ESG EUR Financials TCA index must exclude at least 20% of the distinct issuers from the iBoxx EUR Financials TCA index at every rebalance date. In the event that the above screenings result in less than 20% of issuers being excluded, additional ranking rules are applied to the issuers in the ESG-screened universe, as follows:

- MSCI ESG rating score (descending)
- MSCI ESG Controversies score (descending)
- Issuer market value in the ESG - screened universe (descending)

The ranking criteria are applied to each pair of issuers in the order stated above until a difference can be established (i.e. if two issuers have identical ESG rating scores , but one has a lower ESG controversies score then criteria 1 and 2 are applied, but criteria 3 is not). With the help of the ranking criteria, an issuer hierarchy can be defined, with the issuer that has the highest ESG rating at the top of the hierarchy. If there is still a tie after these criteria are applied, the issuers are sorted in alphabetical order.

Based on the above ranking issuers will be excluded one by one (starting with the lowest ranked issuer) until the 20% minimum exclusion rule is satisfied.

Index calculation

Static data

Information used in the index calculation is sourced from offering circulars and checked against standard data providers.

Bond prices

For more details, please refer to the *iBoxx Pricing Methodology* document, available in the *Methodology* section of the webpage at www.spglobal.com/spdji.

Rebalancing process

The iBoxx MSCI ESG EUR Financials TCA index is rebalanced monthly on the last business day of the month after the close of business. Changes to outstanding amounts are only taken into account if they are publicly known three business days before the end of the month. Changes in ratings are only taken into account if they are publicly known two business days before the end of the month. New bonds issued are taken into account if they are publicly known to settle until the last calendar day of the month, inclusive, and if their rating has become known at least three trading days before the end of the month.

Three business days before the end of each month, a membership list with final amount outstanding for each bond is published.

Two business days before the end of each month, the rating information for the constituents is updated and the list is adjusted for all rating changes which are known to have taken place two trading days before the end of the month. Bonds which are known to have been upgraded to investment grade two trading days before the end of the month are not included in the membership, but bonds which are known to have been downgraded to sub-investment grade two trading days before the end of the month do get excluded from the membership. However, if any bonds which are part of the broader EUR universe become eligible two business days prior to rebalancing because of rating or amount changes, they will be included in the Index.

On the last business day of each month, S&P DJI publishes the final membership with closing prices for the bonds, and various bonds analytics based on the index prices of the bonds.

Rebalancing Procedure

The MSCI ESG filtering rules described in section 2 are applied to the universe of the broader iBoxx EUR Financials TCA index.

Index data

The calculation of the index is based on mid prices. New securities are included in the index at their respective mid prices when they enter the index family. The index is transaction cost adjusted. In the event that no price can be established for a particular security, the index continues to be calculated based on the last available price. This might be the case in periods of market stress, or disruption as well as in illiquid or fragmented markets. If the required inputs become impossible to obtain, S&P DJI may consult the specific Index Committees at the following rebalancing date. Decisions are made publicly available on a timely basis and S&P DJI may refer back to previous cases.

The indices are transaction cost adjusted. For specific cost factor calculation formulae please refer to the iBoxx Bond Index Calculus document, available in the Methodology section of the Documentation page at www.spglobal.com/spdji.

The rebalancing takes place after close of market on the last trading day of a rebalancing month.

Index weights

Once the eligible bond universe has been defined, the weight for each bond is determined and a soft issuer cap of 3% is applied. In the event that there aren't enough distinct issuers to satisfy the soft cap, a hard cap of 5% will be used.

The weights and capping factors are determined on the last business day of each month using the end-ofmonth market values.

Index Calculus

For specific index formulas please refer to the *iBoxx Bond Index Calculus Methodology* available at www.spglobal.com/spdji.

Treatment of the special intra-month events

Data for the application of corporate actions in the index may not be fully or timely available at all times, e.g. the final call prices for make-whole calls or the actual pay-in-kind percentage for PIK-payment options. In such cases, S&P DJI will estimate the approximate value based on the available data at the time of calculation.

Full redemptions: exercised calls, puts and buybacks

If a bond is fully redeemed intra-month, the bond effectively ceases to exist. In all calculations, the redeemed bond is treated as cash based on the last price, the call price or repurchase price, as applicable. The redemption factor, redemption and the redemption price are used to treat these events in the index and analytics calculation. In addition, the clean price of the bond is set to the redemption price, and the interest accrued until the redemption date is treated as an irregular coupon payment.

Bonds trading flat of accrued

If a bond is identified as trading flat of accrued, the accrued interest of the bond is set to 0 in the total return index calculation and is excluded from the calculation of all bond and index analytical values.

Bonds will be considered trading flat of accrued in any of the following situations:

- a bond has been assigned a default rating and/or
- issuer has announced a failure to pay a coupon and/or
- issuer has announced an intention not to make a payment on an upcoming coupon (grace period).

Multi-coupon bonds

Some bonds have pre-defined coupon changes that lead to a change in the annual coupon over the life of the bond. In all instances, the coupon change must be a fixed amount on top of a fixed coupon, i.e. floating coupon bonds are not eligible for the indices. The two main categories of bonds are step-up bonds and event-driven bonds.

- **Step-up bonds:** These are bonds with a pre-defined coupon schedule that cannot change during the life of the bond. The coupon schedule is used in all bond calculations.
- **Event-driven bonds:** These are bonds whose coupon may change upon occurrence (or non-

occurrence) of pre-specified events, such as rating changes, e.g. rating-driven bonds, failure to register (register-driven bonds), or failure to complete a merger (merger-driven bonds). In the calculation of the indices and the analytics, the coupon schedule as of the calculation date is used. That is to say, any events occurring after the calculation date are ignored in the determination of the applicable coupon schedule. *Example of an event-driven bond:* A bond's rating changes on 31 December 2003 from A- to BBB+ and the coupon steps up from 6% to 6.25% from 1 March 2004 onward. The coupon dates are 1 October and 1 April each year. The correct coupon schedule for the bond and index calculations is date dependent. The index calculation on 20 December 2003 uses the 6% coupon for the whole life of the bond, while the calculation on 31 January 2004 uses a 6% coupon for the current coupon period to 29 February 2004, and a 6.25% coupon for all later interest payments. The index calculation on 20 March uses a 6% coupon until 29 February, a 6.25% coupon for the remainder of the current coupon period and a 6.25% coupon for all future coupon payments. The index calculation after 1 April uses a 6.25% coupon.

Index history

The Index history starts on 30 November 2010. The index has a base value of 100 on that date.

Settlement conventions

All iBoxx indices calculate using the assumption of T+0 settlement days.

Calendar

S&P DJI publishes an index calculation calendar available on www.spglobal.com/spdji under *iBoxx Indices Calendars*. This calendar provides an overview of the index calculation holidays of the iBoxx bond index families each year.

Publication of the Index

The iBoxx MSCI ESG EUR Financials TCA index is calculated as end-of-day index and distributed once daily after market close.

Bond and index analytical values are calculated end of day Monday to Friday using that day's closing prices. In addition, bond and index analytical values are calculated using the previous trading day's closing prices on the last calendar day of each month if that day is not a regular trading day as well as on common bank holidays as published in the iBoxx index calculation calendar. This index calculation calendar is available at www.spglobal.com/spdji under *iBoxx Indices Calendars*. Index data is also available from the main information vendors.

Closing index values and key statistics are published at the end of each calculation day in the *Indices* section of the website for registered users.

Data Publication and Access

The table below summarizes the publication of the index at www.spglobal.com/spdji for registered users and on the FTP server.

In addition to the indices detailed in this methodology, other indices covered by this document may be available. For a list of available indices, please refer here.

Frequency, File type and Access

Frequency	File Type	Access
Daily	Underlying file – Bond level	FTP Server
	Indices file – Index level	FTP Server / website / BBG for index levels only

Frequency	File Type	Access
Daily from the sixth calendar day of the month (or the next index publication day if the sixth calendar day falls on a non-business day)	Forwards	FTP Server
Monthly	End of Month Components	FTP Server / website

The index identifiers for the publication channels are:

Index Name	iBoxx MSCI ESG EUR Financials TCA index	
Return Type	TRi	CPi
SEDOL	BYT2R25	BYT2R36
ISIN	GB00BYT2R259	GB00BYT2R366
Ticker	IBXXELC3	IBXXELC4
RIC	.IBXXELC3	.IBXXELC4

Annual index review

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

ESG Factor Summary

<table>
<tr><td colspan="2">Explanation of how ESG factors are reflected in the key elements of the benchmark methodology
The information contained in this Appendix is intended to meet the requirements of the European Union Commission Delegated Regulation (EU) 2020/1817 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation of how environmental, social and governance factors are reflected in the benchmark methodology and the retained EU law in the UK [The Benchmarks (amendment and Transitional Provision) (EU Exit) Regulations 2019].</td></tr>
<tr><td>Item 1: Name of Benchmark Administrator</td><td>S&P Dow Jones Indices Limited</td></tr>
<tr><td>Item 2: Type of benchmark or family of benchmarks
The “type of benchmark” refers to the type of ‘underlying asset’, as selected from the list provided in Annex II to in European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.</td><td>Fixed Income Corporate</td></tr>
<tr><td>Item 3: Name of benchmark or family of benchmarks</td><td>iBoxx MSCI ESG EUR Financials TCA index</td></tr>
<tr><td>Item 4: Does the benchmark methodology take into account ESG factors</td><td>Yes</td></tr>
<tr><td>Item 5. If the response to (4) is “Yes,” the indices stated here take into account ESG factors.</td><td>Please refer to the S&P Dow Jones Indices Limited Benchmark Register for a list of the benchmarks within this family that account for ESG factors.</td></tr>
<tr><td>Item 6: Where the response to (4) is ‘Yes’, the section below lists those ESG Factors* that are taken into account by the ESG indices governed by the methodology, including those ESG factors listed in Annex II to Delegated Regulation (EU) 2020/1816.
*‘ESG factors’ are defined in Annex II of European Union Commission Delegated Regulation (EU) 2020/1816 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published.</td><td></td></tr>
<tr><td>Item 6a: List of Environmental factors considered</td><td>Exclusion driven by exposure to the following factors:
• Arctic oil and gas
• Oil sands
• Thermal coal
• Unconventional oil and gas
• Fossil Fuels
See section ‘MSCI ESG Research’ of this guide for details
The S&P DJI Fixed Income EU Low Carbon Benchmark Regulation Disclosure Report can be accessed here.</td></tr>
<tr><td>Item 6b: List of Social factors considered</td><td>Exclusion driven by exposure to the following factors:
• All weapons
• Nuclear weapons
• Weapons
• Civilian firearms</td></tr>
</table>

	• Tobacco

	• Adult entertainment • Alcohol • Gambling • Nuclear power • Genetically modified organisms See section 'MSCI ESG Research' of this guide for details The S&P DJI Fixed Income EU Low Carbon Benchmark Regulation Disclosure Report can be accessed here.
Item 6c: List of Governance factors considered	Exclusion driven by exposure to the following factors: N/A
Item 6d: List of any other overall ESG factors	Exclusion driven by additional factors: • Overall ESG rating • Controversies score See section 'MSCI ESG Research' of this guide for details
Item 6: Hyperlink to ESG factors information	
Item 7: Data and standards used	Data is sourced externally from MSCI ESG Research LLC ("MSCI ESG Research")
Item 7a(ii): Data input	MSCI ESG Research relies on a proprietary methodology informed by a range of data sources. a) Reported data • Corporate documents: annual reports, proxy filings, environmental and social reports, securities filings, websites and Carbon Disclosure Project responses. Externally sourced data • Government data: central bank data, U.S. Toxic Release Inventory, Comprehensive Environmental Response and Liability Information System (CERCLIS), RCRA Hazardous Waste Data Management System, etc. We continue to assess the value of other, similar information sources, particularly for European companies. • Popular, trade, and academic journals: accessed through websites, subscriptions and searches of online databases. • News media: major news publications globally, including local-language sources across a range of markets. • Relevant organizations and professionals: reports from and interviews with trade groups, industry experts and nongovernmental organizations familiar with the companies' operations and any related controversies • Modelled data For climate-related metrics, when data is not disclosed by companies, MSCI ESG Research uses proprietary GHG emission estimation model (full methodology is available for MSCI ESG Research clients). 1. Internally sourced data For international standards and global norms violations, MSCI

	ESG Research uses data reported via media sources and NGO reports. MSCI ESG Research's assessment of this data is informed by international standards and global norms definitions. For top level scores (ESG Ratings, Environmental, Social and Governance pillars), MSCI ESG Research estimates macro-level risk exposure for companies' based on the type and location of

	operations, distribution of products. Data sources used in the exposure calculations include, but not limited to: • Comprehensive Environmental Data Archive (CEDA) • US Department of Energy; International Council on Clean Transportation • Lamont-Doherty Earth Observatory, Columbia University • Organization of Economic Co-Operation and Development (OECD) • Canadian Industrial Water Survey • University of New Hampshire's Water Systems Analysis Group (country data) • Hoekstra, A.Y. and Mekonnen, M.M. (2011) • Ecorisk • World Development Indicators (WDI) • Annual Change of Forest Resources – Food and Agriculture Organization (FAO) • World Wildlife Fund (WWF) • US EPA's Toxics Release Inventory (TRI) • Risk-Screening Environmental Indicators (RSEI) • US Bureau of Labor Statistics (BLS) • International Labour Organization (ILO) • US Occupational Health & Safety Administration (OSHA) • UK Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) • International Chemical Secretariat (ChemSec) Substitute It Now (SIN) List • International Monetary Fund (IMF) • World Health Organization (WHO) • UN Principles for Responsible Investments (UN PRI) • World Resource Institute (WRI) • Consultative Group to Assist the Poor (CGAP) • US Census Bureau Current Population Survey Supplement • World Bank Governance Indicators (WGI)

	• Transparency International (TI) • World Bank (WB) • SNL Financial • Thomson Financial
Item 7b: Verification and quality of data	**S&P DJI's Global Data Management Team** holds the responsibility of data quality assurance and validation of thirdparty data sources, including all ESG datasets. This process involves regular reviews of new data received, and includes comparison with previous data, coverage and identifier checks as well as escalation of suspect data to data vendors. S&P DJI also hold regular feedback sessions with data partners and vendors to share any quality concerns and to remedy any issues that are observed during data validations performed by the Global Data Management Team. In addition, all users of third-party data perform their own review of data used in the maintenance of indices. **MSCI ESG Research** relies on multiple steps to review the quality of the analysis as well as the consistency of the methodology and the ratings signal. Four groups are responsible for quality review: Industry and Team Leads; the ESG Ratings Methodology Committee; the ESG Methodology Committee; and the Quality Review Committee.
	MSCI ESG Research is committed to robust and transparent communication with all issuers in our coverage universe. This commitment includes: • A data review process that allows companies to comment on the accuracy of company data for all MSCI ESG Research reports. • Free access for issuers to published versions of all their MSCI ESG Research company reports. • Direct communication with a company concerning specific company ESG performance. • A timely response to company-initiated requests to discuss their MSCI ESG Research reports. Companies are invited to participate in the data review process prior to the annual update of their ESG rating. At that time, companies have the opportunity to review and comment on the facts contained in their existing MSCI ESG Ratings report, as well as to provide MSCI's ESG Research team any additional ESG information, if they wish. In addition, MSCI ESG Research analysts may follow up directly with a company to clarify questions concerning ESG performance data. Due to publication schedules and the extent of the MSCI ESG Ratings coverage universe, companies normally receive the newly updated ratings data to review at their convenience at the time of rating publication. All published companies automatically receive the data review reports, as long as MSCI ESG Research has accurate contact information. We are committed to updating a company profile as required in a timely manner and will consider comments and feedback at any time. This process is also in accordance with the objective of frequently updating company reports with the latest available information as provided by companies. Please note that updates to ESG data will not necessarily result in changes to a company's ESG rating. Companies are monitored on a systematic and ongoing basis, including daily monitoring of controversies and governance events. New information is reflected in reports on a weekly basis and significant changes in scores trigger analyst review

	and rerating. Companies also receive an in-depth review at least annually. For companies in the MSCI ACWI, annual ratings are updated with their industry peers. All other companies are updated within a 12month timeframe of their previous rating assessment, typically with their industry peers.
Item 7c: International reference standards	MSCI ESG Research does not explicitly mandate reporting along specific disclosure standards. Commonly utilized disclosure frameworks for data collected and used by MSCI ESG Research include GRI, SASB, UN Global Compact; and, for specific performance indicators, GHG Protocol, and applicable ISO standards.
Item 8a: Information updated on	January 2022
Item 8b: Reason for update	New regulation

Index Governance

Index Committee

An S&P Dow Jones Indices Index Committee maintains the indices. All committee members are full-time professionals at S&P Dow Jones Indices. Meetings are held regularly. The Index Committee oversees the management of the indices, including determinations of intra-rebalancing changes, maintenance and inclusion policies, and other matters affecting the maintenance and calculation of the indices.

In fulfilling its responsibilities, the Index Committee has full and complete discretion to (i) amend, apply, or exempt the application of index rules and policies as circumstances may require and (ii) add, remove, or by-pass any bond in determining the composition of an index.

The Index Committee may rely on any information or documentation submitted to it or gathered by it that the Index Committee believes to be accurate. The Index Committee reserves the right to reinterpret publicly available information and to make changes to the indices based on a new interpretation of that information at its sole discretion. All Index Committee discussions are confidential.

The Index Committee is separate from and independent of other analytical groups at S&P Global. In particular, the Index Committee has no access to or influence on decisions by S&P Global Ratings analysts.

S&P Dow Jones Indices' Index Committees reserve the right to make exceptions when applying the methodology if the need arises. In any scenario where the treatment differs from the general rules stated in this document or supplemental documents, clients will receive sufficient notice, whenever possible.

In addition to the daily governance of indices and maintenance of index methodologies, at least once within any 12-month period, the Index Committee reviews the methodology to ensure the indices continue to achieve the stated objectives, and that the data and methodology remain effective. In certain instances, S&P Dow Jones Indices may publish a consultation inviting comments from external parties.

For more information on index governance policies, please refer here.

Further Information

Client Support

For client support please contact index_services@spglobal.com.

Formal Complaints

Formal complaints should be emailed to spdji_compliance@spglobal.com.

Please note: spdji_compliance@spglobal.com should only be used to log formal complaints.

General Index Inquiries

For general index inquiries, please contact index_services@spglobal.com.

Methodology Changes

31 Mar 2026	**Annual Index Review 2025** • Introduction of 18-month minimum initial time to maturity • Introduction of subordinated debt classification tiers for Financial Services • Removing AT1 and RT1 bonds with PONV triggers from eligible bond types
30 Jun 2022	• Monthly forward start date updated from 10th calendar day to 6th calendar day
31 Mar 2022	**Annual Index Review 2021** • Introduction of new market sector classification “Education” with market sub-sector classification “Academic & Educational Services”
31 Jan 2022	**Adjustment to MSCI ESG screens** • Addition of Arctic and Unconventional Oil and Gas screens. • An All Weapons screen created by combining three existing screens and reducing the revenue thresholds • Conventional Weapons revenue threshold decreased from 5% to 3%. • Weapons Systems/Components revenue threshold decreased from 15% to 3%. • Civilian Firearms revenue threshold decreased from 5% to 3%.
01 Sep 2021	• Monthly forward start date updated from 12th calendar day to 10th calendar day
30 Jun 2021	**Transition to iBoxx MSCI ESG EUR Financials TCA index** • Split into four monthly rebalances. Index transition complete on 30 Sept 2021. • MSCI ESG screens applied from this date onwards (not historically).
31 Mar 2021	• Governance and Regulatory Compliance section added
31 Jul 2020	• Update of changes to Forward Schedule
31 Jul 2020	**Annual Index Review 2019** • Introduction of updated corporate classification schema • Implementation of updated Bank Tier Classification • Updates as part of the changes in definition and treatment of hybrid bonds
31 Jan 2020	**Annual Index Review 2019** • Definition update of ‘Other Sub-Sovereigns’ classification • Addition of German structural covered bonds as eligible bond type under ‘Covered bonds’ • Inclusion of zero coupon bonds into EUR Liquid indices
30 Sep 2018	**Annual Index Review 2018** • Treatment of bond rating upgrades on t-2 • Clarification on bond eligibility during tender • Clarification of treatment of called bonds
31 Jul 2017	**Annual Index Review 2017** • Inclusion of Senior Callable Bank bonds • Classification of Insurance Tier 3 notes

30 Nov 2016	**Annual Index Review 2016** • Update of seniority levels for Markit iBoxx indices
30 Nov 2016	**Annual Index Review 2015** • Eligibility of subordinated financial debt with a contingent conversion feature at the point of non-viability
31 May 2016	• Launch of the Markit iBoxx EUR Liquid Corporates Top 75 Mid TCA Index

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 do not represent the results of actual trading of investable assets/securities. S&P DJI maintains the index and calculates the index levels and performance shown or discussed but does not manage any assets.

Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the Index or investment funds that are intended to track the performance of the Index. The imposition of these fees and charges would cause actual and back-tested performance of the securities/fund to be lower than the Index performance shown. As a simple example, if an index returned 10% on a US $100,000 investment for a 12-month period (or US $10,000) and an actual asset-based fee of 1.5% was imposed at the end of the period on the investment plus accrued interest (or US $1,650), the net return would be 8.35% (or US $8,350) for the year. Over a three-year period, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.10%, a total fee of US $5,375, and a cumulative net return of 27.2% (or US $27,200).

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