S&P/EGX ESG Index
Methodology

January 2023
# Table of Contents

Introduction 3  
- Index Objective 3  
- Partnership 3  
- Supporting Documents 3  

Eligibility Criteria 4  
- Index Universe 4  
- Eligibility Factors 4  

Index Construction 5  
- Constituent Selection 5  
- Constituent Weightings 5  
- Index Calculations 5  

Index Maintenance 6  
- Rebalancing 6  
- Additions and Deletions 6  
- Corporate Actions 6  
- Quarterly Updates 6  
- Ongoing Maintenance 6  
- Currency of Calculation and Additional Index Return Series 7  
- Base Date 7  

Index Data 8  
- Calculation Return Types 8  

Index Governance 9  
- Index Committee 9  

Index Policy 10  
- Announcements 10  
- Pro-forma Files 10  
- Holiday Schedule 10  
- Rebalancing 10  
- Unexpected Exchange Closures 10  
- Recalculation Policy 10  
- Contact Information 10  

Index Dissemination 11
<table>
<thead>
<tr>
<th>Tickers</th>
<th>11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index Data</td>
<td>11</td>
</tr>
<tr>
<td>Website</td>
<td>11</td>
</tr>
<tr>
<td>Appendix I</td>
<td>12</td>
</tr>
<tr>
<td>Environmental, Social &amp; Governance (ESG) Scores</td>
<td>12</td>
</tr>
<tr>
<td>Composite Score Calculation</td>
<td>12</td>
</tr>
<tr>
<td>Appendix II</td>
<td>13</td>
</tr>
<tr>
<td>T&amp;D Template for Assessing Conduct on Governance of Egyptian Companies</td>
<td>13</td>
</tr>
<tr>
<td>Appendix III</td>
<td>18</td>
</tr>
<tr>
<td>T&amp;D Template for Assessing Environmental and Social Conduct (E&amp;S) of Egyptian Companies</td>
<td>18</td>
</tr>
<tr>
<td>Appendix IV</td>
<td>22</td>
</tr>
<tr>
<td>Qualitative Criteria for Assessing Governance of Egyptian Companies</td>
<td>22</td>
</tr>
<tr>
<td>Appendix V</td>
<td>25</td>
</tr>
<tr>
<td>Qualitative Criteria for Assessing Environmental and Social Conduct (E&amp;S) of Egyptian Companies</td>
<td>25</td>
</tr>
<tr>
<td>Disclaimer</td>
<td>32</td>
</tr>
<tr>
<td>Performance Disclosure/Back-Tested Data</td>
<td>32</td>
</tr>
<tr>
<td>Intellectual Property Notices/Disclaimer</td>
<td>33</td>
</tr>
</tbody>
</table>
Introduction

Index Objective

The S&P/EGX ESG Index measures the performance of 30 companies listed on the Egyptian Exchange (EGX) that are among the highest ESG scoring and also meet the requirements detailed in Eligibility Criteria. Index constituents are ESG score weighted. ESG stands for Environmental, Social, and Governance & Economic.

Partnership

S&P Dow Jones Indices and EGX collaborated to create the S&P/EGX ESG Index. The research, calculation, and management of the ESG scores used in this methodology are carried out by EGX, while S&P Dow Jones Indices provides the methodology for defining relevant ESG criteria, and developed and calculates the index.

Supporting Documents

This methodology is meant to be read in conjunction with supporting documents providing greater detail with respect to the policies, procedures and calculations described herein. References throughout the methodology direct the reader to the relevant supporting document for further information on a specific topic. The list of the main supplemental documents for this methodology and the hyperlinks to those documents is as follows:

<table>
<thead>
<tr>
<th>Supporting Document</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P Dow Jones Indices’ Index Mathematics Methodology</td>
<td>Index Mathematics Methodology</td>
</tr>
<tr>
<td>S&amp;P Dow Jones Indices’ Float Adjustment Methodology</td>
<td>Float Adjustment Methodology</td>
</tr>
</tbody>
</table>

This methodology was created by S&P Dow Jones Indices to achieve the aforementioned objective of measuring the underlying interest of each index governed by this methodology document. Any changes to or deviations from this methodology are made in the sole judgment and discretion of S&P Dow Jones Indices so that the index continues to achieve its objective.

EGX is a trademark of The Egyptian Exchange and has been licensed for use by S&P Dow Jones Indices.
Eligibility Criteria

Index Universe

The index universe consists of the top 100 companies listed on the EGX, as ranked by total value traded during the 12-month period ending on the last trading day in May.

Eligibility Factors

As of each rebalancing reference date, stocks in the index universe are screened for and must satisfy the following criteria to be eligible for index inclusion:

Liquidity. Must be ranked among the top 100 listed companies on the EGX by 12 months daily value traded.

Domicile. Companies must be domiciled in Egypt.

Minimum ESG Qualitative Score. Companies should have a minimum score of 90.

For more information on the ESG Score calculation please refer to Appendices I and IV.

Non-Zero IWF. Must have an IWF (Investible Weight Factor) greater than zero.

For more information on IWFs, please refer to S&P Dow Jones Indices’ Float Adjustment Methodology.

Multiple Classes of Stock. All publicly listed multiple share class lines are eligible for index inclusion, subject to meeting the eligibility criteria. All eligible share classes from a company are assigned identical ESG Scores. For more information regarding the treatment of multiple share classes, please refer to Approach A within the Multiple Share Classes section of the S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology.
Index Construction

Constituent Selection

At each rebalancing, companies in the eligible universe are ranked in descending order by ESG score, with the top 30 companies selected and forming the index.

If two companies have identical ranks/scores, priority is given to existing constituents. Where both or neither company is an existing index constituent, the larger company, by float market capitalization as at the index rebalancing reference date, is selected.

Constituent Weightings

At each rebalancing, constituents are ESG score weighted. ESG score weight is defined as the company's ESG score divided by the total sum of the ESG scores of all constituents.

Index Calculations

The index is calculated by means of the divisor methodology used in most S&P Dow Jones Indices’ equity indices.

For more information on index calculation, please refer to the Non-Market Capitalization Weighted Indices section of S&P Dow Jones Indices’ Index Mathematics Methodology.
Index Maintenance

Rebalancing

Annual Rebalancing. The index reconstitutes annually, effective after the close of the last business day of July. The reference date for weighting purposes is seven business days prior to the rebalancing effective date. ESG scores and market-capitalization weights are reset only at the annual rebalancing. Companies are assigned new scores each year based on their latest filings, news, and other material information available in the public domain.

Mid-Year Review. Additionally, the EGX monitors companies’ qualitative performance on a constant basis by assessing current controversies with potentially negative reputational or financial impacts. The EGX monitors news coverage of assessed companies using news stories from the media and other public sources.

On a semi-annual basis, if any constituent's qualitative ESG score falls below 90, the EGX notifies the Index Committee in January. The constituent is reviewed to evaluate the potential impact on the composition of the index. If the Index Committee decides to remove a company in question, the constituent is replaced by the highest-ranking non-constituent, using the most recently determined ESG scores. A replacement constituent is added at the same weight as the removed constituent. Any changes due to the mid-year review are effective after the close of the last business day in February. The reference date for weighting purposes is seven business days prior to the mid-year review effective date.

Additions and Deletions

Additions. Except for spin-offs, and any replacements made due to the mid-year review, no stocks are added to the index between rebalancings. Spinoffs are added to the index with a zero price at the market close of the day before the ex-date (with no divisor adjustment) and remain in the index until the subsequent rebalancing when they are reviewed for continued index inclusion.

Deletions. Between rebalancings a constituent can be deleted from the index due to corporate events such as mergers, takeovers, de-listings, suspensions, spin-offs/demergers, bankruptcies, or as a result of the mid-year review. Constituents removed due to corporate events are not replaced.

Corporate Actions

For more information on Corporate Actions, please refer to the Non-Market Capitalization Weighted Indices section of S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology.

Quarterly Updates

Changes to a constituent's shares and IWF due to the quarterly updates are effective after the close on the third Friday in March, June, September, and December.

Ongoing Maintenance

Changes to index constituents, such as share changes, Investable Weight Factor (IWF) changes, dividend distributions, and price adjustments, follow the policies of the underlying index.

For more information on Share Updates, Float Adjustment, and IWFs, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology and S&P Dow Jones Indices’ Float Adjustment Methodology.
The index is reviewed on an ongoing basis to account for corporate events such as mergers, takeovers, delistings, suspensions, spin-offs/demergers, or bankruptcies. Changes to index composition and related weight adjustments are made as soon as they are effective. These changes are typically announced prior to the implementation date.

**Currency of Calculation and Additional Index Return Series**

The index is calculated in U.S. dollars and Egyptian pounds.

Real-time spot Forex rates, as supplied by Refinitiv, are used for ongoing index calculation. The end-of-day value of the index is calculated using the real-time spot exchange rate provided by Refinitiv at the time the index is closed.

In addition to the indices detailed in this methodology, additional return series versions of the indices may be available, including, but not limited to: currency, currency hedged, decrement, fair value, inverse, leveraged, and risk control versions. For a list of available indices, please refer to the [S&P DJI Methodology & Regulatory Status Database](https://www.spglobal.com/spdji).

*For information on the index calculation, please refer to S&P Dow Jones Indices’ Index Mathematics Methodology.*

*For the inputs necessary to calculate certain types of indices, including decrement, dynamic hedged, fair value, and risk control indices, please refer to the Parameters documents available at [www.spglobal.com/spdji](https://www.spglobal.com/spdji).*

**Base Date**

Index history availability, base date, and base value are shown in the table below.

<table>
<thead>
<tr>
<th>Index</th>
<th>Launch Date</th>
<th>First Value Date</th>
<th>Base Date</th>
<th>Base Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P/EGX ESG Index</td>
<td>03/22/2010</td>
<td>06/28/2007</td>
<td>06/28/2007</td>
<td>1000</td>
</tr>
</tbody>
</table>
Index Data

Calculation Return Types

S&P Dow Jones Indices calculates multiple return types which vary based on the treatment of regular cash dividends. The classification of regular cash dividends is determined by S&P Dow Jones Indices.

- Price Return (PR) versions are calculated without adjustments for regular cash dividends.
- Gross Total Return (TR) versions reinvest regular cash dividends at the close on the ex-date without consideration for withholding taxes.
- Net Total Return (NTR) versions, if available, reinvest regular cash dividends at the close on the ex-date after the deduction of applicable withholding taxes.

In the event there are no regular cash dividends on the ex-date, the daily performance of all three indices will be identical.

For a complete list of indices available, please refer to the daily index levels file (".SDL").

For more information on the classification of regular versus special cash dividends as well as the tax rates used in the calculation of net return, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology.

For more information on the calculation of return types, please refer to S&P Dow Jones Indices’ Index Mathematics Methodology.
Index Governance

Index Committee

An S&P Dow Jones Indices’ Index Committee maintains the index. The Index Committee meets regularly. At each meeting, the Index Committee reviews pending corporate actions that may affect index constituents, statistics comparing the composition of the index to the market, companies that are being considered as candidates for addition to the index, and any significant market events. In addition, the Index Committee may revise index policy covering rules for selecting companies, treatment of dividends, share counts or other matters.

S&P Dow Jones Indices considers information about changes to its indices and related matters to be potentially market moving and material. Therefore, all Index Committee discussions are confidential.

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 information on Quality Assurance and Internal Reviews of Methodology, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology.
Index Policy

Announcements

All index constituents are evaluated daily for data needed to calculate index levels and returns. All events affecting daily index calculation are typically announced in advance via the Index Corporate Events (.SDE) report, delivered daily to all clients. Any unusual treatment of a corporate action or short notice of an event may be communicated via email to clients.

*For more information, please refer to the Announcements section of S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology.*

Pro-forma Files

In addition to the corporate events file (.SDE), S&P Dow Jones Indices provides constituent pro-forma files each time the indices rebalance. The pro-forma file is typically provided daily in advance of the rebalancing date and contains all constituents and their corresponding weights and index shares effective for the upcoming rebalancing. Since index shares are assigned based on prices nine days prior to the rebalancing, the actual weight of each stock at the rebalancing will differ from these weights due to market movements.

*Please visit www.spglobal.com/spdji/ for a complete schedule of rebalancing timelines and pro-forma delivery times.*

Holiday Schedule

The index is calculated on all days the Egyptian equity markets are open.

*A complete holiday schedule for the year is available at www.spglobal.com/spdji/*. 

Rebalancing

The Index Committee may change the date of a given rebalancing for reasons including market holidays occurring on or around the scheduled rebalancing date. Any such change will be announced with proper advance notice where possible.

Unexpected Exchange Closures

For information on Unexpected Exchange Closures, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology.

Recalculation Policy

For information on the recalculation policy, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology.

*For information on Calculations and Pricing Disruptions, Expert Judgment and Data Hierarchy, please refer to S&P Dow Jones Indices’ Equity Indices Policies & Practices Methodology.*

Contact Information

For questions regarding an index, please contact: index_services@spglobal.com.
Index Dissemination

Index levels are available through S&P Dow Jones Indices’ Web site at www.spglobal.com/spdji, major quote vendors (see codes below), numerous investment-oriented Web sites, and various print and electronic media.

Tickers

The table below lists headline indices covered by this document. All versions of the below indices that may exist are also covered by this document. Please refer to the S&P DJI Methodology & Regulatory Status Database for a complete list of indices covered by this document.

<table>
<thead>
<tr>
<th>Index (Currency)</th>
<th>Bloomberg</th>
</tr>
</thead>
<tbody>
<tr>
<td>S&amp;P/EGX ESG Index (USD) PR</td>
<td>SPESEGUP</td>
</tr>
<tr>
<td>S&amp;P/EGX ESG Index (EGP) PR</td>
<td>SPESEGEP</td>
</tr>
</tbody>
</table>

Index Data

Daily constituent and index level data are available via subscription.


Website

For further information, please refer to S&P Dow Jones Indices’ Web site at www.spglobal.com/spdji.
Appendix I

Environmental, Social & Governance (ESG) Scores

All companies in the selection universe are subjected to a scoring process which incorporates ESG indicators against which the company’s disclosure practices are evaluated (i.e. the transparency and disclosure ['T&D'] methodology). There are two screens: one focusing on environmental & social indicators, and the other focusing on corporate governance indicators.

During the initial index development, the environmental and social screens were based on the output obtained from the mapping of the Global Reporting Initiative (GRI), UN Global Compact (GC), and UN Sustainable Development Goals (SDGs) (see Appendix III). The governance screen (see Appendix II) was adapted from the S&P Global corporate governance methodology current at that time.

The screening process ultimately yields a score for each of the companies in the universe. The scoring process seeks information relating to companies’ disclosures of the ESG screen indicators available in the public domain, such as a company’s annual report, Web site, bulletins, and/or disclosures made to stock exchanges. The final aim is to determine whether a company has made transparent disclosure in such methodologies on any of the indicators that are part of the ESG screening system.

In cases where a company discloses a relevant ESG public indicator, it is awarded a score of one; if the company did not, it is awarded a score of zero. Similarly, public disclosure of ‘extra-point’ indicators is awarded a score of three.

For more information on the relevant ESG public indicator and extra point, please refer to the following Appendices.

Composite Score Calculation

Each company is assigned a composite score, determined as follows:

1. **Quantitative Score.** Each of the companies in the selection universe is assigned a quantitative ranking based on two factors – transparency and disclosure (T&D) of (1) corporate governance and (2) environmental practices & social governance (E&S). Raw values for each factor are calculated for each company in the index. These values are then standardized. The two standardized values are summed, and the companies are ranked in descending order.

2. **Qualitative Score.** Companies in the selection universe are then assigned a qualitative score. Independent sources of information, news stories, websites, and Corporate Social Responsibility CSR filings are used to evaluate the actual performance of the company on a scale of 1 to 5, with 1 being the lowest and 5 being the highest. A final qualitative score is determined for each company.

3. **Composite Score.** A composite score is calculated for each company by summing the qualitative score and the quantitative score.
Appendix II

T&D Template for Assessing Conduct on Governance of Egyptian Companies

Ownership Structure and Shareholder Rights

Shareholder Capital

Disclosure of:

1. The number of issued and outstanding ordinary shares disclosed.
2. The number of issued and outstanding other shares disclosed (preferred nonvoting).
3. The par value of each ordinary share disclosed.
4. The identity of the largest shareholder.
5. The identity of holders of all large stakes (blocking > 25%, controlling > 50%).
6. The identity of shareholder holding at least 25% of voting shares in total.
7. The identity of shareholders holding at least 50% of voting shares in total.
8. The identity of shareholders holding at least 75% of voting shares in total.
9. The number and identity of shareholders each holding more than 10%.
10. Shareholding in the company by individual senior managers.
11. Shareholding in the company by individual directors.
12. The description of share classes provided.

Extra Point Question

Disclosure that:

1. Company’s articles of association or by-laws are accessible over the Web.

Shareholder rights

Disclosure of:

1. The contents of any corporate governance charter or code of best practices.
3. The contents of the Code of business conduct and ethics.
4. The changes in company’s articles of association.
5. The existence of voting rights for each voting or nonvoting share.
6. The transparency of the way that shareholders nominate directors to the board.
7. The transparency of the way by which shareholders convene an extraordinary general meeting.
8. The transparency of the procedure for initiating inquires with the board.
9. The transparency of the procedure for putting forward proposals at shareholders meetings.
10. A formalized dividend policy.
11. The existence of a review of the last shareholders meeting.
12. Full general shareholders meeting (GSM) minutes.
13. The existence of a calendar of important shareholders dates.

Financial and Operational Information

Financial Information

Disclosure of:

1. The company’s accounting policy.
2. The accounting standards it uses for its accounts.
3. Whether the accounts meet local accounting standards.
4. Annual financial statements according to an internationally recognized accounting standard (IFRS/U.S. GAAP).
5. Notes to annual financial statements according to IFRS/U.S. GAAP.
6. Independent auditors report with regard to annual financial statements according to IFRS/U.S. GAAP.
7. Unqualified (clean) audit opinion with regard to annual financial statements according to IFRS/U.S. GAAP.
8. Disclosure of related party transactions (RPTs): sales to/purchases from, payables to/receivables from related parties.
9. Indication that RPTs are made on market or non-market terms.
10. Interim (quarterly or semiannual) financial statements according to an internationally recognized accounting standard (IFRS/U.S. GAAP).
11. Notes to such financial statements.
12. Whether these financial statements are audited or at least reviewed.
13. A basic earnings forecast of any kind.
15. Financial information on a quarterly basis.
16. Segment analysis (results broken down by business line).
17. Revenue structure (detailed breakdown).
18. Cost structure (high degree of detail).
19. The name of company’s auditing firm.
20. A copy of the auditor’s report.
21. How much the company pays in audit fees to the auditor.
22. Non-audit fees paid to the auditor.
23. Whether there are consolidated financial statements or whether only the parent or holding company is audited.
25. Information about the method of calculating fixed-asset depreciation.
26. A list of affiliates in which the company holds a minority stake.
27. The ownership structures of affiliates.

**Extra Point Questions**

**Disclosure that:**
1. Company’s independent auditor reports directly to an independent audit committee (at least 66% independent).
2. Auditor does not also provide non audit services greater in value than 25% of total audit fees.
3. Auditor does not provide any non-audit services.

**Operational Information**

**Disclosure of:**
1. Details of the kind of business the company engages in.
2. Output in physical terms (values of sales for services sector companies).
3. Characteristics of fixed assets employed.
4. Efficiency indicators.
5. Any industry-specific ratios.
7. Any plans for investment in the coming years.
8. Detailed information about investment plans in the coming years.
9. An output forecast of any kind.
10. An overview of trends in its industry.
11. The market share for any or all of the company’s businesses.

**Board and Management Structure and Process**

**Board and Management Information**

**Disclosure of:**
1. The list of board members (names).
2. Details about directors other than name and title.
3. Details about other employment and position of independent directors.
4. Details about the directors’ previous employment and positions.
5. When each director joined the board.
6. A named chairman listed.
7. Details about the chairman, other than name and title.
8. Details about role of the Board of Directors at the company.
9. A list of matters reserved for the board.
10. A list or board committees.
11. Names of all members of each existing committee.
12. Whether there are internal audit functions besides the Audit Committee.
13. Attendance record for board meetings.
14. The list of senior managers not on the Board of Directors.
15. The backgrounds of senior managers.
16. The non-financial details of the CEO's contract.
17. The number of shares held in other affiliated companies by managers.

Extra Point Questions

Disclosure that:
1. Independent directors constitute more than 33% of the board.
2. Independent directors constitute more than 50% of the board.
3. Independent directors constitute more than 67% of the board.
   (Note here the incremental buildup of points if all three are answered positively, which is another way to provide weightings of independence. This should be regardless of whether or not the CEO is also Chairman)
4. Board size is no less than 7 and no more than 18.
5. CEO and Chair is not the same person.
6. Voting in AGM's takes place by poll rather than by a show of hands.
7. Audit committee is over 50% independent.
8. Audit committee is at least 66% independent.
9. Audit committee is 100% independent.
10. Nomination or governance committee is over 50% independent.
11. Nomination or governance committee is at least 66% independent.
12. Nomination or governance committee is 100% independent.
13. Compensation committee is over 50% independent.
14. Compensation committee is at least 66% independent.
15. Compensation committee is 100% independent.
16. A risk management committee exists at the board level.
17. No directors sit on more than 3 other public company boards.
18. All board members have attended more than 75% of board meetings.
19. All board members have attended more than 90% of board meetings.
21. Independent board members regularly meet together independently of the company's executive management.
22. Board meets more than 4 times per year.

Board and management remuneration

Disclosure of:
1. The decision-making process for directors' pay.
2. The specifics of directors' pay, including the salary levels.
3. The form of directors' salaries, such as whether they are in cash or shares.
4. The decision-making process for determining managerial (not board) pay.
5. The specifics of senior management (not board) pay, such as salary levels and bonuses.

**Extra Point Question**

**Disclosure that:**

1. Board has a formal training program for directors or provides external training.

**Business Ethics and Corporate Responsibility**

**Corporate Governance**

**Disclosure of:**

1. Policy and procedures on whistle blowing.
2. Policy and procedures on insider trading.
3. Contribution to political parties.

**Corruption**

**Disclosure of:**

1. Disclosure on policy and procedures on bribery and corruption.

**Leadership**

**Disclosure of:**

1. Stated commitment to recognize corporate responsibility standards.
2. CEO statement regarding corporate governance.
3. CEO statement regarding corporate responsibility/CSR.
4. Signatory to recognized global CSR conventions (e.g. Global Compact, Global Sullivan).

**Business Ethics**

**Disclosure of:**

1. Publication of CSR report.
2. CSR report audited or independently assured.
4. Social and environmental performance in operational MD&A or operational analysis.
Appendix III

T&D Template for Assessing Environmental and Social Conduct (E&S) of Egyptian Companies

Environment

Environmental Pollution

Disclosure of:

1. Emissions of greenhouse gases.
2. Emissions of ozone-depleting substances.
3. NOx, SOx and other emissions.
4. Physical or regulatory risks associated with climate change.
5. Policy on management of emissions or regulatory risks associated with climate change.

Extra Point Question

Disclosure of:

1. Defined targets relating to emission.
2. A committed carbon credit program.

Natural Resources Use

Disclosure of:

1. Energy consumption broken down by primary energy source.
2. Use of renewable resources of energy.
3. Total energy saved due to conservation and efficiency improvements.
4. Initiatives to reduce energy consumption or energy audit.
5. Defined targets relating to energy conservation.
6. Type of raw materials used.
7. Percentage of materials used that are recycled.
8. Initiatives to improve efficiency of material usage.
10. Total water used.
11. Total water used by source.
13. Policy for management of (waste) water discharged.
Extra Point Question

Disclosure of:
1. Production of energy efficient products (e.g. solar panels).

Social

Management Policy and Performance Indicators

Disclosure of:
1. Information relating to product life cycle.
2. Incidents of, and fines or non-monetary sanctions for, non-compliance with applicable environmental regulations.
3. Environmental impact of type of transportation used for logistical purposes.
4. Explicit environmental policy.
5. Efforts to preserve biodiversity (e.g. plantation of tree).
6. Management system/certification regarding environmental practices (that is status on ISO 14001 certification).
7. Policy on disaster management.

Extra Point Question

Disclosure of:
1. EMS in all location/facilities and 100% ISO 14001 certification.

Employees

Employee Relations/Job Creation

Disclosure of:
1. Programs for career development.
2. Initiatives to involve employees in decision making (including intra-management level communication etc.).
3. Information on policy/rules relating to non-financial benefits to employees (including housing etc.).
4. Information on policy/rules relating to healthcare.
5. Policy/Rules relating to employee separation and lay off.
6. Policy/Rules for profit sharing (stock options etc.) with lower management/employee.

Labor Rights

Disclosure of:
1. Management system/certification regarding employment and labor practices (that is status on SA 8000 certification).
2. Policy on code of conduct for protecting human rights.
3. Initiatives to enforce the above policy.
4. Number of strikes/lockouts and the number of employees involved.
Extra Point Question

Disclosure of:
1. SA 8000 certification at all locations/facilities.
2. Reference to ILO core convention in code of conduct.
3. Code of conduct applies to supply chain, as well.

Employee Health & Safety (H&S)

Disclosure of:
1. Explicit health and safety policy.
2. Incidents of work-related injury/accidents.
3. Initiatives on employee health and safety.
4. Dissemination of health-based knowledge and training including awareness about HIV/AIDS.
5. Management system/certification regarding health and safety practices (that is status on OHSAS 18000 certification).

Extra Point Question

Disclosure of:
1. OHSAS 18000 certification at all locations/facilities.

Equal Opportunity

Disclosure of:
1. Explicit statement about equal opportunity employer (gender, caste, religion etc.).
2. The gender breakdown of total workforce.
3. Number of employees by ethnicity or caste (whatever applicable).
4. Initiatives for promoting employment of women and/or disabled people.
5. Policy on discrimination in employment/treatment of employees affected with HIV/AIDS.
6. Policy/Rules to address incidence of sexual harassment and recourse.

Extra Point Question

Disclosure of:
1. The Board of Directors has an independent women director.

Union Relations

Disclosure of:
1. Number or percentage of employees that are unionized.

Community

Human Rights

Disclosure of:
1. Policy or code of conduct on addressing human rights (e.g. child labor, forced labor, bonded labor, etc.).

Community Investment

Disclosure of:
1. Explicit policy/statement regarding community investment.
2. Initiatives on community awareness or education.
3. Company participation in public-private initiatives for community development.
4. Description/Amount of total contributions/donations to charitable initiatives (health, education etc.).

Customers/Product

Product Safety

Disclosure of:
1. Policy/procedures on recall of product.

Anti-trust

Disclosure of:
1. Policies covering fair practices and monopolistic practices.

Customer Outreach and Product Quality

Disclosure of:
1. Annual expenditure incurred on customer awareness initiatives.
2. Number of customer satisfaction surveys conducted in a year.
3. Mechanism for redressing grievances and feedback from customer.
5. Procedures and programs for adherence to laws, standards, and voluntary codes related to marketing communications including advertising, promotion and sponsorship.
6. Policy/procedures on customer education regarding product/service provided.
Appendix IV

Qualitative Criteria for Assessing Governance of Egyptian Companies

Corporate Governance

These guidelines on corporate governance and business ethics are intended to complement the more mechanical T&D analysis to provide a more qualitative assessment of a company’s corporate governance performance. Given that the T&D analysis focuses primarily on aspects of corporate governance structure and processes, the qualitative guidelines largely focus on what a company has actually done to demonstrate poor performance from an ESG perspective. Much of the data for this form of qualitative assessment stems from a company’s own corporate actions — and possibly followed-up with commentary from the media and interested civil society groups or corporate governance watchdogs.

As with the E&S dimensions of our analysis, the qualitative analysis of the governance, or G, component is guided by the principle of materiality. Small events that do not have a significant impact on the company’s shareholders or other stakeholders are not unduly weighted in this context. This requires judgment on the part of the analysis, and all analysts are on guard about overemphasizing aspects of governance performance that might have populist or mass media appeal, but which may not be of significant overall impact to the company, its shareholders or stakeholders.

Ownership Structure and Shareholder Rights:

Ownership Structure

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Clear evidence or judicial/regulatory conclusion that a significant related party transaction or other corporate action is working to the benefit of controlling shareholders at the expense of minority shareholders.  
      | • Clear evidence or that a significant related party transaction or other corporate action occurred without prior notification or consent of minority shareholders. |
| 2     | • Clear evidence or judicial/regulatory conclusion that a small related party transaction or other corporate action is working to the benefit of controlling shareholders at the expense of minority shareholders.  
      | • Minority shareholders or shareholder activists file complaints or make statements suggesting impropriety or a misalignment of interests with controlling shareholders.  
      | • The ownership structure of the company changes without it being clear who the new underlying owners actually are. |
| 3     | • No changes or new information |

Shareholder Rights

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • The company alters its by-laws or articles of association against the wishes of its minority shareholders in a way that significantly reduces minority shareholder rights. Indicative shareholder rights could include: voting rights, pre-emption rights, supermajority clauses, or dividend rights.  
      | • Dividends for the same class of stock are paid to the controlling shareholder ahead of minority shareholders. |
| 2     | • The company’s notice period for its annual general meeting (AGM) is less than 21 days.  
      | • The AGM takes place at a date or location which is clearly inconvenient to its minority shareholders—and is the source of minority shareholder complaint.  
      | • Dividends declared have not been paid in a timely fashion (at least within 6 months of declaration). |
| 3     | • No changes or new information |
Financial and Operational Information:

Transparency, Disclosure and Audit

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Accounting restatements result in a significant (over 10%) loss of value for shareholders.  
      | • Minority shareholders vote against the reappointment of the company’s auditor, but are outvoted by the controlling shareholder. |
| 2     | • The annual report and financial statements are not published within 6 months of the company’s fiscal year end.  
      | • Accounting restatements result in a loss of value (less than 10%) for shareholders.  
      | • The auditor's report is qualified.  
      | • Changes in accounting policies are unexplained.  
      | • The company replaces its auditor with a new auditor that does not appear to have the scope or depth of capabilities to responsibly conduct a quality audit given the company’s size and business condition. |
| 3     | • No changes or new information |

Board and Management Structure:

Board Structure and Effectiveness

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • The board changes such that there are no independent directors.  
      | • CEO succession occurs without prior consultation of minority directors.  
      | • Average director attendance at board meetings is less than 50%.  
      | • Clear evidence of CEO or other senior management receiving disproportionately high levels of compensation relative to peers, at the same time when the company’s financial performance metrics are poor.  
      | • Evidence that independent directors have no voice in deciding CEO/senior management compensation. |
| 2     | • The board changes such that independent directors constitute less than 25% of the total board.  
      | • The size of the company’s board changes so that it is smaller than 7 members or greater than 18 members.  
      | • Average director attendance at board meetings is less than 50%  
      | • Independent directors receive option grants.  
      | • Clear evidence of CEO or other senior management receiving disproportionately high levels of compensation relative to peers. |
| 3     | • No changes or new information |

Management

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>• Clear evidence that the company has adopted an aggressive business model whose benefits may not be equally shared by all shareholders or which might be at the expense of the company’s creditors. This could involve expansion into new or unproven business lines or markets.</td>
</tr>
</tbody>
</table>
| 2     | • Minority shareholders or shareholder activists file complaints or make statements suggesting impropriety or a misalignment of interests with controlling shareholders.  
      | • Unexpected/unexplained departures of senior management.  
      | • Material litigation and legal disputes against the company.  
      | • Significant changes to business strategy are unexplained publicly. |
| 3     | • No changes or new information |
Business Ethics and Corporate Responsibility:

### Business Ethics

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | - Paid **substantial fines/penalties/settlements** for involvement in controversial or illegal activities, such as insider trading, conflicts of interest, corporate tax avoidance or other accounting related controversies, bribery, money laundering, embezzlement and political lobbying.  
- Been the subject of a **pattern of fines/penalties/settlements** for involvement in any of the above issues.  
- Board members either waive the company’s code of ethics or there is evidence that the board is violating its code of ethics. |
| 2     | - Sustained **minor fines/penalties/settlements** for involvement in any of the above issues.  
- Is the subject of ongoing **major/certified class action litigation** in relation to the above issues.  
- Been the subject of **long-standing and vociferous protests** by NGOs or other stakeholders for involvement in any of the above issues. |
| 3     | - Is the subject of **purported class action litigation, or multiple individual lawsuits**, in relation to the above issues.  
- Been the subject of **minor or one-off protests** by NGOs or other stakeholders in relation to involvement in any of the above issues. |
| 4     | - Is the subject of an **official investigation** in relation to involvement in any of the above issues.  
- Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to involvement in any of the above issues. |
| 5     | - No information  
- No ethical issues/incidents in the past 3 years. |

### Other

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | - Paid **substantial fines/penalties/settlements** in relation to significantly negative or protracted ethical controversies not covered by the above category.  
- Been the subject of a **pattern of fines/penalties/settlements** in relation to significantly negative or protracted ethical controversies not covered by the above category. |
| 2     | - Sustained **minor fines/penalties/settlements** in relation to significantly negative or protracted ethical controversies not covered by the above category  
- Is the subject of ongoing **major/certified class action litigation** in relation to ethical issues not covered by the above category.  
- Been the subject of **long-standing and vociferous protests** by NGOs or other stakeholders in relation to significantly negative or protracted ethical controversies not covered by the above category. |
| 3     | - Is the subject of **purported class action litigation, or multiple individual lawsuits**, in relation to ethical issues not covered by the above category.  
- Been the subject of **minor or one-off protests** by NGOs or other stakeholders in relation to significantly negative or protracted ethical controversies not covered by the above category. |
| 4     | - Is the subject of an **official investigation** in relation to significantly negative ethical controversy not covered by the above category.  
- Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to significantly negative ethical controversies not covered by the above category. |
| 5     | - No information  
- No customer/product-related issues or controversies not covered by the above categories in the past 3 years. |
Appendix V

Qualitative Criteria for Assessing Environmental and Social Conduct (E&S) of Egyptian Companies

Environment:

Environmental Pollution

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Sustained **significant liabilities** for hazardous waste.  
      | • Paid **substantial fines/penalties/settlements** related to environmental pollution (to air, land and/or water).  
      | • Been the subject of a **pattern of fines/penalties** in relation to this issue over several years. |
| 2     | • Sustained **minor fines/penalty/settlements** in relation to pollution incidents.  
      | • Been the subject of **long-standing and vociferous stakeholder protests** in relation to this issue.  
      | • Is the subject of ongoing **major/certified class action litigation** in relation to this issue. |
| 3     | • Is the subject of **purported class action litigation, or multiple individual lawsuits** in relation to this issue.  
      | • Been the subject of **minor or one-off stakeholder/activist protests** in relation to this issue. |
| 4     | • Is the subject of an **official investigation**.  
      | • Is the subject of **minor litigation** in relation to the issue or subject to other, as yet **unproven, allegations**. |
| 5     | • No information  
      | • No negative environmental pollution issues/incidents in the past 3 years. |

Natural Resources Use

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Paid **substantial fines/penalties/settlements** in relation to natural resources use (e.g. water, land, trees, fish, coal etc.).  
      | • Been the subject of a **pattern of fines/penalties/settlements** in relation to this issue over several years. For example, water sources and related habitats/livelihoods significantly negatively affected by a company’s water usage. |
| 2     | • Sustained **minor fines/penalty/settlements** in relation to the management of natural resources.  
      | • Is the subject of ongoing **major/certified class action litigation** in relation to this issue.  
      | • Been the subject of **long-standing and vociferous stakeholder protests** in relation to this issue. |
| 3     | • Is the subject of **purported class action litigation, or multiple individual lawsuits** in relation to this issue.  
      | • Been involved in a **minor or one-off stakeholder/activist protests** in relation to this issue. |
| 4     | • Is the subject of an **official investigation**.  
      | • Is the subject of minor litigation in relation to the issue or subject to other, as yet **unproven, allegations**. |
| 5     | • No information.  
      | • No negative issues/incidents related to the use of natural resources in the past 3 years. |
### Other

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
|       | • Paid **substantial fines/penalties/settlements** in relation to a significantly negative or protracted environmental-related controversy not covered by the above categories.  
• Been the subject of a **pattern of fines/penalties/settlements** in relation to a significantly negative or protracted environmental-related controversy not covered by the above categories. |
| 2     | • Sustained **minor fines/penalties/settlements** in relation to the environment-related controversy not covered by the above categories.  
• Is the subject of ongoing, **major/certified class action litigation or multiple individual lawsuits** in relation to the environment-related controversy not covered by the above categories.  
• Been the subject of **long-standing and vociferous stakeholder protests** in relation to the environment-related controversy not covered by the above categories. |
| 3     | • Is the subject of **purported class action litigation** in relation to the environment-related controversy not covered by the above categories.  
• Been involved in a **minor or one-off stakeholder/activist protests** in relation to the environment-related controversy not covered by the above categories. |
| 4     | • Is the subject of an **official investigation** in relation to the environment-related controversy not covered by the above categories.  
• Is the subject of **minor litigation**, or other, as yet **unproven, allegations** in relation to the environment-related controversy not covered by the above categories. |
| 5     | • Not applicable. |

### Employees:

#### Employee Relations

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Paid **substantial fines/penalties/settlements** in relation to a significantly negative or protracted employee or union relations issue(s), e.g. employee lockouts or anti-union actions by the company.  
• Been the subject of a **pattern of fines/penalties/settlements** in relation to a significantly negative or protracted employee or union relations issue. |
| 2     | • Sustained **minor fines/penalties/settlements** in relation to an employee relations issue, e.g. failed to consult with employee representatives as legally required.  
• The company has a **pattern of poor union relations** resulting in prolonged or repeated strike action. N.B. Industry-wide strikes (i.e. those that are not focused on a particular company) should not be scored.  
• Is the subject of ongoing **major/certified class action litigation** by current or former employees or unions. |
| 3     | • Is the subject of **purported class action litigation or multiple individual lawsuits** by current or former employees or unions.  
• Been involved in a **minor or one-off employee or union protests**. |
| 4     | • Is the subject of an **official investigation** in relation to an employee or union relations issue.  
• Is the subject of **minor litigation**, or other, as yet **unproven, allegations** in relation to an employee or union relations issue. |
| 5     | • No information  
• No negative employee relations issues/incidents in the past 3 years. |
### Labor Rights

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Been involved in **egregious** labor standards controversies (at company-owned or supplier facilities), for example, "sweatshop" labor cases that involve worker deaths or serious injury; or **child/forced/compulsory labor infractions**.  
• Been involved in several labor standards controversies, e.g. "sweatshop" cases, **child/forced/compulsory labor infractions**, excessive hours, minimum wage violations, forced overtime, forced pregnancy tests, etc. AND has made little or no effort to address the allegations or conditions.  
• Paid fines/penalties/settlements in relation to labor standards violations. |
| 2     | • Been involved in multiple labor standards controversies, e.g. "sweatshop" cases, **child/forced/compulsory labor infractions**, excessive hours, minimum wage violations, forced overtime, forced pregnancy tests, etc.  
• Been the subject of **long-standing and vociferous protests** in relation to labor rights issues. |
| 3     | • Been involved in multiple labor standards controversies, e.g. "sweatshop" cases, **child/forced/compulsory labor infractions**, excessive hours, minimum wage violations, forced overtime, forced pregnancy tests, etc. AND has made a credible effort to address the allegations and conditions.  
• Is the subject of **purported class action litigation or multiple individual lawsuits** in relation to labor rights. |
| 4     | • Been the subject of **minor or one-off stakeholder/activist protests** in relation to these issues.  
• Is the subject of an **official investigation** in relation to labor rights issues.  
• Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to labor rights. |
| 5     | • No information  
• No labor rights issues/incidents in the past 3 years. |

### Employee Health & Safety (H&S)

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Paid **substantial fines/penalties/settlements** for violations of H&S regulations, particularly in relation to accidents resulting in worker fatalities.  
• Been the subject of a **pattern** of fines/penalties/settlements/major incidents in relation to this issue, e.g. fatalities to direct employees or sub-contractors. |
| 2     | • Sustained **minor fines/penalties/settlements** in relation to this issue.  
• Is the subject of ongoing **major/certified class action litigation** in relation to this issue.  
• Been the subject of **long-standing and vociferous protests** by employees or other stakeholders in relation to H&S issues. |
| 3     | • Is the subject of **purported class action litigation, or multiple individual lawsuits**, in relation to this issue.  
• Been the subject of **minor or one-off incident or protest** by employees or other stakeholders in relation to this issue. |
| 4     | • Is the subject of an **official investigation** in relation to H&S.  
• Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to H&S. |
| 5     | • No information  
• No H&S violations or issues in the past 3 years. |
### Equal Opportunity

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Paid **substantial fines/penalties/settlements** for violations of equal opportunities/discrimination/harassment regulations.  
       | • Been the subject of a **pattern of fines/penalties/settlements** in relation to these issues, e.g. disability, gender or caste issues. |
| 2     | • Sustained **minor fines/penalties/settlements** in relation to these issues  
       | • Been the subject of **long-standing and vociferous protests** by employees or other stakeholders in relation to these issues.  
       | • Is the subject of ongoing **major/certified class action litigation** in relation to these issues. |
| 3     | • Is the subject of **purported class action litigation, or multiple individual lawsuits**, in relation to these issues.  
       | • Been the subject of **minor or one-off issue or protests** by employees or other stakeholders in relation to these issues. |
| 4     | • Is the subject of an **official investigation** in relation to discrimination/equal opportunities/harassment.  
       | • Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to these issues. |
| 5     | • No information.  
       | • No equal opportunities/discrimination/harassment issues in the past 3 years. |

### Other

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Paid **substantial fines/penalties/settlements** in relation to a significantly negative or protracted employee-related controversy not covered by the above categories.  
       | • Been the subject of a **pattern of fines/penalties/settlements** in relation to a significantly negative or protracted employee-related controversy not covered by the above categories. |
| 2     | • Sustained **minor fines/penalties/settlements** in relation to the employee-related controversy not covered by the above categories.  
       | • Is the subject of ongoing **major/certified class action litigation** in relation to the employee-related controversy not covered by the above categories.  
       | • Been the subject of **long-standing and vociferous stakeholders’ protests** in relation to the employee-related controversy not covered by the above categories. |
| 3     | • Is the subject of **purported class action litigation, or multiple individual lawsuits**, in relation to the employee-related controversy not covered by the above categories.  
       | • Been involved in a **minor or one-off stakeholders/activist protests** in relation to the employee-related controversy not covered by the above categories. |
| 4     | • Is the subject of an **official investigation** in relation to the employee-related controversy not covered by the above categories.  
       | • Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to the employee-related controversy not covered by the above categories. |
| 5     | • Not applicable. |
Community:

Human Rights

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Been involved in egregious violations of international human rights regulations/norms/conventions at company-owned or supplier facilities. For example, the company is involved in **major controversies** that breach international human rights norm and conventions, such as the United Nations Declaration of Human Rights (UNDHR). These rights include equal rights, freedom from arbitrary arrest, freedom of association and assembly etc. It also covers the infringement of indigenous peoples' rights, e.g. deaths while protesting, forcible removal from tribal lands etc.  
• Been involved in several human rights controversies AND has made little or no effort to address the allegations or conditions.  
• Paid **fines/penalties/settlements** in relation to human rights violations. Note: it is very unlikely that a human rights controversy would incur a fine or penalty, or be the subject of litigation, so if this happened at all it would be particularly noteworthy. |
| 2     | • Been involved in multiple human rights controversies.  
• Been the subject of **long-standing and vociferous protests** in relation to human rights issues. |
| 3     | • Been involved in multiple human right controversies AND has made a credible effort to address the allegations and conditions.  
• Is the subject of **purported class action litigation or multiple individual lawsuits** in relation to human rights. |
| 4     | • Been the subject of **minor or one-off stakeholder/activist protests** in relation to human rights issues.  
• Is the subject of an **official investigation** in relation to human rights issues.  
• Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to human rights. |
| 5     | • No information  
• No human rights issues/incidents in the past 3 years. |

Other

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Paid **substantial fines/penalties/settlements** in relation to a significantly negative or protracted community-related controversy/controversies not covered by the above category.  
• Been the subject of a **pattern of fines/penalties/settlements** in relation to a significantly negative or protracted community-related controversies not covered by the above category. |
| 2     | • Sustained **minor fines/penalties/settlements** in relation to community-related controversies not covered by the above category.  
• Is the subject of ongoing **major/certified class action litigation** in relation to the community-related controversy not covered by the above category.  
• Been the subject of **long-standing and vociferous protests** by NGOs or other stakeholders in relation to community-related controversies not covered by the above category. |
| 3     | • Is the subject of **purported class action litigation, or multiple individual lawsuits**, in relation to the community-related controversy not covered by the above category.  
• Been the subject of **minor or one-off protests** by NGOs or other stakeholders in relation to community-related controversies not covered by the above category. |
| 4     | • Is the subject of an **official investigation** in relation to a community-related controversy not covered by the above category.  
• Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to community-related controversies not covered by the above category. |
| 5     | • No information  
• No community-related issues/incidents not covered by the above category in the past 3 years. |
### Customers/Product:

#### Product Safety and Quality

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Paid **substantial fines/penalties/settlements** in relation to product safety or labeling issue(s) or incident(s).  
      | • Been the subject of a **pattern of fines/penalties/settlements** in relation to a significantly negative or protracted product safety or labeling issues or incidents. |
| 2     | • Sustained **minor fines/penalties/settlements** in relation to product safety or labeling issues or incidents.  
      | • Is the subject of ongoing **major/certified class action litigation** in relation to product safety or labeling issue(s) or incident(s).  
      | • Been the subject of **long-standing and vociferous protests** by NGOs or other stakeholders in relation to product safety or labeling issue(s) or incident(s) possibly resulting in **boycotts**. |
| 3     | • Is the subject of **purported class action litigation, or multiple individual lawsuits**, in relation to these issues.  
      | • Been the subject of **minor or one-off protests** by NGOs or other stakeholders in relation to a product safety or labeling issue or incident. |
| 4     | • Is the subject of an **official investigation** in relation to a product safety or labeling issue or incident.  
      | • Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to a product safety or labeling issues or incidents. |
| 5     | • No information  
      | • No product safety or labeling issues/incidents in the past 3 years. |

#### Anti-trust

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Paid **substantial fines/penalties/settlements** for engaging in price-fixing, cartel or monopolistic behavior.  
      | • Been the subject of a **pattern of fines/penalties/settlements** for engaging in price-fixing, cartel or monopolistic behavior. |
| 2     | • Sustained **minor fines/penalties/settlements** for engaging in price-fixing, cartel or monopolistic behavior.  
      | • Is the subject of ongoing **major/certified class action litigation** in relation to anti-trust.  
      | • Been the subject of **long-standing and vociferous protests** by NGOs or other stakeholders for engaging in price-fixing, cartel or monopolistic behavior. |
| 3     | • Is the subject of **purported class action litigation, or multiple individual lawsuits**, in relation to anti-trust.  
      | • Been the subject of **minor or one-off protests** by NGOs or other stakeholders in relation to anti-trust. |
| 4     | • Is the subject of an **official investigation** in relation to anti-trust.  
      | • Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to anti-trust. |
| 5     | • No information  
      | • No anti-trust issues/incidents in the past 3 years. |
Other

<table>
<thead>
<tr>
<th>Score</th>
<th>The company (has):</th>
</tr>
</thead>
</table>
| 1     | • Paid **substantial fines/penalties/settlements** in relation to significantly negative or protracted customer/product-related controversies not covered by the above categories.  
      • Been the subject of a **pattern of fines/penalties/settlements** in relation to a customer/product-related controversy not covered by the above categories. |
| 2     | • Sustained **minor fines/penalties/settlements** in relation to customer/product-related controversies not covered by the above categories.  
      • Is the subject of ongoing **major/certified class action litigation** in relation to a customer/product-related controversy not covered by the above categories.  
      • Been the subject of **long-standing and vociferous protests** by NGOs or other stakeholders in relation to customer/product-related controversies not covered by the above categories. |
| 3     | • Is the subject of **purported class action litigation, or multiple individual lawsuits**, in relation to a customer/product-related controversy not covered by the above categories.  
      • Been the subject of **minor or one-off protests** by NGOs or other stakeholders in relation to customer/product-related controversies not covered by the above categories. |
| 4     | • Is the subject of an **official investigation** in relation to customer/product-related controversies not covered by the above categories.  
      • Is the subject of **minor litigation**, or other, as **yet unproven, allegations** in relation to customer/product-related controversies not covered by the above categories. |
| 5     | • No information  
      • No customer/product-related issues or controversies not covered by the above categories in the past 3 years. |
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 in 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. 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).

**Intellectual Property Notices/Disclaimer**

© 2023 S&P Dow Jones Indices. All rights reserved. S&P, S&P 500, SPX, SPY, The 500, US500, US 30, S&P 100, S&P COMPOSITE 1500, S&P 400, S&P MIDCAP 400, S&P 600, S&P SMALLCAP 600, S&P GIVI, GLOBAL TITANS, DIVIDEND ARISTOCRATS, Select Sector, S&P MAESTRO, S&P PRISM, S&P STRIDE, GICS, SPVIA, SPDR, INDEXOLOGY, iTraxx, iBoxx, ABX, ADBI, CDX, CMBX, MBX, MCDX, PRIMEX, HHPI, and SOVX are registered trademarks of S&P Global, Inc. (“S&P Global”) or its affiliates. DOW JONES, DJIA, THE DOW and DOW JONES INDUSTRIAL AVERAGE are trademarks of Dow Jones Trademark Holdings LLC (“Dow Jones”). These trademarks together with others have been licensed to S&P Dow Jones Indices LLC. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. This document does not constitute an offer of services in jurisdictions where S&P DJI does not have the necessary licenses. Except for certain custom index calculation services, all information provided by S&P DJI is impersonal and not tailored to the needs of any person, entity, or group of persons. S&P DJI receives compensation in connection with licensing its indices to third parties and providing custom calculation services. Past performance of an index is not an indication or guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index may be available through investable instruments based on that index. S&P DJI does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P DJI makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P DJI is not an investment advisor, commodity trading advisor, fiduciary, “promoter” (as defined in the Investment Company Act of 1940, as amended) or “expert” as enumerated within 15 U.S.C. § 77k(a), and S&P DJI makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. S&P DJI is not a tax advisor. Inclusion of a security, commodity, crypto currency, or other asset within an index is not a recommendation by S&P DJI to buy, sell, or hold such security, commodity, crypto currency, or other asset, nor is it considered to be investment or trading advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof (“Content”) may be modified, reverse engineered, reproduced, or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P DJI. The Content shall not be used for any unlawful or unauthorized purposes. S&P DJI and its third-party data providers and licensors (collectively “S&P Dow Jones Indices Parties”) do not guarantee the accuracy, completeness, timeliness, or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN “AS IS” “WHERE IS” BASIS. S&P DOW JONES INDICES PARTIES DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF
BERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT’S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special, or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related information and other analyses, including ratings, research and valuations are generally provided by licensors and/or affiliates of S&P Dow Jones Indices, including but not limited to S&P Global’s other divisions such as S&P Global Market Intelligence. Any credit-related information and other related analyses and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. Any opinion, analyses and rating acknowledgment decisions are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Dow Jones Indices does not assume any obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P DJI does not act as a fiduciary or an investment advisor. While S&P DJI has obtained information from sources it believes to be reliable, S&P DJI does not perform an audit or undertake independent verification of any information it receives. S&P Dow Jones Indices reserves the right to vary or discontinue any index at any time for regulatory or other reasons. Various factors, including external factors beyond S&P Dow Jones Indices’ control might necessitate material changes to indices.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P Global Ratings reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. S&P Dow Jones Indices, including S&P Global Ratings, disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof. Affiliates of S&P Dow Jones Indices LLC, including S&P Global Ratings, may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. Such affiliates of S&P Dow Jones Indices LLC, including S&P Global Ratings, reserve the right to disseminate its opinions and analyses. Public ratings and analyses from S&P Global Ratings are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P Global Ratings publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

S&P Global keeps certain activities of its various divisions and business units separate from each other to preserve the independence and objectivity of their respective activities. As a result, certain divisions and business units of S&P Global may have information that is not available to other business units. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions, and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate, or otherwise address.

Some indices use the Global Industry Classification Standard (GICS®,), which was developed by, and is the exclusive property and a trademark of, S&P Global and MSCI. Neither MSCI, S&P DJI nor any other party involved in making or compiling any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy,
completeness, merchantability, or fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P DJI, any of their affiliates or any third party involved in making or compiling any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

S&P Dow Jones Indices products are governed by the terms and conditions of the agreements under which they may be provided. A license is required from S&P Dow Jones Indices to display, create derivative works of and/or distribute any product or service that uses, is based upon and/or refers to any S&P Dow Jones Indices and/or index data.