

Bloomberg MSCI Euro Corporate Liquid ex Financial SRI Sustainable Index

This document is intended to be read in conjunction with the [Bloomberg Euro Corporate Index Methodology](#) and the [Bloomberg MSCI ESG Fixed Income Indices Methodology](#); these documents collectively constitute the index methodology for this Index.

The Bloomberg MSCI Euro Corporate ex Financial Liquid SRI Sustainable Bond Index is a fixed-rate, investment-grade, corporate bond, developed market benchmark that includes only the utilities and industrials sectors. The index includes issuers with MSCI ESG Ratings of BBB or higher, and securities with at least one year until final maturity. The index includes issuers that meet the standard Bloomberg MSCI Sustainability thresholds while excluding issuers per the standard Bloomberg MSCI SRI and ESG Controversy Screens. Additionally, the index excludes issuers deriving revenue from arctic oil or gas. The index was created in May 2019, with history backfilled to April 2013.

The features specific to this Index are set out below.

Description of Index Constituents EUR Investment Grade Bonds

Index Ticker I34998EU Index: Total Return EUR Unhedged

Eligibility Requirements:

Currency Principal and interest must be denominated in EUR

Sector Corporate (industrial and utility sectors only, financial institutions are excluded)

Credit Rating Investment Grade

Minimum Amount Outstanding

- EUR 500mn minimum par amount outstanding per security
- EUR 1bn minimum par amount outstanding per ticker

Maturity At least one year until final maturity, regardless of optionality.

Minimum Liquidity Requirements See Minimum Amount Outstanding specified above.

Region Emerging Market issuers are excluded

Rebalance Date Monthly

Environmental, Social and Governance (ESG)

This section is not intended to be exhaustive and is being provided for information purposes only - detailed ESG disclosures set out in dedicated section below.

The Index applies the standard ESG factors outlined in the [Bloomberg MSCI ESG Fixed Income Indices Methodology](#) Appendix A: Bloomberg MSCI SRI Indices and Appendix B: Bloomberg MSCI Sustainability Indices ESG annexes:

- Securities must use the standard Bloomberg MSCI ESG Rating thresholds,
- Standard Bloomberg MSCI SRI screen, and
- Standard Bloomberg MSCI ESG Controversies score threshold.

Additional MSCI ESG screens:

- Arctic Oil and Arctic Gas revenue $\geq 5\%$
- Human Rights Concerns Assessment of Moderate, Severe or Very Severe are excluded

Document Version History

Date	Update
September 2023	Publication in new format

Environmental, Social and Governance (ESG) Disclosures

This document should be read in conjunction with [Bloomberg MSCI ESG Fixed Income Indices Methodology](#) Appendix A: Bloomberg MSCI SRI Indices and Appendix B: Bloomberg MSCI Sustainability Indices ESG disclosures annexes. These annexes and the information below collectively constitute the ESG factors taken into account in this Index and associated disclosures.

ESG Factors	
Arctic Oil and Arctic Gas	Excludes researched companies deriving 5% or more revenue (either reported or estimated) from offshore or onshore Arctic Oil and Gas production. The definition of Arctic is geographical and includes production activities north of the 66.5 latitude.
Human Rights Concerns Assessment	<p>This indicator measures the severity of controversies related to the impact of a firm’s operations on human rights. Factors affecting this evaluation include, but are not limited to, a history of involvement in human rights-related legal cases, widespread or egregious complicity in killings, physical abuse, or violation of other rights, resistance to improved practices, and criticism by NGOs and/or other third-party observers.</p> <p>Researched companies assessed as Moderate, Severe, or Very Severe are excluded</p>
Data and standards used	
<p>a) Data input.</p> <p>(i) Describe whether the data are reported, modelled or, sourced internally or externally.</p> <p>(ii) Where the data are reported, modelled or sourced externally, please name the third party data provider.</p>	<p>All ESG data for the benchmarks is sourced externally from:</p> <p>MSCI Research esgclientservice@msci.com https://www.msci.com/research-and-insights</p> <p>MSCI ESG Research relies on a proprietary methodology informed by a range of data sources.</p> <ul style="list-style-type: none"> • Reported data <ul style="list-style-type: none"> ○ 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 <ul style="list-style-type: none"> ○ For climate-related metrics, when data is not disclosed by companies, MSCI ESG Research uses a proprietary GHG emission estimation model. ○ When companies do not report exact revenue figures for a covered business activity, MSCI ESG Research provides an estimate of the extent of companies’ involvement in the subject activity. <p>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:</p> <ul style="list-style-type: none"> • 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)

	<ul style="list-style-type: none"> • Canadian Industrial Water Survey • 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 <p>Refer to the MSCI ESG & Climate Methodologies page for further details on the data sources for the relevant ESG factors.</p>
<p>b) Verification of data and guaranteeing the quality of those data. <i>Describe how data are verified and how the quality of those data is ensured.</i></p>	<p>MSCI ESG Controversies and Global Norms</p> <p>The consistency of ESG controversies assessments and scoring based on MSCI ESG Controversies and Global Norms Methodology is ensured through ongoing peer review and MSCI ESG Controversies Methodology Committee (CMC) reviews. The CMC has direct oversight of the content of the company ESG Controversies reports and of the consistent application of the methodology.</p> <p>The following situations require CMC review and approval:</p> <ul style="list-style-type: none"> • Proposed downgrades of controversy cases to Red Flag status must first be approved by the CMC before being escalated to the MSCI ESG Methodology Committee (EMC). • Proposed upgrades of controversy cases from Red Flag status. • Proposed significant score changes to existing controversy cases. • Proposed designation of a case as of Historical Concern (whereby the case no longer has a score or a corresponding flag, but is retained in the company’s ESG Controversies report for context and reference). <p>In addition to ESG controversy case reviews and approvals, the CMC reviews and approves clarifications and updates to the MSCI ESG Controversies and Global Norms methodology.</p> <p>The CMC escalates selected individual ESG controversy cases, including upgrades from and downgrades to Red Flag status, to the EMC, which governs all MSCI ESG solutions and presides over the</p>

	<p>development, review and interpretation of all ESG Research methodologies, including the MSCI ESG Controversies and Global Norms methodology. The EMC is also responsible for the review and approval of revisions to the MSCI ESG Controversies and Global Norms methodology</p> <p>Please see the MSCI ESG Controversies and Global Norms Process via their ESG Methodologies website for further detail.</p> <p>MSCI Business Involvement Screens</p> <p>Initial company research and analysis is followed by a rigorous quality review process. Data accuracy and company profiles are peer-reviewed, then sent to content leads for final approval. In specific cases in which a company's business activity is not clearly defined by MSCI ESG Research's methodology and there is no precedent, the case is escalated to the Head of Screening Research. Cases that require further interpretation or an update to the methodology are brought to the MSCI ESG Impact and Screening Methodology Committee for resolution.</p> <p>Please see the MSCI Business Involvement Methodology Overview for further detail.</p>
<p>c) Reference standards <i>Describe the international standards used in the benchmark methodology.</i></p>	<p>MSCI ESG Controversies and Global Norms</p> <p>The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact principles.</p> <p>MSCI Business Involvement Screens</p> <p>The MSCI ESG Research team utilised a combination of industry classifications, business descriptions and keyword searches in company filings to identify potential involvement in each of the screening topics.</p>
<p>Date on which information has been last updated and reason for the update:</p>	<p>September 2023 (first publication)</p>

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