

Annex 2 – Regulatory ESG Disclosures

EXPLANATION OF HOW ESG FACTORS ARE REFLECTED IN THE BENCHMARK STATEMENT		
SECTION 1 – CONSIDERATION OF ESG FACTORS		
Item 1. Name of the benchmark administrator.	Bloomberg Index Services Limited (“BISL”)	
Item 2. Type of benchmark or family of benchmarks.	Fixed Income	
Item 3. Name of the benchmark or family of benchmarks.	Bloomberg MSCI Fixed Income Paris-Aligned Indices (the “Indices” and each, an “Index”).	
Item 4. Are there in the portfolio of the benchmark administrator any EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks, benchmarks that pursue ESG objectives or benchmarks that take into account ESG factors?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Item 5. Does the benchmark or family of benchmarks pursue ESG objectives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<p>Item 6. Where the response to Item 5 is positive, provide below the details (score) in relation to the following ESG factors: combined ESG factors, environmental, social and governance for each family of benchmarks at an aggregated level.</p> <p>The ESG factors shall be disclosed at an aggregated weighted average value at the level of the family of benchmarks.</p>		
a) List of combined ESG factors:	N/A	N/A
b) List of environmental factors:	Degree of exposure of the portfolio to the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 as a percentage of the total weight in the portfolio.	40.9%
	GHG emissions of the benchmark.	23,606,020
	Percentage of reported versus estimated emissions.	79.8% ¹
	Exposure of the benchmark portfolio to companies the activities of which fall under Divisions 05 to 09, 19 and 20	1.9%

¹ Refers to Scope 1 and 2 GHG emissions only as 100% of Scope 3 emissions are estimated.

	of Annex I to Regulation (EC) No 1893/2006.	
	Percentage of green bonds in the benchmark portfolio.	3.6%
c) List of social factors:	International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a 'controversial weapon'.	0%
	Weighted average percentage of benchmark constituents in the controversial weapons sector.	0%
	Weighted average percentage of benchmark constituents in the tobacco sector.	0.1%%
	Number of benchmark constituents subject to social violations (absolute number and relative divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles or, where applicable, national law.	3/11165 / 0.0% of the index
	Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by Conventions 1 to 8 of the International Labour Organisation.	17.5%
	Weighted average gender pay gap.	3.7
	Weighted average ratio of female to male board members.	34.6
	Weighted average ratio of accidents, injuries, fatalities.	0.5
	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws.	108 ²

² Number of convictions. Value of fines is not available.

d) List of governance factors:	Weighted average governance rating of the benchmark (voluntary).	5.8
<p>Item 7. Where the response to Item 5 is positive, provide below the details (score) for the benchmark or family of benchmarks, in relation the following ESG factors: combined ESG factors, environmental, social and governance, depending on the relevant underlying asset concerned.</p> <p>Alternatively, all of this information may be provided in the form of a hyperlink to a website of the benchmark administrator included in the benchmark statement. The information on the website shall be easily available and accessible. Benchmark administrators shall ensure that information published on their website remains available for five years.</p> <p>The score of the ESG factors shall not be disclosed for each constituent of the benchmark, but shall be disclosed at an aggregated weighted average value of the benchmark.</p>		
a) List of combined ESG factors:	Details of these factors are available on the MSCI PAB ESG Disclosures Report	
b) List of environmental factors:	Details of these factors are available on the MSCI PAB ESG Disclosures Report	
c) List of social factors:	Details of these factors are available on the MSCI PAB ESG Disclosures Report	
d) List of governance factors:	Details of these factors are available on the MSCI PAB ESG Disclosures Report	
Hyperlink to the information on ESG factors for the benchmark or family of benchmarks:	MSCI PAB ESG Disclosures Report	
Item 8. Data and standards used.		
<p>a) Description of data sources used to provide information on the ESG factors in the benchmark statement.</p> <p><i>Describe how the data used to provide information on the ESG factors in the benchmark statement are sourced and whether, and to what extent, data are estimated or reported.</i></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>Refer to Bloomberg MSCI Fixed Income Indices and MSCI's Methodology Executive Summary for further information.</p>	
<p>b) Reference standards.</p> <p>List the supporting standards used for the reporting under item 6 and/or item 7.</p>	<p>The Greenhouse Gas Protocol is used for GHG estimation. For further information, please refer to https://ghgprotocol.org/</p> <p>To align with the precautionary principle, a company not covered by MSCI for exclusions is not included.</p> <p>The percentage of reported vs estimated data used can be found in the ESG Disclosure Report.</p>	

SECTION 2 – ADDITIONAL DISCLOSURE REQUIREMENTS FOR EU CLIMATE TRANSITION AND EU PARIS-ALIGNED BENCHMARKS

Item 9. Where a benchmark is labelled as ‘EU Climate Transition Benchmark’ or ‘EU Paris-aligned Benchmark’, benchmark administrators shall also disclose the following information:

a) forward-looking year-on-year decarbonisation trajectory;	Details of the forward-looking year-on-year decarbonisation trajectory for each benchmark can be found in the ESG Disclosures Report for each benchmark.
b) degree to which the IPCC decarbonisation trajectory (1,5°C with no or limited overshoot) has been achieved on average per year since creation;	Details of the achievement of the IPCC decarbonisation trajectory can be found in the ESG Disclosures Report
c) overlap between those benchmarks and their investable universe, as defined in Article 1, point (e), of Commission Delegated Regulation (EU) 2020/1818, using the active share at asset level.	The active share measure can be found in the ESG Disclosures Report

SECTION 3 – DISCLOSURE OF THE ALIGNMENT WITH THE OBJECTIVES OF THE PARIS AGREEMENT

Item 10. By the date of application of this Regulation, for significant equity and bond benchmarks, EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks, benchmark administrators shall, for each benchmark, or where applicable, the family of benchmarks, disclose the following information:

a) Does the benchmark align with the target of reducing carbon emissions or the attainment of the objectives of the Paris Agreement;	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b) the temperature scenario, in accordance with international standards, used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement;	The Indices use the reference 1.5 °C temperature scenario, with no or limited overshoot.
c) the name of the provider of the temperature scenario used for the alignment with the target of reducing GHG emissions or the attainment of the objectives of the Paris Agreement;	The Special Report on Global Warming of 1.5 °C from the Intergovernmental Panel on Climate Change (the “IPCC”).
d) the methodology used for the measurement of the alignment with the temperature scenario;	<p>Decarbonisation Trajectory</p> <p>The Absolute GHG Emissions for EU Paris-aligned Benchmarks, including Scope 1, 2 and 3 GHG emissions, shall be at least 50% lower than the Absolute GHG Emissions of the investable universe. Therefore, at the start of the decarbonisation trajectory, a Reference Absolute GHG Emissions is derived as 50% of the Absolute GHG Emissions of the Parent Index on the Base Date (2020-12-31).</p> <p>On subsequent rebalances, the annualized Absolute GHG Emissions of the Index shall be less than the lower of 50% of the Absolute GHG Emissions of the</p>

Parent Index, or an Absolute GHG Emissions level implied by 7% year on year geometric reduction relative to the Absolute GHG Emissions on index Base Date.

Therefore, for rebalance i , the Absolute GHG Emissions of the Index shall be no more than:

$$\text{Min} \left(\frac{\text{Base Date_GHG} \times 0.93^{i/12}}{50\% \times \text{Parent_GHG}_i} \right)$$

Where:

i is the rebalance as an integer counted in ascending order from the Base Date, for the avoidance of doubt i is equal to 0 on the Base Date;

Base Date_GHG is the Absolute GHG Emissions derived as 50% of Parent_GHG_0 ;

Parent_GHG_i is the Absolute GHG Emissions level of the Parent Index on the Date of rebalance i ;

Parent_GHG_0 is the Absolute GHG Emissions level of the Parent Index on the Base Date.

Should a significant change occur in the calculation methodology of the Absolute GHG Emissions a new Base Date shall be set for measuring against the decarbonisation trajectory.

Absolute GHG Emissions

MSCI gathers GHG emissions figures from publicly-available, company-reported annual accounts or sustainability reports, or any other public source these figures are included in.. When reported GHG emissions are not available, MSCI provides estimates.

Absolute GHG Emissions of an Index, calculated monthly, is the weighted Absolute GHG Emissions of the underlying constituents of the Index:

$$\text{Index_GHG}_d = \frac{\sum_{i=1}^{n_d} w_d^i \times \text{GHG Emissions}_s^i}{\sum_{i=1}^{n_d} w_d^i}$$

Securities with no Absolute GHG Emissions values are excluded from the calculation of the Absolute GHG Emissions of an Index.

Where:

i is an index constituent;

n_d is with respect to Rebalance Date, d , the number of index constituents;

w_d^i is with respect to Rebalance Date, d , the weight of constituent, i , in the index; and

$\text{Absolute GHG Emissions}_s^i$ is with respect to Rebalance Date, s , the Absolute GHG Emissions of constituent, i .

Absolute GHG Emissions for an index constituent is the total Absolute GHG Emissions :

$$\text{Absolute GHG Emissions}_t^i = \text{Scope 1}_t^i + \text{Scope 2}_t^i + \text{Scope 3}_t^i$$

If any of the following criteria are met, the Absolute GHG Emissions in respect of constituent i and Rebalance Date s is considered invalid:

1)

1) There are no estimates available for either Scope 1, Scope 2, or Scope 3 GHG emissions in respect of constituent i and Rebalance Date s .

Where:

	<p>i is an index constituent; t is the date when the Absolute GHG Emission is measured; $Scope\ 1$ and $Scope\ 2$ are reported GHG emissions for the constituent if available, otherwise, estimates are obtained MSCI GHG emissions estimate model; $Scope\ 3$ data is estimated by MSCI for constituents across all sectors</p>
<p>e) the hyperlink to the website of the temperature scenario used.</p>	<p>https://www.ipcc.ch/sr15/</p>