

# Bloomberg MSCI Global Aggregate and Green Bond ESG SRI Index

This document is intended to be read in conjunction with the below documents. These documents collectively constitute the index methodology for this Index:

1. [Bloomberg Global Aggregate Index Methodology](#)
2. [Bloomberg MSCI Fixed Income Index Methodology](#)

The Bloomberg MSCI Global Aggregate and Green Bond ESG SRI Index is a subset of the Bloomberg Global Aggregate Index. It is a multi-currency benchmark that is designed to track investment grade, treasury, government-related, corporate, and securitized, fixed-rate debt. The index includes issuers that meet the standard Bloomberg MSCI Graded Index definition and excludes issuers involved in business activities that are restricted because they are inconsistent with certain values-based business involvement criteria, or that have a MSCI ESG Controversy Score of zero ("Red" flags). The index is tilted to allocate at least 10% of the market value to securities classified as Green Bonds. Finally, the aggregate exposure of bonds in the index that do not qualify as having Sustainable Exposure is capped at 90% to ensure the minimum weight applicable to the portion of the index comprised of securities qualifying as having Sustainable Exposure is set to a minimum threshold of 10%. The index was created in June 2021, with index history backfilled to January 1, 2016.

**Index ID** 36429

**Base Currency Index Ticker** 136429US Index: Total Return USD Unhedged

## Section 1: Index Eligibility Process

### Parent Universe

To be eligible for the Bloomberg MSCI Global Aggregate and Green Bond ESG SRI Index, a security must be a member of the Bloomberg Global Aggregate Index ("Parent Index"). Please refer to the links below for additional details.

[Bloomberg Global Aggregate Index](#)

### Additional Fixed Income Eligibility

The index does not apply any additional fixed income eligibility criteria.

### Environmental, Social, and Governance (ESG) Eligibility

The Index applies the following Bloomberg MSCI definitions to BCLASS 1 Corporates, BCLASS 2 Agencies, BCLASS 2 Covered, and BCLASS 2 Supranational issuers of **non-Green Bonds** in the Index:

- Bloomberg MSCI Screened Index definition ([Bloomberg MSCI Fixed Income Indices Methodology](#) - Figure 3)
- Bloomberg MSCI Graded Indices definition ([Bloomberg MSCI Fixed Income Indices Methodology](#) - Figure 4)

Additionally, the index applies the following MSCI ESG screens:

MSCI Factor Name	How is the Factor used	Threshold
Evidence of Thermal Coal Distribution Involvement	Exclusion	Yes
Generation Fossil Fuels - Maximum Percentage of Revenue	Exclusion	Greater or equal to 50%
O&G Related Activities - Maximum Percentage of Revenue	Exclusion	Greater or equal to 10%
Weapons - Maximum Percentage of Revenue	Exclusion	Greater or equal to 10%

The Index applies the following Bloomberg MSCI definitions to BCLASS 2 Local Authorities issuers of **non-Green Bonds** that are covered by MSCI Business Involvement Screening criteria (BISR\_COVERD = TRUE):

- Bloomberg MSCI Screened Index definition ([Bloomberg MSCI Fixed Income Indices Methodology](#) - Figure 3)

Additionally, the index applies the following MSCI ESG screens:



MSCI Factor Name	How is the Factor used	Threshold
Evidence of Thermal Coal Distribution Involvement	Exclusion	Yes
Generation Fossil Fuels - Maximum Percentage of Revenue	Exclusion	Greater or equal to 50%
O&G Related Activities - Maximum Percentage of Revenue	Exclusion	Greater or equal to 10%
Weapons - Maximum Percentage of Revenue	Exclusion	Greater or equal to 10%

The index applies the following MSCI ESG screens to BCLASS 1 Treasuries, BCLASS 2 Sovereigns, and BCLASS 2 Local Authorities issuers of **non-Green Bonds** in the Index:

MSCI Factor Name	How is the Factor used	Threshold
United Nations (UN) Sanctions	Exclusion	Yes

The index applies the following MSCI ESG screens to all issuers of **Green Bonds** in the Index:

MSCI Factor Name	How is the Factor used	Threshold
Company Summary - Overall Score	Exclusion	Score of zero
Adult Entertainment - Maximum Percentage of Revenue	Exclusion	Greater or equal to 15%
Adult Entertainment Producer - Maximum Percentage of Revenue	Exclusion	Greater or equal to 5%
Alcohol - Maximum Percentage of Revenue	Exclusion	Greater or equal to 15%
Alcohol Producer - Maximum Percentage of Revenue	Exclusion	Greater or equal to 5%
Civilian Firearms - Maximum Percentage of Revenue	Exclusion	Greater or equal to 5%
Civilian Firearms Producer	Exclusion	TRUE
Cluster Munitions - Any Tie	Exclusion	TRUE
Gambling - Maximum Percentage of Revenue	Exclusion	Greater or equal to 15%
Gambling Operations - Maximum Percentage of Revenue	Exclusion	Greater or equal to 5%
Genetic Engineering - Maximum Percentage of Revenue	Exclusion	Any revenue
Landmines - Any Tie	Exclusion	TRUE
Tobacco Producer	Exclusion	TRUE
Tobacco Total - Maximum Percentage of Revenue	Exclusion	Greater or equal to 5%
Weapons - Maximum Percentage of Revenue	Exclusion	Greater or equal to 10%
Weapons - Bio/chem Systems	Exclusion	TRUE
Weapons - Bio/chem Components	Exclusion	TRUE
Weapons - Ownership by a Bio/Chem Weapons Company	Exclusion	TRUE
Weapons - Ownership of a Bio/Chem Weapons Company	Exclusion	TRUE
Weapons - Blinding Laser	Exclusion	TRUE
Weapons - Ownership by a Blinding Laser Weapons Company	Exclusion	TRUE
Weapons - Ownership of a Blinding Laser Weapons Company	Exclusion	TRUE
Weapons - Depleted Uranium Manufacturer	Exclusion	TRUE
Weapons - Ownership by a Depleted Uranium Weapons Company	Exclusion	TRUE
Weapons - Ownership of a Depleted Uranium Weapons Company	Exclusion	TRUE
Weapons - Non-Detectable Fragments	Exclusion	TRUE
Weapons - Ownership by a Non-detectable Fragments Company	Exclusion	TRUE
Weapons - Ownership of a Non-Detectable Fragments Company	Exclusion	TRUE
Weapons - Nuclear Dual-Use Components	Exclusion	TRUE
Weapons - Nuclear Dual-Use Delivery Platforms	Exclusion	TRUE
Weapons - Nuclear Exclusive Delivery Platforms	Exclusion	TRUE
Weapons - Nuclear Intended-Use Components	Exclusion	TRUE
Weapons - Nuclear Warheads & Missiles	Exclusion	TRUE
Weapons - Nuclear Weapons Support Services	Exclusion	TRUE
Weapons - Nuclear Dual-Use Components	Exclusion	TRUE
Weapons - White Phosphorous	Exclusion	TRUE
Weapons - Ownership by a Incendiary Weapons Company	Exclusion	TRUE
Weapons - Ownership of a Incendiary Weapons Company	Exclusion	TRUE

The index applies the following MSCI ESG screens to BCLASS 1 Treasuries, BCLASS 2 Sovereigns, and BCLASS 2 Local Authorities issuers of **Green Bonds** in the Index:

MSCI Factor Name	How is the Factor used	Threshold
United Nations (UN) Sanctions	Exclusion	Yes

After the application of the eligibility criteria defined above, the index is assessed according to the below criteria:

### Minimum ESG Exclusions

On the last business day before month end, using the Forward Universe of the previous day, after applying the additional fixed income eligibility criteria to the Parent Universe as defined above, the number of issuers for the eligible universe are defined. If, after having applied the ESG eligibility criteria above, less than 20% of the total number of issuers in the eligible universe are excluded, then the eligible issuers are ranked in the order below according to the following criteria:

MSCI Factor Name	How is the Factor used
Final Industry-Adjusted Company Score	Ranking/Exclusion
Company Summary - Overall Score	Ranking/ Exclusion

Based on this ranking, the lowest ranking issuers will be excluded from the index, until the number of excluded issuers is higher than 20% of the total number of issuers in the eligible universe. If more than one issuer has the same Final Industry Adjusted Company Score and Company Summary - Overall Score and is required to be removed to reach the 20% threshold, then all issuers with the same Final Industry Adjusted Company Score and Company Summary - Overall Score are removed.

Detailed ESG disclosures applicable to the factors described above, are set out in the **Bloomberg MSCI Fixed Income ESG Disclosures** document accessed [here](#).

### Treatment of Non-Covered Issuers

Refer to Section 7: Treatment of Non-Covered Issuers in the Bloomberg MSCI Fixed Income Methodology accessed [here](#).

## Section 2: Weighting

The index is weighted according to the following three conditions:

### 1. MSCI Green Bonds

The portion of the index comprised of securities MSCI ESG Research classify as Green Bonds is set to a minimum market value weight of 10% of the Index, or 2 times Green Bonds market value weight in Parent Index, whichever is higher ("Green Bond Uplift").

MSCI Factor Name	How is the Factor used	Threshold
MSCI Green Bonds	Weighting	Minimum weight of Green Bond portion of the index is 10%

### 2. Sector , Currency and Maturity Neutral

The application of screens will alter the sector, currency, and maturity composition of the index versus the Parent Index. Therefore, the index's weights are adjusted to match the market value weights of 84 buckets in the Parent Index based on a combination of sector, currency, and maturity. The bucket weights are calculated as of the previous month end and remain fixed in the Returns Universe for the duration of the following month. The breakdowns include:

Type	Description
Currency	Separate partitions for USD, CAD, CNY, EUR, GBP, JPY. All remaining currencies are included in the final partition
BCLASS 1	Separate partitions for 1) Corporates, 2) Securitized, 3) Treasury and Government-Related
Maturity	Separate partitions for each of 0-5, 5-10, 10-15, 15+

The 84 bucket weights are fixed as of month end and are applied after the application of the Green Bond Uplift. In any case when a bucket arrives at a negative weight, the weight for the bucket is floored at 0%, and the gap is reduced on a pro rata basis from all Green Bond or all non-Green Bond buckets respectively to this bucket.

Note: the neutrality described above may not hold if the Sustainable Exposure capping methodology (detailed in point 3 below) results in the need to re-weight index components.

### 3. MSCI Sustainable Exposure Requirement

The index is required to ensure that a minimum of 10% of its market value weight is attributed to securities classified as having Sustainable Exposure, as defined below.

MSCI Factor Name	How is the Factor used	Required Value
<b>An issuer qualifies as having sustainable exposure if it meets all the following conditions:</b>		
Overall ESG Rating	Classification/Weighting	BB or higher
Company Summary - Overall Score	Classification/Weighting	Score of 2 or higher
<b>At least one of the following conditions must be met:</b>		
Sustainable Impact Solutions - Maximum Percentage of Revenue	Classification/Weighting	Greater or equal to 20%
Company has science-based approved emission target (SBTI)	Classification/Weighting	TRUE
<b>The issuer is not flagged by the following business involvement criteria:</b>		
Controversial Weapons - Any Tie	Classification/Weighting	TRUE
Thermal Coal Mining - Maximum Percentage of Revenue	Classification/Weighting	Greater or equal to 1%
Tobacco Producer	Classification/Weighting	TRUE
Tobacco Total - Maximum Percentage of Revenue	Classification/Weighting	Greater or equal to 5%
<b>If a corporate issuer does not meet the above conditions, but has on issue a Green Bond, the Green Bond qualifies as having Sustainable Exposure only if it meets all of the following conditions:</b>		
Bond is assessed as a Green Bond by the MSCI ESG Research's Green Bond assessment framework	Refer to the <a href="#">MSCI Labeled Bond and Loan Assessment Methodology</a>	
Company Summary - Overall Score	Classification/Weighting	Score of 1 or higher

Detailed ESG disclosures applicable to the factors described above, are set out in the **Bloomberg MSCI Fixed Income ESG Disclosures** document accessed [here](#).

### Section 3: Publication Currency

Bloomberg may offer these indices in additional currencies for both unhedged and hedged indices:

- See Appendix 2 of the [Bloomberg Fixed Income Index Methodology](#) for Currency Hedging and Currency Returns
- See Appendix 12 of the [Bloomberg Fixed Income Index Methodology](#) for Index Identification and Publication Currency

### Section 4: Environmental, Social, and Governance ESG Disclosures

An explanation of how ESG factors are reflected in the benchmark methodology can be found in [Section 1: Index Eligibility Process – Environmental, Social, and Governance \(ESG\) Eligibility](#), [Section 1: Index Eligibility Process – Minimum ESG Exclusions](#), and [Section 2: Weighting](#).

Further information on the ESG factors and data used can be found in the **Bloomberg MSCI Fixed Income ESG Disclosures** document accessed [here](#).

### Section 5: Document Version History

Date	Update
September 2023	Publication in new format
July 2024	Correction to green tilt methodology
April 2025	New index name and additional screens added to the methodology
July 2025	Addition of Thermal Coal Storage screen and publication in new format

## Disclaimer

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