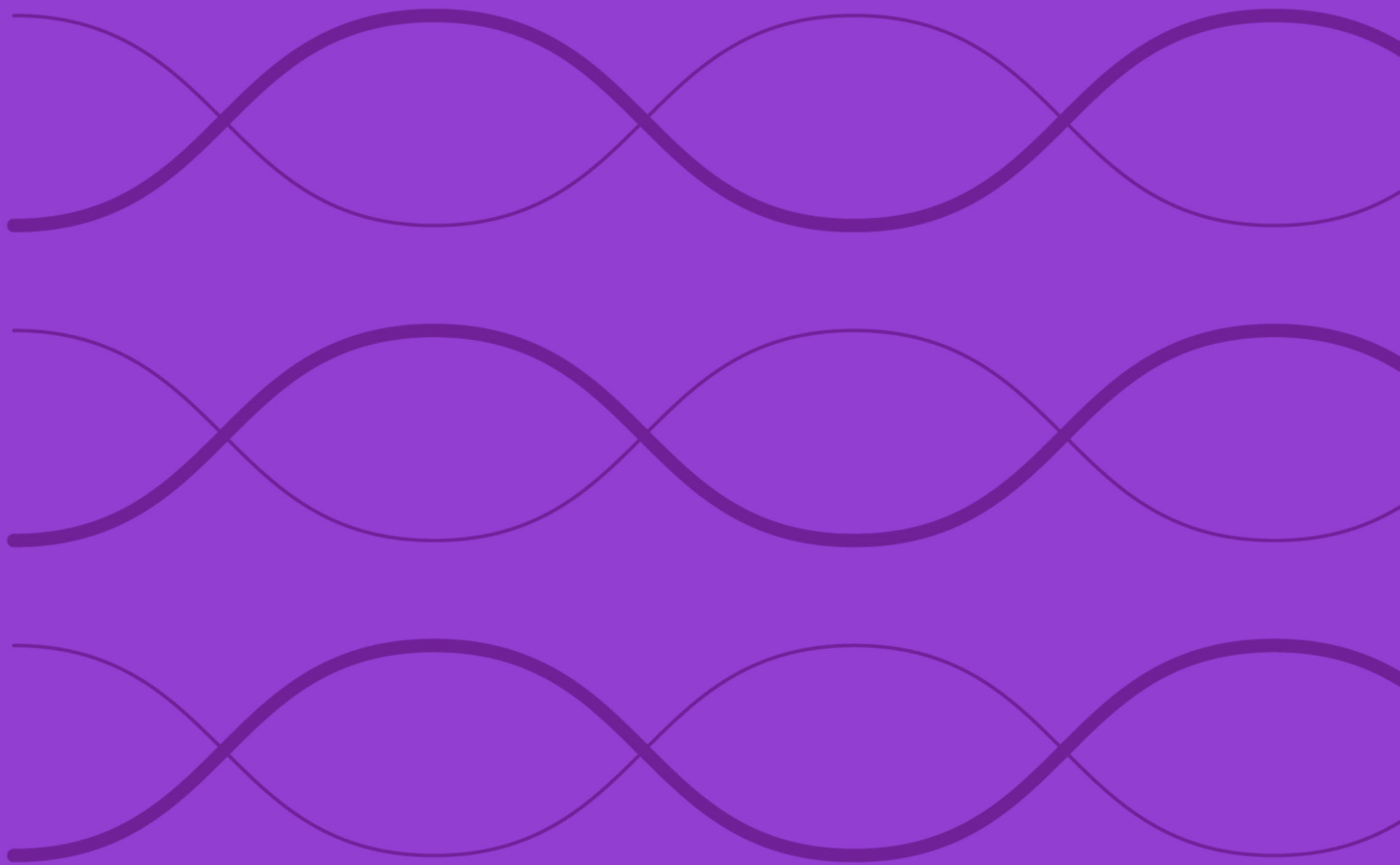


Morningstar® ESG Index Glossary



Contents

Overview3

Product Involvement4

Global Standards Screening16

Sustainalytics ESG Risk Rating17

Sustainalytics Impact Metrics19

Sustainalytics Climate Solutions36

BMR Disclosure39

Equileap Gender Equality Score50

About Morningstar Indexes52

Overview

The purpose of the Morningstar ESG Index Glossary (the “ESG Glossary”) is to serve as a reference for and explanation of the various screens, filters and tools used by Morningstar Indexes when constructing, calculating and maintaining indexes which incorporate Environmental, Social and Governance (“ESG”) criteria. This document should be read in conjunction with the relevant index rulebook and, where available, the relevant benchmark statement.

The majority of ESG screens and filters described herein are provided by Sustainalytics. Sustainalytics is a leader in ESG and climate research, ratings, and data with a deep history of developing high-quality, innovative solutions to meet the evolving needs of global investors.

Product Involvement

Sustainalytics Product Involvement identifies the nature and extent of a company's involvement in a range of product and business activities. Morningstar Indexes uses Sustainalytics Product Involvement for exclusionary screening from a variety of Indexes.

Sustainalytics Product Involvement includes the following features:

- Products and revenue analysis.
- Ranges of revenues derived from products (i.e. 0-4.9%, 5-9.9%, 10-24.9%, 25-49.9%, 50-100%).
- Percentage of revenues derived from products.
- Production capacity ranges and capacity percentage for relevant energy involvement categories as additional datapoints.
- Percentage of ownership in companies involved in the product.

More information can be found at:

<https://www.sustainalytics.com/investor-solutions/esg-research/esg-screening/esg-criteria>

<u>Sustainalytics Code</u>	<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
AB1	Abortion - Operations	Owns and/or operates acute care hospitals and surgical centers that provide a wide range of medical services, typically including abortions and contraceptive surgical procedures.	Percentage of revenue from 0-100%
AB2	Abortion – Significant Ownership (Operations)	The company owns 10-50 percent of another company with involvement in topic area.	Ownership of another company with a range of 10-50%
AB3	Abortion - Production	The company manufactures drugs that have abortifacient properties.	Percentage of revenue from 0-100%
AB4	Abortion – Significant Ownership (Production)	The company owns another company with involvement in manufactures drugs that have abortifacient properties.	Ownership of another company with a range of 10-50%
AE1	Adult Entertainment (Production)	Production of adult entertainment and/or owns/operates adult entertainment establishments.	Percentage of revenue from 0-100%
AE2	Adult Entertainment - Significant Ownership (Production)	The company owns another company with involvement Adult Entertainment (Production)	Ownership of another company with a range of 10-50%
AE3	Adult Entertainment - Distribution	The company is involved in the distribution of adult entertainment materials.	Percentage of revenue from 0-100%
AE4	Adult Entertainment - Significant Ownership (Distribution)	The company owns another company with involvement Adult Entertainment (Distribution).	Ownership of another company with a range of 10-50%
AL1	Alcoholic Beverages - Production	The company manufactures alcoholic beverages.	Percentage of revenue from 0-100%

Sustainalytics Code	ESG Criteria	Description	Data Range
AL2	Alcoholic Beverages - Significant ownership (Production)	The company owns 10-50 per cent of another company with involvement in manufacturing alcoholic beverages.	Ownership of another company with a range of 10-50%
AL3	Alcoholic Beverages - Related Products/ Services	The company is a supplier of alcohol-related products/services to alcoholic beverage manufacturers.	Percentage of revenue from 0-100%
AL4	Alcoholic Beverages - Significant ownership (Related products/ services)	The company owns 10-50 per cent of another company with involvement in the supply of related products/services to alcoholic beverage manufacturers.	Ownership of another company with a range of 10-50%
AL5	Alcoholic Beverages - Retail	The company derives revenues from the distribution and/or retail sale of alcoholic beverages.	Percentage of revenue from 0-100%
AL6	Alcoholic Beverages - Significant ownership (Retail)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail of alcoholic beverages.	Ownership of another company with a range of 10-50%
AT1	Animal Testing - Pharmaceutical products	The company conducts animal testing for pharmaceutical products, medical devices and biotechnology.	Yes/No Indicator. A company is listed as involved or not involved in this product area
AT2	Animal Testing - Significant ownership Pharmaceutical products	The company has significant ownership (10-50%) in a company that conducts animal testing for pharmaceutical products, medical devices and biotechnology.	Ownership of another company with a range of 10-50%
AT3	Animal Testing - Suspected involvement Pharmaceutical products	Based on the company's activities and products, the company is likely to be involved in animal testing for pharmaceutical products, medical devices and biotechnology.	Yes/No Indicator. A company is listed as involved or not involved in this product area
AT4	Animal Testing - Non-pharmaceutical products	The company conducts animal testing for non-pharmaceutical products.	Yes/No Indicator. A company is listed as involved or not involved in this product area
AT5	Animal Testing - Significant ownership (Non-pharmaceutical products)	The company has significant ownership (10-50%) in a company that conducts animal testing for non-pharmaceutical products.	Ownership of another company with a range of 10-50%
AT6	Animal Testing - Suspected involvement Non-pharmaceutical products	Based on the company's activities and products, the company is likely to be involved in animal testing for non-pharmaceutical products.	Yes/No Indicator. A company is listed as involved or not involved in this product area
AC1	Arctic Oil & Gas - Extraction	The company is involved in oil and gas exploration in Arctic regions. Arctic involvement is defined as owning an offshore lease or having exploration or production activities within the Arctic Circle. Arctic	Percentage of revenue from 0-100%

<u>Sustainalytics</u>	<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
<u>Code</u>			
		Oil & Gas is also covered in the ESG Criteria Oil & Gas Production.	
AC2	Arctic Oil & Gas - Significant ownership (extraction)	The company owns 10-50 per cent of another company with involvement in oil and gas exploration in Arctic regions.	Ownership of another company with a range of 10-50%
CB1	Cannabis - Production (Medical Cannabis)	The company is involved in the development and/or cultivation of medical cannabis.	Percentage of revenue from 0-100%
CB2	Cannabis - Significant ownership (Production Medical Cannabis)	The company owns 10-50 per cent of another company with involvement in the development and/or cultivation of medical cannabis.	Ownership of another company with a range of 10-50%
CB3	Cannabis - Retail (Medical Cannabis)	The company derives revenues from the distribution and/or retail sale of medical cannabis.	Percentage of revenue from 0-100%
CB4	Cannabis - Significant ownership (Retail Medical Cannabis)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale of medical cannabis.	Ownership of another company with a range of 10-50%
CB5	Cannabis - Production (Recreational Cannabis)	The company is involved in the development and/or cultivation of cannabis for recreational purposes.	Percentage of revenue from 0-100%
CB6	Cannabis - Significant ownership (Production Recreational Cannabis)	The company owns 10-50 per cent of another company with involvement in the development and/or cultivation of cannabis for recreational purposes.	Ownership of another company with a range of 10-50%
CB7	Cannabis - Retail (Recreational Cannabis)	The company derives revenues from the distribution and/or retail sale of cannabis for recreational purposes.	Percentage of revenue from 0-100%
CB8	Cannabis - Significant ownership (Recreational Cannabis)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale of cannabis for recreational purposes.	Ownership of another company with a range of 10-50%
CO1	Contraceptives - Production	The company manufacture condoms, diaphragms, intrauterine devices (IUDs), oral contraceptives, spermicides, cervical caps, contraceptive implants, contraceptive patches and contraceptive vaccines.	Percentage of revenue from 0-100%
CO2	Significant ownership (production)	The company owns 10-50 percent of another company with involvement in manufacturing contraceptives.	Ownership of another company with a range of 10-50%
CW1	Controversial Weapons - Tailor-made and essential	Controversial weapons are weapons that have a disproportionate and indiscriminate impact on civilian populations, sometimes even years after a conflict has ended. Controversial Weapons include: Anti-Personnel Mines, Biological and Chemical Weapons, Cluster Weapons, Nuclear Weapons, Depleted Uranium, and White Phosphorus. The	Yes/No Indicator. A company is listed as involved or not involved in this product area

<u>Sustainalytics</u>	<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
<u>Code</u>			
		company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	
CW2	Significant ownership (Tailor-made and essential)	The company is involved, through corporate ownership, in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.	Ownership of another company with a range of 10-50%
CW3	Controversial Weapons: Non tailor-made or non essential	Controversial weapons are weapons that have a disproportionate and indiscriminate impact on civilian populations, sometimes even years after a conflict has ended. Controversial Weapons include: Anti-Personnel Mines, Biological and Chemical Weapons, Cluster Weapons, Nuclear Weapons, Depleted Uranium, and White Phosphorus. The company provides components/services for the core weapon system, which are either not considered tailor-made or not essential to the lethal use of the weapon.	Yes/No Indicator. A company is listed as involved or not involved in this product area
CW4	Significant ownership (non tailor-made or non essential)	The company provides, through corporate ownership, components/services for the core weapon system, which are either not considered tailor-made or not essential to the lethal use of the weapon.	Ownership of another company with a range of 10-50%
FL1	Fur and Specialty Leather - Production	The company manufactures products made from fur or specialty leather.	Percentage of revenue from 0-100%
FL2	Fur and Specialty Leather - Significant ownership (Production)	The company owns 10-50 per cent of another company with involvement in manufacturing products made from fur or specialty leather.	Ownership of another company with a range of 10-50%
FL3	Fur and Specialty Leather - Retail (≥10% of total revenues)	The company derives 10 per cent or more of its revenues from the distribution and/or retail sale (>10% of total revenues) of products made from fur or specialty leather.	Percentage of revenue from 0-100%
FL4	Fur and Specialty Leather - Significant ownership (Retail)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale of products made from fur or specialty leather.	Ownership of another company with a range of 10-50%
GB1	Gambling - Operations	The company owns and/or operates a gambling establishment. Gambling is defined as companies that own casinos, offer bookmaking or online gambling.	Percentage of revenue from 0-100%

<u>Sustainalytics</u>	<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
<u>Code</u>			
GB2	Gambling - Significant ownership (Operations)	The company owns 10-50 per cent of another company with involvement in owning and/or operating a gambling establishment.	Ownership of another company with a range of 10-50%
GB3	Gambling - Specialized Equipment	The company manufactures specialized equipment used exclusively for gambling (i.e., Slot Machines).	Percentage of revenue from 0-100%
GB4	Gambling - Significant ownership (Specialized Equipment)	The company owns 10-50 per cent of another company with involvement in manufacturing specialized equipment used exclusively for gambling.	Ownership of another company with a range of 10-50%
GB5	Gambling - Supporting Products/Services	The company provides supporting products/services to gambling operations.	Percentage of revenue from 0-100%
GB6	Gambling - Significant ownership (Supporting Products/Services)	The company owns 10-50 per cent of another company with involvement in providing supporting products/services to gambling operations.	Ownership of another company with a range of 10-50%
GM1	Genetically Modified Plants and Seeds - Development	The company is involved in the development and/or cultivation of genetically modified seeds and/or plants.	Percentage of revenue from 0-100%
GM2	Genetically Modified Plants and Seeds - Significant ownership (Development)	The company owns 10-50 per cent of another company with involvement in the development and/or cultivation of genetically modified seeds and/or plants.	Ownership of another company with a range of 10-50%
GM3	Genetically Modified Plants and Seeds - Growth	The company grows genetically modified crops.	Percentage of revenue from 0-100%
GM4	Genetically Modified Plants and Seeds - Significant ownership (Growth)	The company owns 10-50 per cent of another company with involvement in growing genetically modified crops.	Ownership of another company with a range of 10-50%
SC1	Human embryonic stem cells- Use of human embryonic stem cells	The company is involved in the use of human embryonic stem cells.	Yes/No Indicator. A company is listed as involved or not involved in this product area
SC2	Human embryonic stem cells - Significant ownership (use of human embryonic stem cells)	The company owns 10-50 per cent of another company with involvement in the use of human embryonic stem cells.	Ownership of another company with a range of 10-50%
SC3	Human embryonic stem cells - Use of fetal cell lines	The company is involved in the use of fetal cell lines for vaccine or biologics development.	Yes/No Indicator. A company is listed as involved or not involved in this product area

<u>Sustainalytics</u>	<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
<u>Code</u>			
SC4	Human embryonic stem cells - Significant ownership (use of fetal cell lines)	The company owns 10-50 per cent of another company with involvement in the use of fetal cell lines for vaccine or biologics development.	Ownership of another company with a range of 10-50%
SC5	Human embryonic stem cells - Technology development	The company develops technologies that enable human embryonic stem cell research.	Yes/No Indicator. A company is listed as involved or not involved in this product area
SC6	Human embryonic stem cells - Significant ownership (technology development)	The company owns 10-50 per cent of another company with involvement in the development of technologies that enable human embryonic stem cell research.	Ownership of another company with a range of 10-50%
MC1	Military Contracting - Weapons	The company manufactures military weapon systems and/or integral, tailor-made components for these weapons. This indicator provides an assessment of whether companies derive revenue from the manufacturing of weapons to the army or the defense industry.	Percentage of revenue from 0-100%
MC2	Military Contracting - Significant ownership (Weapons)	The company owns 10-50 per cent of another company with involvement in manufacturing military weapon systems and/or integral, tailor-made components for these weapons.	Ownership of another company with a range of 10-50%
MC3	Military Contracting - Weapon-related products and/or services	The company provides tailor-made products and/or services that support military weapons.	Percentage of revenue from 0-100%
MC4	Military Contracting - Significant ownership (weapon-related products and/or services)	The company owns 10-50 per cent of another company with involvement in tailor-made products and/or services that support military weapons.	Ownership of another company with a range of 10-50%
MC5	Military Contracting - Non-weapon-related products and/or services	The company provides non-weapons related tailor-made products and/or services to the military or defence industry. Products or services in this category are customised for military application, but are not used for lethal and offensive purposes, nor do they support offensive weapon systems.	Percentage of revenue from 0-100%
MC6	Military Contracting - Significant ownership (non-weapon-related products and/or services)	The company owns 10-50 per cent of another company with involvement in non-weapons related tailor-made products and/or services to the military or defence industry.	Ownership of another company with a range of 10-50%
NP1	Nuclear Power - Production	The company produces nuclear power.	Percentage of revenue from 0-100%

<u>Sustainalytics</u>	<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
<u>Code</u>			
NP2	Nuclear Power - Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in the production of nuclear power.	Ownership of another company with a range of 10-50%
NP3	Nuclear Power - Supporting Products and Services	The company provides products/services that support the nuclear power industry.	Percentage of revenue from 0-100%
NP4	Nuclear Power - Significant ownership (supporting products / services)	The company owns 10-50 per cent of another company with involvement in the provision of products/services that support the nuclear power industry.	Ownership of another company with a range of 10-50%
NP5	Nuclear Power - Distribution	The company distributes electricity generated from nuclear power.	Percentage of revenue from 0-100%
NP6	Nuclear Power - Significant ownership (distribution)	The company owns 10-50 per cent of another company with involvement in the distribution of electricity generated from nuclear power.	Ownership of another company with a range of 10-50%
OG1	Oil & Gas Production -	The Oil & Gas Production involvement category covers the following activities: Exploration and Production, Refining, Transportation and Storage of Natural Gas & Oil. The data is comprehensive and includes coverage of Artic Oil & Gas, Oil Sands, and Shale Energy.	Percentage of revenue from 0-100%
OG2	Oil & Gas - Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in exploration, production, refining, transportation and storage of oil and/or gas.	Ownership of another company with a range of 10-50%
OG3	Oil & Gas - Supporting Products / Services	The company provides tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage.	Percentage of revenue from 0-100%
OG4	Oil & Gas - Significant ownership (Supporting Products / Services)	The company owns 10-50 per cent of another company with involvement in the provision of tailor-made products and services that support oil and gas exploration, production, refining, transportation and storage.	Ownership of another company with a range of 10-50%
OG5	Oil & Gas - Generation	The company generates electricity from oil and/or gas.	Percentage of revenue from 0-100%
OG6	Oil & Gas - Significant ownership (generation)	The company owns 10-50 per cent of another company with involvement in the generation of electricity from oil and/or gas.	Ownership of another company with a range of 10-50%
OS1	Oil & Gas - Extraction	The company extracts oil sands.	Percentage of revenue from 0-100%
OS2	Oil & Gas - Significant ownership (extraction)	The company owns 10-50 per cent of another company with involvement in extraction of oil sands.	Ownership of another company with a range of 10-50%

<u>Sustainalytics</u>	<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
<u>Code</u>			
PM1	Palm Oil - Production and distribution	The company is involved in the production and/or distribution of palm oil.	Percentage of revenue from 0-100%
PM2	Palm Oil - Significant ownership (production and distribution)	The company owns 10-50 per cent of a company that is involved in the production and/or distribution of palm oil.	Ownership of another company with a range of 10-50%
PE1	Pesticides - Production	The company manufactures pesticides.	Percentage of revenue from 0-100%
PE2	Pesticides - Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in the manufacturing of pesticides.	Ownership of another company with a range of 10-50%
PE3	Pesticides - Retail (≥10% total revenues)	The company derives 10 per cent or more of its revenues from the distribution and/or retail sale of pesticides. This category is designed to identify specialized retailers such as wholesalers for agricultural chemicals and specialized agricultural chemical stores.	Percentage of revenue from 0-100%
RE4	Pesticides - Significant ownership (retail)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale (≥10% total revenues) of pesticide	Ownership of another company with a range of 10-50%
PP1	Pork Products - Production	The company manufactures pork products.	Percentage of revenue from 0-100%
PP2	Pork Products - Significant ownership (production)	The company owns 10-50 per cent of another company which is involved in the manufacture of pork products.	Ownership of another company with a range of 10-50%
PP3	Pork Products - Related Products/ Services	The company provides pork-related products/services.	Percentage of revenue from 0-100%
PP4	Pork Products - Significant ownership (related products/ services)	The company owns 10-50 per cent of another company which is involved in pork-related products/services.	Ownership of another company with a range of 10-50%
PP5	Pork Products - Retail (≥10% total revenues)	The company derives 10 per cent or more of its revenues from the distribution and/or retail sale of pork products.	Percentage of revenue from 10%-100%
PP6	Pork Products - Significant ownership (retail)	The company owns 10-50 per cent of another company which derives 10 per cent or more of its revenues from the distribution and/or retail sale of pork products.	Ownership of another company with a range of 10-50%
PL1	Predatory Lending - Operations	The company is involved in predatory lending activities. This indicator provides an assessment of whether companies derive revenue from exploitive lending practices.	Percentage of revenue from 0%-100%

<u>Sustainalytics</u>	<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
<u>Code</u>			
PL2	Predatory Lending - Significant ownership (Operations)	The company owns 10-50 per cent of another company with involvement predatory lending activities.	Ownership of another company with a range of 10-50%
PS1	Private Prisons - Operations	The company owns and/or operates private prisons.	Percentage of revenue from 0%-100%
PS2	Private Prisons - Significant ownership (Operations)	The company owns 10-50 per cent of another company with involvement in owning and/or operating private prisons.	Ownership of another company with a range of 10-50%
RC1	Riot Control - Protection equipment and riot control weapons	The company manufactures protection equipment and riot control weapons.	Percentage of revenue from 0-100%
RC2	Riot Control - Significant ownership (Protection equipment and riot control weapons)	The company owns 10-50 per cent of another company with involvement in manufacturing protection equipment and riot control weapons.	Ownership of another company with a range of 10-50%
RC3	Riot Control - Riot control weapons	The company manufactures riot control weapons.	Yes/No Indicator. A company is listed as involved or not involved in this product area
RC4	Riot Control - Significant ownership (Riot control weapons)	The company owns 10-50 per cent of another company with involvement in manufacturing riot control weapons.	Ownership of another company with a range of 10-50%
RC5	Riot Control - Protection equipment	The company manufactures protection equipment.	Yes/No Indicator. A company is listed as involved or not involved in this product area
RC6	Riot Control- Significant ownership (Protection equipment)	The company owns 10-50 per cent of another company with involvement in manufacturing protection equipment.	Ownership of another company with a range of 10-50%
SE1	Shale Energy - Extraction	The company is involved in shale energy exploration and/or production. Shale gas (or oil) is a type of unconventional natural gas, trapped in shales (sedimentary rocks), making it more complex and cost-intensive to produce due to the need of advanced technologies, such as fracking.	Percentage of revenue from 0-100%
SE2	Shale Energy - Significant ownership (extraction)	The company owns 10-50 per cent of another company with involvement in shale energy exploration and/or production.	Ownership of another company with a range of 10-50%
FA1	Small Arms - Civilian customers (Assault weapons)	The company manufactures and sells assault weapons to civilian customers. Small Arms include guns, rifles, and pistols.	Percentage of revenue from 0-100%

Sustainalytics Code	ESG Criteria	Description	Data Range
FA2	Small Arms - Significant ownership (Civilian customers – assault weapons)	The company owns 10-50 per cent of another company that manufactures and sells assault weapons to civilian customers.	Ownership of another company with a range of 10-50%
FA3	Small Arms - Military/law enforcement customers	The company manufactures and sells small arms to military/law enforcement.	Percentage of revenue from 0-100%
FA4	Small Arms - Significant ownership (Military/law enforcement customers)	The company owns 10-50 per cent of another company manufactures and sells small arms to military/law enforcement.	Ownership of another company with a range of 10-50%
FA5	Small Arms - Key components	The company manufactures and sells key components of small arms.	Percentage of revenue from 0-100%
FA6	Small Arms - Significant ownership (Key components)	The company owns 10-50 per cent of another company that manufactures and sells key components of small arms.	Ownership of another company with a range of 10-50%
FA7	Small Arms - Retail/ Distribution (assault weapons)	The company is involved in the retail and/or distribution of assault weapons.	Percentage of revenue from 0-100%
FA8	Small Arms - Significant ownership (Retail/ Distribution – assault weapons)	The company owns 10-50 per cent of another company that is involved in retail and/or distribution of assault weapons.	Ownership of another company with a range of 10-50%
FA9	Small Arms - Retail/distribution (Non-assault weapons)	The company is involved in the retail and/or distribution of small arms (non-assault weapons).	Percentage of revenue from 0-100%
FA10	Small Arms - Significant ownership (Retail/ Distribution –non-assault weapons)	The company owns 10-50 per cent of another company that is involved in retail and/or distribution of small arms (assault weapons).	Ownership of another company with a range of 10-50%
FA11	Small Arms - Civilian customers (Non-assault weapons)	The company manufactures and sells small arms (non-assault weapons) to civilian customers.	Percentage of revenue from 0-100%
FA12	Small Arms - Significant ownership (Civilian customers – non-assault weapons)	The company owns 10-50 per cent of another company that manufactures and sells small arms (non-assault weapons) to civilian customers.	Ownership of another company with a range of 10-50%
TC1	Thermal Coal - Extraction	The company extracts thermal coal. Coal is from the ground and extracted through various mining methods. Coal is used for power generation purposes and can be hard coal, lignite, anthracite, brown coal, steam coal.	Percentage of revenue from 0-100%

<u>Sustainalytics</u>	<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
<u>Code</u>			
TC2	Thermal Coal - Significant ownership (extraction)	The company owns 10-50 per cent of another company with involvement in the extraction of thermal coal.	Ownership of another company with a range of 10-50%
TC3	Thermal Coal - Power Generation	The company generates electricity from thermal coal. (Additional proxy: generating capacity)	Percentage of revenue from 0-100%
TC4	Thermal Coal - Significant ownership (power generation)	The company owns 10-50 per cent of another company with involvement in the generation of electricity from thermal coal.	Ownership of another company with a range of 10-50%
TC5	Thermal Coal - Supporting Products/Services	The company provides tailor-made products and services that support thermal coal extraction.	Percentage of revenue from 0-100%
TC6	Thermal Coal - Significant ownership (supporting products/services)	The company owns 10-50 percent of another company with involvement in the provision of tailor-made products and services that support thermal coal extraction.	Ownership of another company with a range of 10-50%
TP1	Tobacco - Production	The company manufactures tobacco products.	Percentage of revenue from 0-100%
TP2	Tobacco - Significant ownership (production)	The company owns 10-50 per cent of another company with involvement in manufacturing tobacco products.	Ownership of another company with a range of 10-50%
TP3	Tobacco - Related Products/ Services	The company supplies tobacco-related products/services.	Percentage of revenue from 0-100%
TP4	Tobacco - Significant ownership (related products/ services)	The company owns 10-50 per cent of another company with involvement in supplying tobacco-related products/services.	Ownership of another company with a range of 10-50%
TP5	Tobacco - Retail	The company derives revenues from the distribution and/or retail sale of tobacco products.	Percentage of revenue from 0-100%
TP6	Tobacco - Significant ownership (retail)	The company owns 10-50 per cent of another company with involvement in the distribution and/or retail sale of tobacco products	Ownership of another company with a range of 10-50%
WM1	Whale meat processing	The company processes whale meat.	Percentage of revenue from 0-100%
WM2	Significant ownership (whale meat processing)	The company owns 10-50 per cent of another company with involvement in processing whale meat.	Ownership of another company with a range of 10-50%

Controversies Research

Controversies Research assesses companies' involvement in incidents with negative environmental, social and governance (ESG) implications. A Controversy Rating is assigned to each company that reflects (1) its involvement and (2) how it manages these issues.

The objective is to identify those companies that are involved in incidents that may negatively impact stakeholders, the environment, or the company's operations.

Controversies are commonly used as exclusionary criteria for Morningstar Indexes. For example, securities that have been assessed as having a current Category 5 or Severe Controversy would not be eligible for Index inclusion.

Morningstar information can be found at: <https://www.sustainalytics.com/investor-solutions/esg-research/controversies-research>.

Scale:

- No evidence of relevant incidents
- Category 1 – Low
- Category 2 – Moderate
- Category 3 – Significant
- Category 4 – High
- Category 5 – Severe

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
Controversy Category or "Controversy Score"	Controversies Research identifies companies involved in incidents and events that may pose a business or reputation risk due to the potential impact on stakeholders, the environment or the company's operations.	Companies will receive a Controversy Rating Category 1-5 rating, with 5 being the most severe.

Global Standards Screening

Global Standard Screening (GSS) assesses the extent to which a company causes, contributes, or is linked to violations of the UN Global Compact principles and related international norms, which include:

- The International Labour Organization's (ILO) Conventions
- OECD Guidelines for Multinational Enterprises
- UN Guiding Principles on Business and Human Rights (UNGPs)

The objective is to assess compliance with the UN Global Compact Principles and underlying international norms by screening investee companies with regard to the adherence to the prescribed due diligence and compliance requirements. More information can be found at: <https://www.sustainalytics.com/investor-solutions/esg-research/esg-screening/global-compact-norms-based-screening>

Each company in the Sustainalytics universe will be assigned one of three levels.

- Non-Compliant – The company is determined to be causing or contributing to severe or systemic (systematic) violations of international norms.
- Watchlist – The company is determined to be at risk of contributing to severe or systemic (systematic) violations of international norms.
- Compliant – The company might have allegations against it, but they have not met the requirements of GSS' methodology for a Watchlist or Non-Compliant status. A Compliant status in GSS should not be interpreted as implying that a company is in full compliance with all international norms.

ESG Criteria	Description	Data Range
UN Global Compact Compliance	Sustainalytics analyzes allegations and provides a status on whether a company is at risk of violating international norms, regardless of business risk or impact.	Discrete value of Non-compliant, Watchlist, or Compliant.

Sustainalytics ESG Risk Rating

Sustainalytics' ESG Risk Ratings measure the degree to which a company's enterprise value is at risk from various ESG Criteria (as defined in the table below). The ESG Risk Ratings are absolute ratings, where all companies are scored on a 0-100 scale. A higher score indicates relatively higher financial risk from E, S, and G factors. Corporate and stakeholder governance, material ESG issues, and idiosyncratic and systemic ESG issues form the three conceptual building blocks of the ESG Risk Ratings. The ESG Risk Ratings are used across Morningstar Indexes as a tool for selection, exclusion, or weighting, depending on the Index methodology.

To identify issues that are relevant to each company, Sustainalytics identifies material ESG issues at the subindustry level.

The ESG Risk Ratings are categorized across five risk levels:

- Negligible (0-10)
- Low (10-20)
- Medium (20-30)
- High (30-40)
- Severe (40+)

More information on the Sustainalytics ESG Risk Rating can be found here: <https://www.sustainalytics.com/esg-data>.

Each fund that is eligible for a Morningstar Sustainability Rating, the rating is expressed as 1 to 5 "globes," whereby a higher number of globes indicates that the portfolio has lower ESG Risk.

ESG Criteria	Description	Data Range
Sustainalytics ESG Risk Rating	A company's aggregated Risk Rating. Sustainalytics ESG Risk Ratings measure the degree to which a company's economic value is at risk driven by the magnitude of its unmanaged ESG risks. The ESG Risk ratings are composed of three building blocks that contribute to a company's overall rating. These building blocks include Corporate Governance, material ESG issues (MEIs), and idiosyncratic ESG issues. To be considered relevant in the ESG Risk Ratings, an issue must have a potentially substantial impact on the economic value of a company and, hence, its financial risk- and return profile from an investment perspective. The ESG Risk Rating is forward looking in the sense that it identifies these issues based on the typical business model and business environment a company is operating in.	The final ESG Risk Ratings score is calculated as the sum of the individual material ESG issues' unmanaged risk scores. Scores are from a 0-100 and are placed in one of five levels (Negligible, Low, Medium, High, and Severe).
Morningstar Sustainability Rating	Also known as the "Globes" Rating. The rating is calculated for managed products	1 to 5 "Globes"

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
	and indexes using Morningstar's portfolio holdings database. For each fund that is eligible for a Morningstar Sustainability Rating, the rating is expressed as 1 to 5 "globes," whereby a higher number of globes indicates that the portfolio has lower ESG Risk. Notably, the number of globes a fund receives is determined relative to other funds in the same Morningstar Global Category. This means that a fund could have more ESG risk than another fund yet still receive a better rating if those funds are in different global categories, with their own unique qualification of what is a relatively low or relatively high amount of ESG risk.	
Societal Development Score	The Societal Development Score is calculated as a weighted average multiple Sustainalytics indicators that underline the Sustainalytics ESG Risk Rating. The Societal Development Score is increased using a quantitative scale based on the percentage of a company's revenue identified as coming from countries defined as "low income" or "lower middle income" by the World Bank or as a "Least Developed Country" by the United Nations, excluding countries that are classified as developed or emerging by Morningstar Indexes.	0-100

Sustainalytics Impact Metrics

Sustainable Activities Impact Metrics is a set of company-level metrics that provide investors with useful measures of companies' environmental and social impact. The metrics are aligned to Sustainalytics' proprietary ESG Impact Framework and the United Nations Sustainable Development Goals, or SDGs. Due to global initiatives such as the SDGs, client demand, and changing regional disclosure requirements, investors need a consistent way to evaluate the broader impact of their investments on the world.

Sustainable Activities Impact Metrics solution allows investors to analyse the impact of their investee companies' operations and economic activities in line with Sustainalytics Impact Themes and the UN SDGs. The offering used by Morningstar Indexes includes revenue based sustainable activities metrics. Morningstar Indexes currently utilizes 80 different revenue-based metrics to determine involvement in sustainable activities. Each of the 80 metrics is mapped to at least one UN SDG and one Sustainalytics theme as mentioned below.

Morningstar Indexes aggregates the revenue level data for each company as specified in each Morningstar Index rulebook. Sustainalytics Impact Metrics are used for selection and weighting within Morningstar Indexes.

More information on Sustainalytics Impact Metrics can be found here: <https://www.sustainalytics.com/impact-reporting>

The five social and environmental themes identified as of November 2022 are defined as follows:

- **Climate Action:** The global effort to curb the Earth's temperature rise and cope with its consequences. It includes measures to promote clean energy, reduce greenhouse gas (GHG) emissions and climate change adaptation measures.
- **Healthy Ecosystems:** The safeguarding of ecologically sound environments on land, air, and water. It does not include GHG emissions and water consumption as these are covered under other themes.
- **Resource Security:** The contribution to security through efficient use and circular economies. Resources of concern include water, timber, metals, minerals, gases, and all types of manufactured materials.
- **Basic Needs:** Addressing the needs of humans, in particular the needs of low-income individuals. Basic needs include providing access to food, housing, essential healthcare concerning major and neglected diseases, clean water, and energy for underserved populations. It also addresses human safety, including safe workplaces and communities.
- **Human Development:** Enhancing human capabilities and promoting human progress. It includes measures that support education, improve equality, employment opportunities, and advanced healthcare.

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Sustainable Activities Involvement (SAI)	Aggregation of total revenue of all 80 revenue data points from Sustainalytics Impact Metrics product.	0-100% of revenue	N/A	N/A
Emerging green technologies or green technologies	Aggregation of total revenue of 64 revenue data points from Sustainalytics Impact Metrics product that	0-100% of revenue	N/A	N/A

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
	have an environmental focus.			
Acquisition Affordable Housing	This metric assesses the revenue a company derives from owning and operating income-producing real estate used for affordable housing for disadvantaged groups.	0-100% of revenue	No	Basic Needs
Acquisition Education Buildings	This metric assesses the revenue a company derives from owning and operating income-producing real estate that is used for educational purposes.	0-100% of revenue	No	Human Development
Acquisition Green Buildings	This metric assesses the revenue a company derives from owning and operating income-producing real estate, that has received green building certifications.	0-100% of revenue	Yes	Climate Action, Resource Security
Aquaculture Sustainable Agriculture	This metric assesses the revenue a company derives from the production (breeding, raising and harvesting) and sale of aquaculture products that have received a reputable and recognized certification for sustainable or organic production.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Basic Needs	The percentage of an entity's revenue from activities contributing to Basic Needs.	0-100% of revenue	N/A	Basic Needs

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Batteries Green Transportation	This metric assesses the revenue a company derives from the manufacture of rechargeable batteries, accumulators, battery packs and their key components, used in green transportation vehicles.	0-100% of revenue	Yes	Climate Action, Resource Security
Bioenergy Renewable Energy Generation	This metric assesses the revenue a company derives from renewable electricity generation from bioenergy.	0-100% of revenue	Yes	Climate Action
Bioenergy Renewable Energy Support	This metric assesses the revenue a company derives from activities supporting renewable electricity generation from bioenergy.	0-100% of revenue	Yes	Climate Action
Climate Action	The percentage of an entity's revenue from activities contributing to Climate Action.	0-100% of revenue	N/A	Climate Action
Construction Affordable Housing	This metric assesses the revenue a company derives from the construction of new buildings that are used for affordable housing for disadvantaged groups	0-100% of revenue	No	Basic Needs
Construction Education Buildings	This metric assesses the revenue a company derives from the construction of new buildings used for educational purposes.	0-100% of revenue	No	Human Development

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Construction Green Buildings	This metric assesses the revenue a company derives from the construction of new residential and non-residential buildings that have received green building certification.	0-100% of revenue	Yes	Climate Action, Resource Security
Construction Wastewater Infrastructure	This metric assesses the revenue a company derives from the construction, repair, and enhancement of wastewater treatment infrastructure.	0-100% of revenue	Yes	Basic Needs, Resource Security
Construction Wastewater Services	This metric assesses the revenue a company derives from the operation of centralized wastewater collection and treatment systems.	0-100% of revenue	Yes	Basic Needs, Resource Security
Construction Water Supply Infrastructure	This metric assesses the revenue a company derives from the construction, repair and enhancement of water collection, treatment and supply systems for domestic and industrial needs.	0-100% of revenue	Yes	Basic Needs, Resource Security
Construction Water Supply Services	This metric assesses the revenue a company derives from the operation of water collection, treatment and supply systems for domestic and industrial needs.	0-100% of revenue	Yes	Basic Needs, Resource Security

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Consumer Electronics Energy Efficiency	This metric assesses the revenue a company derives from the manufacture of energy efficient consumer electronics and appliances.	0-100% of revenue	Yes	Climate Action
Credit Low-Income Borrowers	This metric assesses the revenue a company derives from the provision of credit for low-income or disadvantaged borrowers.	0-100% of revenue	No	Human Development
CSP Renewable Energy Generation	This metric assesses the revenue a company derives from renewable electricity generation from concentrated solar power (CSP).	0-100% of revenue	Yes	Climate Action
CSP Renewable Energy Support	This metric assesses the revenue a company derives from activities supporting renewable electricity generation from concentrated solar power (CSP).	0-100% of revenue	Yes	Climate Action
Dairy Sustainable Food	This metric assesses the revenue a company derives from the manufacture of dairy products that have a recognized or reputable organic or sustainable food certification.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Development Affordable Housing	This metric assesses the revenue a company derives from the development of new buildings used for affordable housing for disadvantaged groups.	0-100% of revenue	No	Basic Needs

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Development Education Buildings	This metric assesses the revenue a company derives from the development of new buildings used for educational purposes.	0-100% of revenue	No	Human Development
Development Green Buildings	This metric assesses the revenue a company derives from the development of residential and non-residential buildings and structures that have received green building certifications.	0-100% of revenue	Yes	Climate Action, Resource Security
Devices Green Buildings	This metric assesses the revenue a company derives from the installation, maintenance and/or repair of instruments and devices for measuring, regulating and controlling the energy performance of green buildings.	0-100% of revenue	Yes	Climate Action, Resource Security
Diagnostic Equipment Major/Neglected Diseases	This metric assesses the revenue a company derives from the manufacture diagnostic and testing equipment that address major or neglected diseases.	0-100% of revenue	No	Basic Needs
Drugs Major/Neglected Diseases	This metric assesses the revenue a company derives from researching, developing and manufacturing branded, specialty and generic drugs that address the treatment of major or neglected diseases.	0-100% of revenue	No	Basic Needs

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Equipment Green Buildings	This metric assesses the revenue a company derives from the installation, maintenance and/or repair of energy efficient equipment for green buildings.	0-100% of revenue	Yes	Climate Action, Resource Security
Food Distribution Sustainable Food	This metric assesses the revenue a company derives from the distribution of food products that have obtained a recognized or reputable organic or sustainable food certification.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Geothermal Renewable Energy Generation	This metric assesses the revenue a company derives from renewable electricity generation from geothermal energy.	0-100% of revenue	Yes	Climate Action
Geothermal Renewable Energy Support	This metric assesses the revenue a company derives from activities supporting renewable electricity generation from geothermal energy.	0-100% of revenue	Yes	Climate Action
Grocery Stores Sustainable Food	This metric assesses the revenue a company derives from grocery store retail sales of food products that have a recognized or reputable organic or sustainable food certification.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Hazardous Waste Management	This metric assesses the revenue a company derives from the collection, treatment and disposal of hazardous waste.	0-100% of revenue	Yes	Healthy Ecosystems

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Healthy Ecosystems	The percentage of an entity's revenue from activities contributing to Healthy Ecosystems.	0-100% of revenue	N/A	Healthy Ecosystems
Human Development	The percentage of an entity's revenue from activities contributing to Human Development.	0-100% of revenue	N/A	Human Development
Hydropower Renewable Energy Generation	This metric assesses the revenue a company derives from renewable electricity generation from hydropower.	0-100% of revenue	Yes	Climate Action
Hydropower Renewable Energy Support	This metric assesses the revenue a company derives from activities supporting renewable electricity generation from hydropower.	0-100% of revenue	Yes	Climate Action
Interurban Passengers Green Transportation	This metric assesses the revenue a company derives from green rail interurban passenger transportation.	0-100% of revenue	Yes	Climate Action, Resource Security
Livestock Sustainable Agriculture	This metric assesses the revenue a company derives from the sale of livestock products that have received a reputable and recognized certification for sustainable or organic production.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Low Carbon Infrastructure Green Transportation	This metric assesses the revenue a company derives from the construction and operation of low-carbon infrastructure for green transportation.	0-100% of revenue	Yes	Climate Action, Resource Security

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Machinery Recycling	This metric assesses the revenue a company derives from the manufacture of machinery used in waste recycling.	0-100% of revenue	Yes	Resource Security
Machinery Sustainable Agriculture	This metric assesses the revenue a company derives from the manufacture of agricultural and forestry machinery that supports sustainable agriculture.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Management Sustainable Forestry	This metric assesses the revenue a company derives from the management of certified sustainable forests.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Manufacturing Sustainable Agriculture	This metric assesses the revenue a company derives from the manufacture of products, equipment and technologies that support sustainable agriculture.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Medical Equipment Major/Neglected Diseases	This metric assesses the revenue a company derives from the manufacture of medical devices, equipment, tools and supplies dedicated to the treatment of major or neglected diseases.	0-100% of revenue	No	Basic Needs
Microfinance Low-Income Borrowers	This metric assesses the revenue a company derives from the provision of financial services to low-income or disadvantaged borrowers.	0-100% of revenue	No	Human Development

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Mortgages Low-Income Borrowers	This metric assesses the revenue a company derives from the provision of mortgages for low-income or disadvantaged borrowers	0-100% of revenue	No	Human Development
Non Perennials Sustainable Agriculture	This metric assesses the revenue a company derives from growing and selling non-perennial crops that have received a reputable and recognized certification for sustainable or organic production.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Non-Hazardous Waste Recycling Sales	This metric assesses the revenue a company derives from sales of recycled non-hazardous materials.	0-100% of revenue	Yes	Resource Security
Non-Hazardous Waste Recycling Services	This metric assesses the revenue a company derives from non-hazardous material recycling or recovery services.	0-100% of revenue	Yes	Resource Security
Ocean Renewable Energy Generation	This metric assesses the revenue a company derives from renewable electricity generation from ocean energy.	0-100% of revenue	Yes	Climate Action
Ocean Renewable Energy Support	This metric assesses the revenue a company derives from activities that support renewable electricity generation from ocean energy.	0-100% of revenue	Yes	Climate Action

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Packaged Food Sustainable Food	This metric assesses the revenue a company derives from the manufacture of packaged or frozen food products that have obtained a recognized or reputable organic or sustainable food certification.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Perennials Sustainable Agriculture	This metric assesses the revenue a company derives from growing and selling perennial crops that have received a reputable and recognized certification for sustainable or organic production.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Pesticides and Fertilizers Sustainable Fertilizers	This metric assesses the revenue a company derives from the manufacture of organic fertilizers.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security
Professional Services Green Buildings	This metric assesses the revenue a company derives from the provision of professional, scientific and technical activities related to the energy performance of green buildings.	0-100% of revenue	Yes	Climate Action, Resource Security
Rail Infrastructure Green Transportation	This metric assesses the revenue a company derives from the construction and operation of railways and associated infrastructure dedicated to low carbon transport.	0-100% of revenue	Yes	Climate Action, Resource Security

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Renewal Wastewater Infrastructure	This metric assesses the revenue a company derives from renewal of wastewater collection and treatment systems.	0-100% of revenue	Yes	Basic Needs, Resource Security
Renewal Water Supply Infrastructure	This metric assesses the revenue a company derives from the renewal of water collection, treatment and supply systems for domestic and industrial needs.	0-100% of revenue	Yes	Basic Needs, Resource Security
Renovation Affordable Housing	This metric assesses the revenue a company derives from the renovation of buildings that are used for affordable housing for disadvantaged groups.	0-100% of revenue	No	Basic Needs
Renovation Education Buildings	This metric assesses the revenue a company derives from the renovation of buildings used for educational purposes	0-100% of revenue	No	Human Development
Renovation Green Buildings	This metric assesses the revenue a company derives from the renovation of buildings that have received green building certifications.	0-100% of revenue	Yes	Climate Action, Resource Security
Resource Security	The percentage of an entity's revenue from activities contributing to Resource Security.	0-100% of revenue	N/A	Resource Security
Services Education for Disadvantages Groups	This metric assesses the revenue a company derives from the provision of educational services for disadvantaged groups.	0-100% of revenue	No	Human Development

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Solar PV Renewable Energy Generation	This metric assesses the revenue a company derives from renewable electricity generation from solar photovoltaics.	0-100% of revenue	Yes	Climate Action
Solar PV Renewable Energy Support	This metric assesses the revenue a company derives from activities that support renewable electricity generation from solar photovoltaics.	0-100% of revenue	Yes	Climate Action
Technologies Maintenance Green Buildings	This metric assesses the revenue a company derives from the installation, maintenance and/or repair of on-site renewable energy technologies for green buildings.	0-100% of revenue	Yes	Climate Action, Resource Security
Technologies Maintenance Renewable Energy	This metric assesses the revenue a company derives from the installation, maintenance and/or repair of on-site renewable energy technologies.	0-100% of revenue	Yes	Climate Action
Technologies Education for Disadvantaged Groups	This metric assesses the revenue a company derives from the development and manufacturing of educational technologies supporting disadvantaged groups.	0-100% of revenue	No	Human Development

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Technologies Energy Efficiency Distribution	This metric assesses the revenue a company derives from the manufacture of low carbon technologies or products that increase the efficiency of energy management, storage or distribution.	0-100% of revenue	Yes	Climate Action
Technologies Energy Efficiency Industrials	This metric assesses the revenue a company derives from the manufacturing of low carbon technologies that increase the energy efficiency of industrial systems and processes.	0-100% of revenue	Yes	Climate Action
Technologies Energy Efficiency Materials	This metric assesses the revenue a company derives from the manufacture of low carbon technologies or materials that may be incorporated into industrial or consumer products and that make these products more energy efficient.	0-100% of revenue	Yes	Climate Action
Technologies Green Buildings	This metric assesses the revenue a company derives from the manufacture of low carbon technologies that support green buildings, including offices, houses and other commercial buildings.	0-100% of revenue	Yes	Climate Action, Resource Security

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Technologies Green Transportation	This metric assesses the revenue a company derives from the manufacture of low carbon technologies that support green transportation.	0-100% of revenue	Yes	Climate Action, Resource Security
Technologies Green Vehicles	This metric assesses the revenue a company derives from the manufacture of green transportation vehicles, such as purely electrically powered cars, buses, trucks and tractors, trams, motorbikes, scooters, plug-in electric hybrids, electric trains and metros/subway trains.	0-100% of revenue	Yes	Climate Action, Resource Security
Technologies Pollution Prevention	This metric assesses the revenue a company derives from manufacturing low carbon technologies, products, or materials that prevent pollution at the source of emissions and/or limit the impact of waste and pollutants on soil or air.	0-100% of revenue	Yes	Healthy Ecosystems
Technologies Renewable Energy	This metric assesses the revenue a company derives from the manufacture of low carbon technologies that support renewable energy generation.	0-100% of revenue	Yes	Climate Action

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Technologies Water	This metric assesses the revenue a company derives from the development and manufacture of water technologies and equipment.	0-100% of revenue	Yes	Basic Needs, Resource Security
Transmission Energy Efficiency Distribution	This metric assesses the revenue a company derives from the development, construction and operation of transmission and/or distribution systems that transport electricity on extra high-voltage and high-voltage interconnected systems, as well as in the provision of ancillary equipment or services that increase the efficiency of electricity distribution and management.	0-100% of revenue	Yes	Climate Action
Urban Green Transportation	This metric assesses the revenue a company derives from green transportation services by urban or suburban transport systems or interurban passenger transport.	0-100% of revenue	Yes	Climate Action, Resource Security
Water Adaptation	This metric assesses the revenue a company derives from the provision of services related to water adaptation and watershed management.	0-100% of revenue	Yes	Basic Needs, Resource Security

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>	<u>Included in Green Revenue</u>	<u>Impact Theme Mapping</u>
Wetlands Adaptation	This metric assesses the revenue a company derives from the restoration of wetlands.	0-100% of revenue	Yes	Basic Needs, Resource Security
Wind Renewable Energy Generation	This metric assesses the revenue a company derives from renewable electricity generation from wind power.	0-100% of revenue	Yes	Climate Action
Wind Renewable Energy Support	This metric assesses the revenue a company derives from activities supporting renewable electricity generation from wind power.	0-100% of revenue	Yes	Climate Action
Wooden Goods Sustainable Forestry	This metric assesses the revenue a company derives from sustainable wood and wood product manufacturing.	0-100% of revenue	Yes	Healthy Ecosystems, Resource Security

Sustainalytics Climate Solutions

Morningstar Sustainalytics' Carbon Emissions Data is designed to provide investors with powerful insights to assess and analyze companies' carbon emissions. Sustainalytics' Carbon Emissions Data is backed by best-in-class multi-factor regression models to estimate carbon emissions. Sustainalytics collects reported emissions on an ongoing basis. Sustainalytics' estimation models for Scope 1, 2 and 3 emissions follow a common model framework across all environmental metrics and consider sub-industry, geographical location, and a company's size. This common model framework facilitates consistency and comparability.

Morningstar Indexes uses Sustainalytics climate data for weighting, exclusion, and selection.

More information on Sustainalytics Climate Solutions can be found here: <https://www.sustainalytics.com/investor-solutions/climate-solutions/climate-research>

Sustainalytics Low Carbon Transition Rating (LCTR)

Sustainalytics measures the degree to which a company's projected GHG emissions differ from allowable emissions according to different decarbonization policy scenarios. The ratings leverage a two-dimensional framework that measures an issuer's exposure from their expected emissions, while also accounting for management actions. The ratings include assessments of the quality and ambition of the company's GHG reduction targets, as well as any demonstrated short-term investment plans, policies and programs such as Climate Transition Resilience Program, Product Decarbonization Strategy and a GHG Emissions Reduction Policy – Supply Chain. The ratings also provide a Climate Transition Value-at-Risk signal that demonstrates the potential loss in value that a company may experience from a transition to a low carbon economy, calculated for different decarbonization pathways.

Morningstar Indexes utilizes the Management Score from the Low Carbon Transition Rating. The management score is used for selection, exclusion, and weighting in Morningstar Indexes.

More information on Sustainalytics Low Carbon Transition Rating can be found here: <https://www.sustainalytics.com/investor-solutions/low-carbon-transition>

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
Low Carbon Transition Rating Management Score	With more than 85 general and subindustry-specific management indicators – weighted by a company's distribution of GHG emissions across Scopes 1, 2, 3 upstream, and 3 downstream – investors gain transparency into the credibility of company's transition plans and management preparedness and can integrate granular climate insights into their company assessments and valuation models.	0 - 100 with the higher number being better.

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
Absolute Scope 1 Emissions	Direct greenhouse gas (GHG) emissions from sources that are owned or controlled by an organization, such as emissions from company vehicles and on-site fuel combustion.	Absolute number as measured by MT CO2/Mn
Absolute Scope 2 Emissions	Indirect GHG emissions from the consumption of purchased electricity, steam, heating, and cooling. These emissions occur at the facility where the energy is generated.	Absolute number as measured by MT CO2/Mn
Absolute Scope 3 Emissions	All other indirect emissions that occur in a company's value chain, including both upstream and downstream activities, such as business travel, waste disposal, and product use.	Absolute number as measured by MT CO2/Mn
Weighted Average Carbon Intensity - Scope 1 and 2 - Revenue Based	Weighted average Scope 1, and Scope 2 carbon emissions intensity normalized by sales. (Unit: tons of CO2e / million \$ of revenue).	Absolute number
Weighted Average Carbon Intensity - Scope 1, 2, 3 - EVIC Based	Weighted average Scope 1, Scope 2 and Scope 3 carbon emissions intensity normalized by enterprise value including cash. (Unit: tons of CO2/ \$ million enterprise value including cash)	Absolute number
Decarbonization Trajectory	Degree to which the decarbonization trajectory (1.5°C with no or limited overshoot) has been achieved on average per year since creation.	Expressed as a %
NACE Section	NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities. It categorizes economic activities into sections labelled A to U:	Each company in a NACE section, A to U. NACE sections are mapped to Morningstar Industries.
Climate Transition Matrix	Designed to identify companies that have high or that have at least 50% exposure to key businesses around Green Technologies that will gain prominence in a low-carbon economy as assessed by the Sustainability Activities Involvement.	Each company is listed as Neutral, Support, or Promote.

<u>ESG Criteria</u>	<u>Description</u>	<u>Data Range</u>
High Climate Impact Sector Exposure %	Exposure to companies that belong to high climate impact sectors based on GICS® sub-industries that are mapped from the EU's NACE classification. This includes sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006 of the European Parliament and of the Council.	Each company is mapped to one NACE section per company.

BMR Disclosure

Morningstar Indexes publishes an “ESG Report - Methodology Statement” and an “ESG Report - Benchmark Statement” (collectively referred to as the “ESG Reports”) for each of the indexes it administers and are registered as in use within the EU or the UK. These ESG Reports are designed to meet the disclosure ESG requirements of the Benchmarks Regulation (EU 2016/1011), the UK Benchmarks Regulation (Benchmarks (Amendment and Transitional Provision) (EU Exit) Regulations 2019), and Delegated Regulations 2020/2016 and 2020/2017.

The ESG Reports include the Mandatory and Voluntary ESG factors outlined in Annex II of Delegated Regulation 2020/2016, as well as any Additional ESG factors incorporated into the methodology governing the relevant index.

The following tables explain how the weighted average scores for the Mandatory and Voluntary ESG factors disclosed in the ESG Reports are calculated. This section also provides information on the data sources and reference standards used within the calculations. Details about any other Additional ESG factors disclosed in the ESG Reports are provided in the relevant sections of the ESG Glossary.

MANDATORY AND VOLUNTARY ESG FACTORS FOR EQUITY INDEXES

ESG Category	ESG Factor	Description	Text from Annex II of the Delegated Regulation 2020/2016
Combined ESG factors	Consolidated ESG Rating	The weighted average ESG Risk Score for the covered holdings in the benchmark. The ESG Risk Score (Overall Unmanaged Risk) refers to a company's overall score in the ESG Risk Ratings that measures the extent to which enterprise value is at risk driven by ESG factors. It is assessed as that part of exposure that a company does not manage based on available information regarding policies, programs, quantitative performance and event track record. The overall unmanaged risk score is measured on an open-ended scale starting at zero (no risk) and, for 95% of cases, a maximum score below 50. For further information, please refer to the “Sustainalytics Risk Rating Methodology Document”.	Weighted average ESG rating of the benchmark (Voluntary).
	Consolidated ESG Ratings (Top 10 Constituents by portfolio weight)	The weighted average ESG Risk Score of the top ten benchmark constituents by weighting in the benchmark. For further information, please refer to the “Sustainalytics Risk Rating Methodology Document”.	Overall ESG rating of top ten benchmark constituents by weighting in the benchmark (Voluntary).
Environmental	Consolidated Environmental Rating	The weighted average Environmental Risk Score for the covered holdings in the benchmark. The Environmental Risk Score refers to a company's score under the Environmental cluster within the ESG Risk Score. The Environmental, Social and Governance clusters are created within the ESG Risk Score by decomposing the material ESG issues faced by a company and then regrouping them based on their Environmental, Social or Governance affiliation. Lower scores represent less unmanaged risk.	Weighted average environmental rating of the benchmark (Voluntary).

<u>ESG Category</u>	<u>ESG Factor</u>	<u>Description</u>	<u>Text from Annex II of the Delegated Regulation 2020/2016</u>
		For further information, please refer to the "Sustainalytics Risk Ratings Methodology Document".	
	Renewable Energy Exposure (%)	The weighted average of benchmark constituents' proportion of capital expenditures (CapEx) invested in renewable power plants, including wind, hydro, bioenergy, geothermal, and solar. For further information on the underlying activities and the collection of CAPEX, please see the "Sustainalytics EU Taxonomy Methodology Document".	Exposure of the benchmark portfolio to renewable energy as measured by capital expenditures (CapEx) in those activities (as a share of total CapEx by energy companies included in the portfolio) (Voluntary).
	Climate-Related Physical Risks Exposure	These data are not currently supported.	Exposure of the benchmark portfolio to climate-related physical risks, measuring the effects of extreme weather events on companies' operations and production or on the different stages of the supply chain (based on issuer exposure) (Voluntary).
	Exposure by selected sectors	These data are not currently supported.	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 of the European Parliament and of the Council as a percentage of the total weight in the portfolio.
	Carbon Intensity (t CO2e/\$M Revenue)	The weighted average of benchmark constituents' carbon intensity. Carbon intensity is computed as the ratio of absolute emissions to EVIC. Absolute emissions, either reported or estimated, consider multiple greenhouse gases expressed in terms of tons of CO2. EVIC is computed in millions of dollars and defined as the sum at fiscal year-end, of the market capitalisation of ordinary shares, the book value of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents. For further information, please refer to the "Sustainalytics GHG Emissions Research Methodology Summary Document".	Greenhouse gas (GHG) intensity of the benchmark.
	Emissions Estimated (%)	The exposure to benchmark constituents with emission data that is estimated.	Percentage of GHG emissions reported versus estimated.
	Emissions Reported (%)	The exposure to benchmark constituents with emission data that is reported.	Percentage of GHG emissions reported versus estimated.

<u>ESG Category</u>	<u>ESG Factor</u>	<u>Description</u>	<u>Text from Annex II of the Delegated Regulation 2020/2016</u>
	High emitting sector exposure (%)	<p>The weighted average of benchmark constituents' percentage of revenue derived from certain high emitting sectors. These sectors are: Thermal Coal, Oil & Gas, Arctic Oil & Gas Exploration, Oil Sands.</p> <p>For more information, please refer to the "Thermal Coal Indicator Methodology Document".</p>	Exposure of the benchmark portfolio to companies the activities of which fall under Divisions 05 to 09, 19 and 20 of Annex I to Regulation (EC) No 1893/2006.
	Environmental Goods and Services Sector Exposure (%)	<p>The weighted average of benchmark constituents' percentage of revenue derived from:</p> <ul style="list-style-type: none"> • manufacturing low carbon technologies, products, or materials that prevent pollution at the source of emissions and/or limit the impact of waste and pollutants on soil or air; and • the collection, treatment and disposal of hazardous waste. <p>For further information, please refer to the "Sustainalytics Impact Metrics Framework Methodology Document."</p>	Exposure of the benchmark portfolio to activities included in the environmental goods and services sector, as defined in Article 2, point (5) of Regulation (EU) No 691/2011 of the European Parliament and of the Council.
Social	Consolidated Social Rating	<p>The weighted average Social Risk Score for the covered holdings in the benchmark. The Social Risk Score refers to a company's score under the Social cluster within the ESG Risk Score. The Environmental, Social and Governance clusters are created within the ESG Risk Score by decomposing the material ESG issues faced by a company and then regrouping them based on their Environmental, Social or Governance affiliation. Lower scores represent less unmanaged risk.</p> <p>For further information, please refer to the "Sustainalytics Risk Ratings Methodology Document".</p>	Weighted average social rating of the benchmark (Voluntary).
	International treaties and conventions, used to determine what constitutes a "controversial weapon"	<p>The international treaties, conventions and United Nations principles used in order to determine what constitutes a "controversial weapon" are the following:</p> <ul style="list-style-type: none"> • Anti-personnel mines: Anti-Personnel Mine Ban Convention, 1999. • Biological weapons: Biological and Toxin Weapons Convention (BTWC), 1972; the 1993 Chemical Weapons Convention (CWC). • Chemical weapons: The Chemical Weapons Convention (CWC), 1997. • Cluster weapons: Convention on Cluster Munitions, 2008. 	International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a 'controversial weapon'.

<u>ESG Category</u>	<u>ESG Factor</u>	<u>Description</u>	<u>Text from Annex II of the Delegated Regulation 2020/2016</u>
		<ul style="list-style-type: none"> Nuclear weapons: Non-proliferation Treaty (NPT), 1968; The U.N. Treaty on the Prohibition of Nuclear Weapons, which was adopted in July 2017 and entered into force in January 2021. 	
	Controversial Weapons (%)	The weighted average percentage of benchmark constituents involved in the controversial weapons sector. This metric is calculated through the Sustainalytics' Controversial Weapons Radar which allows to identify private and public companies involved in weapons that can have a disproportionate and indiscriminate impact on civilian populations. The Controversial Weapons Research covers the following types of weapons: Anti-Personnel Mines, Biological and Chemical Weapons, Cluster Weapons, Nuclear Weapons, Depleted Uranium and White Phosphorus. A company can be involved with controversial weapons in different ways: directly or indirectly through a parent/subsidiary. For further information, please refer to the "Sustainalytics Controversial Weapons Radar Methodology Document".	Weighted average percentage of benchmark constituents in the controversial weapons sector.
	Tobacco Involvement (%)	The weighted average percentage of benchmark constituents involved in the tobacco sector. The metric is based on revenues generated from tobacco products including cigarettes, cigars, tobacco, electronic cigarettes, paper used by end consumers for rolling cigarettes, filters, snuff tobacco, etc. The metric includes tobacco products manufacturers, retailers and distributors, as well as companies providing tobacco-related products or services. For further information, please refer to the "Sustainalytics Methodology Document for the Tobacco Indicator".	Weighted average percentage of benchmark constituents in the tobacco sector.
	Social violations (% of constituents)	The number of benchmark constituents subject to social violations (relative to all benchmark constituents). The metric is based on the Sustainalytics Global Standards Screening (GSS). The GSS assesses whether companies act in accordance with the international norms and standards related to human rights, labour rights, environmental and business ethics. The GSS focuses on norms and standards that are enshrined in the UN Global Compact Principles (UNGC), the Organisation for Economic Co-operation and Development Guidelines	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 and, where applicable, national law.

<u>ESG Category</u>	<u>ESG Factor</u>	<u>Description</u>	<u>Text from Annex II of the Delegated Regulation 2020/2016</u>
		<p>for Multinational Enterprises (OECD MNE Guidelines) and the United Nations Guiding Principles on Business and Human Rights (UNGPs), as well as their underlying conventions and treaties.</p> <p>For further information, please refer to the "Sustainalytics' Global Standards Screening Methodology Document".</p>	
	Social violations (Count)	<p>The number of benchmark constituents subject to social violations. The metric is based on the Sustainalytics Global Standards Screening (GSS). The GSS assesses whether companies act in accordance with the international norms and standards related to human rights, labour rights, environmental and business ethics. The GSS focuses on norms and standards that are enshrined in the UN Global Compact Principles (UNGC), the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises (OECD MNE Guidelines) and the United Nations Guiding Principles on Business and Human Rights (UNGPs), as well as their underlying conventions and treaties.</p> <p>For further information, please refer to the "Sustainalytics' Global Standards Screening Methodology Document".</p>	<p>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 and, where applicable, national law.</p>
	Lack of Due Diligence Policy (ILO) Exposure (%)	<p>The exposure to benchmark constituents whose policies regarding value chain workers do not align with the International Labour Organization (ILO) Conventions 1 and 8. This indicator is based on four Material ESG Issues described in the Sustainalytics Risk Ratings. These four Material ESG Issues assess:</p> <ul style="list-style-type: none"> the quality of a company's freedom of association and collective bargaining policy; the quality of a company's policy to eliminate discrimination and ensure equal opportunity; the quality of a company's supply chain/contractors' policy and the scope of social standards; and the quality of a company's supply chain management system. <p>The highest scores are attributed to companies with very strong policies and standards. These assessments are aligned</p>	<p>Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8.</p>

<u>ESG Category</u>	<u>ESG Factor</u>	<u>Description</u>	<u>Text from Annex II of the Delegated Regulation 2020/2016</u>
		For further information, please refer to the "Sustainalytics Risk Ratings Methodology Document".	
	Gender pay gap	The weighted average difference between the average gross hourly earnings of female and male employees, expressed as a percentage of the average gross hourly earnings of male employees. For further information, please refer to the "Sustainalytics Principal Adverse Impact Data Document".	Weighted average gender pay gap.
	Ratio of female to male board members	The weighted ratio of female to male board members. The board is considered the administrative, management or supervisory body of a company. For further information, please refer to the "Sustainalytics Principal Adverse Impact Data Document".	Weighted average ratio of female to male board members.
	Accident Rate (%)	The weighted average rate of recordable work-related incidents, including fatalities, lost time injuries, restricted work cases, and medical treatment cases, suffered by the benchmark constituents' employees and contractors. The rate is calculated relative to hours worked. For further information, please refer to the "Sustainalytics Principal Adverse Impact Data Document".	Weighted average ratio of accidents, injuries, fatalities.
	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws	These data are not currently supported.	Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws.
Governance	Consolidated Governance Rating	The weighted average Governance Risk Score for the covered holdings in the benchmark. The Governance Risk score refers to a company's score under the Governance cluster within the ESG Risk Score. The Environmental, Social and Governance clusters are created within the ESG Risk Score by decomposing the material ESG issues faced by a company and then regrouping them based on their Environmental, Social or Governance affiliation. Lower scores represent less unmanaged risk. For further information, please refer	Weighted average governance rating of the benchmark (Voluntary).

<u>ESG Category</u>	<u>ESG Factor</u>	<u>Description</u>	<u>Text from Annex II of the Delegated Regulation 2020/2016</u>
		to the “Sustainalytics Risk Ratings Methodology Document”.	
	Board Independence (%)	The weighted average percentage of board members that are independent.	Weighted average percentage of board members who are independent.
	Board Diversity (%)	The weighted average percentage of board members that are female.	Weighted average percentage of female board members.

CALCULATION OF THE MANDATORY AND VOLUNTARY ESG FACTORS FOR EQUITY INDEXES

ESG Category	ESG Factor	Formula	Value range
Combined ESG factors	Consolidated ESG Rating	Sum of all investments (ESG risk score * Portfolio weight).	NULL min. 0.00 - max. 100.00 (Numerical value)
	Consolidated ESG Ratings (Top 10 Constituents by portfolio weight)	$(\text{ESG risk score}_1 \times \text{Weight}_1) + (\text{ESG risk score}_2 \times \text{Weight}_2) + \dots + (\text{ESG risk score}_{10} \times \text{Weight}_{10})$	NULL min. 0.00 - max. 100.00 (Numerical value)
Environmental	Consolidated Environmental Rating	Sum of all investments (Environmental Risk Score * Portfolio weight).	NULL min. 0.00 max. 100.00 (Numerical value)
	Renewable Energy Exposure (%)	Sum of all investments (Renewable Energy Generating Activities-CAPEX Percentage * Portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
	Climate-Related Physical Risks Exposure	These data are not currently supported.	These data are not currently supported.
	Exposure by selected sectors	These data are not currently supported.	These data are not currently supported.
	Carbon Intensity (t CO2e/\$M Revenue)	Sum of all investments (Carbon intensity * Portfolio weight).	NULL min. 0.00 max. 9999999999.99 (Numerical value)
	Emissions Estimated (%)	Sum of all investments (where carbon data = Estimated * Portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
	Emissions Reported (%)	Sum of all investments (where carbon data = Reported * Portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
	High emitting sector exposure (%)	Sum of all investments (Where Thermal Coal Extraction >= 1; AND/OR Thermal Coal Power Generation <> [NULL or 0]; AND/OR ANY O&G measure = 0-4.9% OR 5-9.9% OR 10-24.9% OR 25-49.9% OR 50-100%; * Portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
	Environmental Goods and Services Sector Exposure (%)	Sum of all investments (Hazardous Waste Management-Revenue Percentage * portfolio weight + Technologies Pollution Prevention-Revenue Percentage * portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
Social	Consolidated Social Rating	Sum of all investments (Social Risk Score * Portfolio weight).	NULL min. 0.00 max. 100.00 (Numerical value)

ESG Category	ESG Factor	Formula	Value range
	International treaties and conventions, used to determine what constitutes a "controversial weapon"	This metric is not derived using a formula.	This metric is not derived using a formula.
	Controversial Weapons (%)	Sum of all investments (Controversial Weapons-Evidence of Activity = Yes * Portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
	Tobacco Involvement (%)	Sum investments (WHERE Category of Involvement = TP1>0 OR TP2=0 OR TP3>0 OR TP4=0 OR TP5>1 OR TP6=0 * Portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
	Social violations (% of constituents)	Count of all investments (where Overall Global Compact Status' = 'Non-compliant').	NULL min. 0.00% max. 100.00% (Percentage value)
	Social violations (Count)	Count of all investments (where 'Overall Global Compact Status' = 'Non-compliant') / total # investments\.	NULL min. 0 max. 100000 (Numerical value)
	Lack of Due Diligence Policy (ILO) Exposure (%)	Sum of all investments where ((S.1.1 Freedom of Association Policy-Raw Score-RR = 0 AND/OR S.1.2 Discrimination Policy-Raw Score-RR = 0 AND/OR S.2.1 Scope of Social Supplier Standards-Raw Score-RR = 0 AND/OR S.2.2.1 Supply Chain Management-Raw Score-RR = 0) * portfolio weight). (The score 0 denotes the lack of policies on the relevant ILO Conventions)	NULL min. 0.00% max. 100.00% (Percentage value)
	Gender pay gap	Sum of all investments (Unadjusted Gender Pay Gap Percentage of Male Employees Gross Hourly Earnings*Portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
	Ratio of female to male board members	Sum of all investments (Computed ratio of female to male board members * Portfolio weight).	NULL ND min. 0.00 max. 100.00 (Percentage value)
	Accident Rate (%)	Sum of all investments (Recordable Work-Related Injuries Rate * Portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
	Numbers of convictions and amount of fines for violations of anti-corruption	These data are not currently supported.	These data are not currently supported.

<u>ESG Category</u>	<u>ESG Factor</u>	<u>Formula</u>	<u>Value range</u>
	and anti-bribery laws		
Governance	Consolidated Governance Rating	Sum of all investments (Governance Risk Score * Portfolio weight).	NULL min. 0.00 max. 100.00 (Numerical value)
	Board Independence (%)	Sum of all investments (Board Independence % * Portfolio weight).	NULL min. 0.00% max. 100.00% (Percentage value)
	Board Diversity (%)	Sum of all investments (Board Diversity % * Portfolio weight). Board Diversity % is calculated as the weighted average number of female board members divided by the weighted average total number of board members.	NULL min. 0.00% max. 100.00% (Percentage value)

Description of data sources

The Mandatory and Voluntary metrics are based on the following data sources:

- **Accident Rate (%), Board Independence %, Board Diversity %:** Based on company reports.
- **Carbon Intensity (t CO2e/\$M Revenue), Emissions Estimated (%), Emissions Reported (%):** Based on reported and estimated data. Reported data are the data collected from company disclosure or reporting. Estimated data are the data that is inferred, typically through heuristic information or an estimation model.
- **Consolidated ESG Rating, Consolidated Environmental Rating, Consolidated Social Rating, Consolidated Governance metric, Lack of Due Diligence Policy (ILO) Exposure (%):** Based on companies' incidents/events track record, structured external data (e.g., CO2 emissions), company reporting, and third-party research (e.g. regulatory news and third-party data).
- **Controversial Weapons (%):** Based on publicly available information, which includes, but is not limited to, company reporting and filings, reputable media and NGO sources, publications by international organizations, third-party data providers.
- **Exposure by selected sectors:** These data are not currently supported.
- **Climate-Related Physical Risks Exposure:** These data are not currently supported.
- **Environmental Goods and Services Sector Exposure (%); Renewable Energy Exposure (%):** Based on reported data from companies supported, where necessary, by estimated data.
- **Gender pay gap:** Based on reported data.
- **High emitting sector exposure (%):** Based on reported and estimated revenues, sales data, historical data.
- **International treaties and conventions, used to determine what constitutes a 'controversial weapon':** Based on the list of relevant treaties and conventions disclosed in the corresponding row of the table above related to this metric.
- **Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws:** These data are not currently supported.
- **Ratio of female to male board members:** Based on company reports.
- **Social violations:** Based on more than 60,000 media and NGO sources / 700,000 news items.
- **Tobacco:** Based on reported data.

Reference standards

The Mandatory and Voluntary metrics are based on the following reference standards:

- **Accident Rate (%):** Sustainalytics Principal Adverse Impact Data.
- **Board Diversity %:** Derived from a simple calculation without relying on specific reference standards.

- **Board Independence %:** Derived from a simple calculation without relying on specific reference standards.
- **Carbon Intensity (t CO₂e/\$M Revenue), Emissions Estimated (%), Emissions Reported (%):** Sustainalytics GHG Emissions Research; the definitions outlined in the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard concerning the Scope 1, Scope 2, and Scope 3 emissions.
- **Consolidated ESG Rating, Consolidated Environmental Rating, Consolidated Social Rating, Consolidated Governance metric, Lack of Due Diligence Policy (ILO) Exposure (%):** Sustainalytics' ESG Risk Ratings; recognized management systems, such as the ISO 9001 or the ISO 14001, International Labour Organization (ILO) Conventions No. 1 and 8.
- **Controversial Weapons (%):** Morningstar Sustainalytics' Controversial Weapons Radar. The international treaties, conventions and United Nations principles used to determine what constitutes a "controversial weapon" are the following: Anti-personnel mines: Anti-Personnel Mine Ban Convention, 1999. Biological weapons: Biological and Toxin Weapons Convention (BTWC), 1972; the 1993 Chemical Weapons Convention (CWC). Chemical weapons: The Chemical Weapons Convention (CWC), 1997. Cluster weapons: Convention on Cluster Munitions, 2008. Nuclear weapons: Non-proliferation Treaty (NPT), 1968; The U.N. Treaty on the Prohibition of Nuclear Weapons, which was adopted in July 2017 and entered into force in January 2021.
- **Exposure by selected sectors:** These data are not currently supported.
- **Climate-Related Physical Risks Exposure:** These data are not currently supported.
- **Environmental Goods and Services Sector Exposure (%), Renewable Energy Exposure (%):** Morningstar Sustainalytics Impact Metrics Framework Methodology; EU taxonomy; UN SDGs.
- **Gender pay gap:** Morningstar Sustainalytics Principal Adverse Impact Data.
- **High emitting sector exposure (%):** N/A.
- **Numbers of convictions and amount of fines for violations of anti-corruption and anti-bribery laws:** These data are not currently supported.
- **Ratio of female to male board members:** Morningstar Sustainalytics Principal Adverse Impact Data.
- **Social Violations:** UN instruments; IMO Conventions, UNECE Conventions and Protocols; UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage, 1972; WHO Conventions.
- **ILO instruments:** Key ILO Conventions.
- **Tobacco:** Derived from a simple calculation without relying on specific reference standards.

Equileap Gender Equality Score

The Equileap Gender Equality Scorecard™ is inspired by the United Nations Women's Empowerment Principles (WEPs). For each gender criterion, one or several metrics (in combination) have been identified as the most appropriate to evaluate the relevant criterion. A score and weighting has subsequently been allocated to each criterion to reflect that certain issues may be considered more important for furthering gender equality than other criteria.

Morningstar Indexes uses Equileap data for Index selection, weighting, and exclusion. More information at Equileap Gender Equality Score can be found here: <https://equileap.com/wp-content/uploads/2023/03/EquileapGenderScorecard-2020.pdf>

ESG Criteria	Description	Data Range
Equileap Gender Equality Score	The Equileap Gender Equality Scorecard™ is inspired by the United Nations Women's Empowerment Principles. For each gender criterion, one or several metrics have been identified to evaluate it. A score and weighting have been allocated to each criterion to reflect that some issues may be more important for furthering gender equality than others.	0-100
Gender Controversy "Alarm Bells"	Equileap monitors controversies involving companies in the dataset. We record controversies relating to gender, race and ethnicity, and LGBTQ+ discrimination. Severe gender-related cases meeting additional criteria are placed on a formal Alarm Bells list (for a duration of one year), which clients can be alerted to.	Yes or No Flag

Appendices

Appendix 1

Version	Date	Change Log
1.0	10/31/2024	N/A
1.1	03/02/2025	Including the BMR Disclosure Section Minor content changes.
1.2	04/06/2025	Incorporated the new Morningstar Indexes' logo and font. Minor content changes.

About Morningstar Indexes

Morningstar Indexes was built to keep up with the evolving needs of investors—and to be a leading-edge advocate for them. Our rich heritage as a transparent, investor-focused leader in data and research uniquely equips us to support individuals, institutions, wealth managers and advisors in navigating investment opportunities across major asset classes, styles and strategies. From traditional benchmarks and unique IP-driven indexes, to index design, calculation and distribution services, our solutions span an investment landscape as diverse as investors themselves.

Morningstar Index Methodology Committee

The Morningstar Index Methodology Committee oversees all new index development, index methodology changes, and cessation of indexes for any indexes where Morningstar owns the intellectual property. This committee is also charged with ensuring that indexes align with Morningstar Research principles and values. The group comprises members of the index team with index research, product development, product management, client service, index implementation, and operation expertise who provide the first layer of governance over index design and methodology.

Morningstar Index Services Methodology & Administration Committee

The purpose of the Morningstar Index Services Methodology & Administration Committee is to oversee all new index development, index methodology changes, and cessation of indexes for any indexes where Morningstar provides calculation and administration services but does not own the intellectual property of the indexes. The committee is comprised of members of the index team with expertise in index research, product development, product management, client service, index implementation and operations, and provides the first layer of governance over the index calculation services and administration business, with respect to index design and methodology.

Morningstar Indexes Operations Committee

The Morningstar Index Operations Committee governs the processes, systems, and exception handling of the day-to-day management of all live indexes, including index rebalancing and reconstitution, restatements, market classification, and contingency management. The committee oversees the annual review of index methodology, as required by the European Benchmarks Regulation (BMR), ensuring that methodologies remain fit for purpose and continue to achieve their stated investment objectives. The committee comprises members of the index team with data, operations, corporate actions, product development, index launch, client service, and index management experience who provide the first layer of governance over index operations.

Morningstar Index Oversight Committee

The Morningstar Index Oversight Committee is responsible for the index oversight function as per the requirements of the European Benchmarks Regulation (BMR), providing independent oversight of all aspects of the governance of benchmark administration. Its remit extends to all calculation and administration-related business activities of Morningstar Indexes, including administration of Morningstar-owned benchmarks as well as client-owned benchmarks and index calculation. The oversight function is part of the organizational structure of Morningstar but is separate and independent from the index business, index management, and the other index committees.

indexes.morningstar.com

Contact Us

indexes@morningstar.com

The information in this document is the property of Morningstar, Inc. Reproduction or transcription by any means, in whole or part, without the prior written consent of Morningstar, Inc., is prohibited. While data contained in this report are gathered from reliable sources, accuracy and completeness cannot be guaranteed. All data, information, and opinions are subject to change without notice. This document may contain back-tested or simulated performances, and the subsequent results achieved by the investment strategy may be materially different.