Methodology Book for:

- MSCI World Energy ESG Reduced Carbon Select 20 35 Capped Index
- MSCI World Materials ESG Reduced Carbon Select 20 35 Capped Index
- MSCI World Industrials ESG Reduced Carbon Select 20 35 Capped Index
- MSCI World Consumer Discretionary ESG Reduced Carbon Select 20 35 Capped Index
- MSCI World Consumer Staples ESG Reduced Carbon Select 20 35 Capped Index
- MSCI World Healthcare ESG Reduced Carbon Select 20 35 Capped Index
- MSCI World Financials ESG Reduced Carbon Select 20 35 Capped Index
- MSCI World Information Technology ESG Reduced Carbon Select 20 35 Capped Index
- MSCI World Communication Services ESG Reduced Carbon Select 20 35 Capped Index
- MSCI World Utilities ESG Reduced Carbon Select 20 35 Capped Index

February 2023

Contents

1 Introduction

The MSCI World Energy ESG Reduced Carbon Select 20 35 Capped, MSCI World Materials ESG Reduced Carbon Select 20 35 Capped, MSCI World Industrials ESG Reduced Carbon Select 20 35 Capped, MSCI World Consumer Discretionary ESG Reduced Carbon Select 20 35 Capped, MSCI World Consumer Staples ESG Reduced Carbon Select 20 35 Capped, MSCI World Healthcare ESG Reduced Carbon Select 20 35 Capped, MSCI World Financials ESG Reduced Carbon Select 20 35 Capped, MSCI World Information Technology ESG Reduced Carbon Select 20 35 Capped, MSCI World Communication Services ESG Reduced Carbon Select 20 35 Capped, MSCI World Utilities ESG Reduced Carbon Select 20 35 Capped Indexes ("The Indexes") are designed to support investors seeking to increase exposure to positive environmental, social and governance (ESG) factors by 20% and reduce the carbon-equivalent exposure to carbon dioxide (CO_2) and other greenhouse gases (GHG) as well as their exposure to potential emissions risk of fossil fuel reserves by thirty percent (30%) relative to the Parent Indexes[1].

The Indexes are constructed from their corresponding free-float adjusted market capitalization weighted Parent Indexes by excluding securities based on ESG and Climate Change-related criteria and use an optimization-based approach. The optimization-based approach aims to:

- Minimize ex-ante tracking error relative to the Parent Index
- Increase the weighted average ESG Score by 20%
- Reduce the Carbon Intensity and Potential Emissions per dollar of Market Capitalization by 30%
- Ensure that the index-level sustainable exposure[2] (which reflects a particular interpretation of the company-level sustainable investment assessment as per Article 2(17) of the Sustainable Finance Disclosure Regulation (SFDR)[3] along with an associated aggregation method) meets the relevant index-level sustainable exposure percentage ("Index SE%") thresholds. The minimum

[1] The corresponding Parent Indexes for the Indexes are defined in Section 3.1 of this methodology document.

[2] Applicable only for MSCI World Information Technology ESG Reduced Carbon Select 20 35 Capped, MSCI World Materials ESG Reduced Carbon Select 20 35 Capped, MSCI World Health Care ESG Reduced Carbon Select 20 35 Capped, MSCI World Industrials ESG Reduced Carbon Select 20 35 Capped Indexes.

[3] Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R2088&from=EN

thresholds vary depending on the respective MSCI Parent Index and are listed in Appendix 2.

As a final step, the Indexes are capped as per the MSCI 20/35 Indexes methodology.

2 MSCI ESG Research

The Indexes use company ratings and research provided by MSCI ESG Research. In particular, these indexes use the following MSCI ESG Research products: MSCI ESG Ratings, MSCI ESG Controversies, MSCI ESG Business Involvement Screening Research, MSCI Climate Change Metrics and MSCI ESG Impact Solutions

For details on MSCI ESG Research's full suite of ESG products, please refer to: https://www.msci.com/esg-investing

2.1 MSCI ESG RATINGS

MSCI ESG Ratings aim to measure entities' management of environmental, social and governance risks and opportunities. MSCI ESG Ratings are based on a seven-point scale from 'AAA' to 'CCC', indicating how an entity manages relevant key issues relative to industry peers.

The MSCI ESG Ratings methodology can be found in: https://www.msci.com/esg-and-climate-methodologies

2.2 MSCI ESG CONTROVERSIES

MSCI ESG Controversies (formerly known as MSCI Impact Monitor) provides assessments of controversies concerning the potential negative environmental, social, and/or governance impact of company operations, products and services. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI ESG Controversies Score falls on a 0-10 scale, with "0" being the most severe controversy.

The MSCI ESG Controversies methodology can be found in: https://www.msci.com/esg-and-climate-methodologies

2.3 MSCI ESG BUSINESS INVOLVEMENT SCREENING RESEARCH

MSCI ESG Business Involvement Screening Research (BISR) aims to enable institutional investors to manage environmental, social and governance (ESG) standards and restrictions reliably and efficiently.

For more details on MSCI ESG Business Involvement Screening Research, please refer to http://www.msci.com/resources/factsheets/MSCI_ESG_BISR.pdf

2.4 MSCI CLIMATE CHANGE METRICS

MSCI Climate Change Metrics provide climate data & tools to support institutional investors seeking to integrate climate risk & opportunities into their investment strategy and processes. This includes investors seeking to achieve a range of objectives, including measuring and reporting on climate risk exposure, implementing low carbon and fossil fuel-free strategies, alignment with temperature pathways and factoring climate change research into their risk management processes, in particular through climate scenario analysis for both transition and physical risks.

The dataset spans across the four dimensions of a climate strategy: transition risks, green opportunities, physical risks and 1.5° alignment.

For more details on MSCI Climate Change Metrics, please refer to https://www.msci.com/climate-solutions

2.5 MSCI IMPACT SOLUTIONS: SUSTAINABLE IMPACT METRICS

MSCI Impact Solutions' Sustainable Impact Metrics is designed to identify companies that derive revenue from products or services with positive impact on society and the environment. The Sustainable Impact Metrics are comprised of six Environmental Impact categories and seven Social Impact categories arranged by theme

MSCI Sustainable Impact Taxonomy

Pillar	Themes	Categories
Environmental Impact	Climate Change	1. Alternative energy 2. Energy efficiency 3. Green building
	Natural capital	4. Sustainable water 5. Pollution prevention 6. Sustainable agriculture
Social Impact	Basic needs	7. Nutrition 8. Major Disease Treatment 9. Sanitation 10. Affordable Real Estate
	Empowerment	11. SME Finance 12. Education 13. Connectivity – Digital divide

Under each of the actionable environmental and social impact themes, MSCI ESG Research has identified specific categories of products and services that it has determined companies can offer as potential solutions to environmental and social challenges.

More detailed taxonomy for each category can be found in Section 2.4 of the MSCI ACWI Sustainable Impact Index Methodology available at https://www.msci.com/index-methodology.

3 Constructing the Indexes

3.1 APPLICABLE UNIVERSE

The applicable universe for the Indexes includes all the constituents of their respective MSCI parent index (the "Parent Index"), as shown in the table below.

Table 1: Indexes and their corresponding Parent Indexes

Index Name	Parent Index
MSCI World Energy ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Energy Index
MSCI World Materials ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Materials Index
MSCI World Industrials ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Industrials Index
MSCI World Consumer Discretionary ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Consumer Discretionary Index
MSCI World Consumer Staples ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Consumer Staples Index
MSCI World Healthcare ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Healthcare Index
MSCI World Financials ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Financials Index
MSCI World Information Technology ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Information Technology Index
MSCI World Communication Services ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Communication Services Index
MSCI World Utilities ESG Reduced Carbon Select 20 35 Capped Index	MSCI World Utilities Index

3.2 DEFINING THE SECURITY LEVEL CARBON EXPOSURE

The carbon exposure of a security is measured in terms of its greenhouse gas emissions and its potential carbon emissions from fossil fuel reserves. The Indexes use MSCI ESG Carbon Metrics data from MSCI ESG Research.

3.2.1 GREENHOUSE GAS EMISSIONS

MSCI ESG Research collects company-specific direct (Scope 1) and indirect (Scope 2) greenhouse gas (GHG) emissions data from company public documents and/or the Carbon Disclosure Project. If a company does not report GHG emissions, then MSCI ESG Research uses its proprietary methodology to estimate Scope 1 and Scope 2 GHG emissions. The data is updated on an annual basis. Since the current carbon emissions of a company are directly influenced by its current business activity, MSCI normalizes for size by dividing the annual carbon emissions of the company by the annual sales of the company.

For newly added companies to the index which do not report emission data and where MSCI ESG Research has not estimated the greenhouse gas emissions yet, MSCI uses the average emissions per dollar of issuer market capitalization for the companies in the same industry group, multiplied by the market capitalization of the company as the estimated emission for the company.

3.2.2 POTENTIAL CARBON EMISSIONS FROM FOSSIL FUELS

MSCI ESG Research collects fossil fuel reserves data where relevant for companies which have reserves, typically in the Oil & Gas, Coal Mining and Electric Utilities industries[4]. Fossil fuel reserves can be used for several applications including energy or industrial (e.g., coking coal used for steel production). For the development of the Indexes, only fossil fuel reserves used for energy application are taken into account. The data is updated on an annual basis and based on information disclosed by companies. Sources include company publications, other public records and third party data providers. For newly added companies to the index where data is not available yet, MSCI uses zero fossil fuel reserves. The size of reserves of a company typically influences its market valuation, and hence MSCI normalizes for size by dividing the potential carbon emissions of the company by its market capitalization.

To convert reserves data to potential carbon emissions, MSCI ESG Research applies a formula from the Potsdam Institute for Climate Impact Research[5].

3.3 ELIGIBLE UNIVERSE

Securities of companies involved in Very Severe business controversies as defined by the MSCI ESG Controversies Methodology are not eligible for inclusion in the

[4] For more information on MSCI ESG Carbon Metrics, please refer to https://www.msci.com/index-carbon-footprint-metrics

[5] Malte Meinshausen, Nicolai Meinshausen, William Hare, Sarah C. B. Raper, Katja Frieler, Reto Knutti, David J. Frame & Myles R. Allen. Greenhouse-gas emission Target for limiting global warming to 2 °C. Nature 458, 1158-1162 (30 April 2009) | doi: 10.1038/nature08017; Received 25 September 2008; Accepted 25 March 2009. Supplementary Information, p. 7.

Indexes. This is implemented by excluding constituents of the Parent Index with ESG Controversy Score = 0 ('Red Flag' companies).

Companies that are involved in specific businesses which have high potential for negative social and/or environmental impact are ineligible for inclusion in the index.

- Controversial Weapons
- Nuclear Weapons
- Civilian Firearms
- Tobacco
- Thermal Coal
- Oil Sands
- Weapons

In addition to the above, companies that fail to comply with the United Nations Global Compact Principles are also excluded from The Indexes.

Please refer to Appendix 1 for more details on these criteria

OTHER EXCLUSION CRITERIA

- Missing Controversy Score – Companies not assessed by MSCI ESG Research's MSCI ESG Controversy Scores are excluded from the index.
- Missing ESG Rating or ESG Score – Companies which are not rated by MSCI ESG Research for an MSCI ESG Rating are excluded from the index.

3.4 DEFINING THE OPTIMIZATION CONSTRAINTS

The optimization process aims to minimize the Index's ex-ante tracking error relative to the Parent Index subject to the optimization constraints detailed in Appendix 2.

3.5 DETERMINING THE OPTIMIZED INDEX

The Indexes are constructed using MSCI's Barra® Open Optimizer in combination with the relevant Barra Equity Model[6]. The optimization uses a universe of eligible securities and the specified optimization objective and constraints to determine the constituents of the Indexes.

[6] Please refer to Appendix 3 and 4 for more details.

Infeasible Solution –

During the Semi-Annual and Quarterly Index Review, in the event that there is no optimal solution that satisfies all the optimization constraints, the following constraints will be relaxed, until an optimal solution is found:

- The one-way turnover constraint will be relaxed in 5 steps up to 30%.
- The weighted average ESG Score constraint will be relaxed in 5 steps up to 10%.
- The weighted average Carbon Intensity and the potential emissions per dollar of market capitalization constraint will be relaxed in 5 steps up to 20%.

The relaxations are completed in an alternative manner – a single step of turnover relaxation is followed by a single step of ESG score improvement relaxation, followed by a single step of weighted average carbon intensity reduction relaxation, before the turnover constraint is relaxed further. In the event that no optimal solution is found after the above constraint relaxations are exhausted, the relevant Index will not be rebalanced for that Index Review.

3.5.1 DETERMINING THE OPTIMIZED INDEX

The Indexes are constructed using the Barra Open Optimizer[7] in combination with the relevant Barra Equity Model. The optimization uses the universe of eligible securities and the specified optimization objectives and constraints to determine the constituents of and the weights of constituents in the Indexes.

3.6 APPLYING THE MSCI 20/35 INDEXES METHODOLOGY

As a final step, the Indexes are capped as per the MSCI 20/35 Indexes methodology. For details, refer to the MSCI Capped Indexes Methodology at www.msci.com/index-methodology

[7] Please refer to Appendix 3 and 4 for more details.

4 Maintaining the Indexes

4.1 QUARTERLY INDEX REVIEWS

The Indexes are rebalanced on a quarterly basis to coincide with the regular Index Reviews of the MSCI Global Investable Market Indexes. Changes are implemented at the end of February, May, August and November. The pro forma indexes are in general announced nine business days before the effective date.

ESG scores used for the Quarterly Index Reviews will be taken as of the end of the month preceding the Index Review, i.e., January, April, July, and October.

At each Index Review, the optimization process outlined in Section 3 is implemented.

In general, MSCI uses MSCI ESG Research data (including MSCI ESG Ratings, MSCI ESG Controversies Scores, MSCI Business Involvement Screening Research, and MSCI ESG Carbon Metrics) as of the end of the month preceding the Index Reviews. For some securities, such data may not be published by MSCI ESG Research by the end of the month preceding the Index Review. For such securities, MSCI will use ESG data published after the end of month, when available.

4.2 MONTHLY REVIEW OF CONTROVERSIES

The Indexes are reviewed on a monthly basis for the involvement in ESG controversies and for compliance with the United Nations Global Compact Principles. Existing constituents will be deleted if they face controversies as defined by MSCI ESG Controversies Score of 0 ('Red Flag' companies), or if they fail to comply with the UN Global Compact Principles.

MSCI uses MSCI ESG Controversies data as of the end of the month preceding the review (e.g., end of June data for the end of July monthly review). For some securities, such data may not be published by MSCI ESG Research by the end of the month preceding the review. For such securities, MSCI will use ESG data published after the end of month, when available, for the monthly review of the Index.

The pro forma indexes are generally announced nine business days before the first business day of the month.

4.3 ONGOING EVENT-RELATED MAINTENANCE

The general treatment of corporate events in the Indexes aim to minimize turnover outside of Index Reviews. The methodology aims to appropriately represent an investor's participation in an event based on relevant deal terms and pre-event weighting of the index constituents that are involved. Further, changes in index market capitalization that occur as a result of corporate event implementation will be offset by a corresponding change in the Variable Weighting Factor (VWF) of the constituent.

The following section briefly describes the treatment of common corporate events within The Indexes.

No new securities will be added (except where noted below) to the Index between Index Reviews. Parent Index deletions will be reflected simultaneously.

EVENT TYPE	EVENT DETAILS
New additions to the Parent Index	A new security added to the parent index (such as IPO and other early inclusions) will not be added to the index.
Spin-Offs	All securities created as a result of the spin-off of an existing Index constituent will be added to the Index at the time of event implementation. Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.
Merger/Acquisition	For Mergers and Acquisitions, the acquirer's post event weight will account for the proportionate amount of shares involved in deal consideration, while cash proceeds will be invested across the Index. If an existing Index constituent is acquired by a non-Index constituent, the existing constituent will be deleted from the Index and the acquiring non-constituent will not be added to the Index.

Changes in Security Characteristics	A security will continue to be an Index constituent if there are changes in characteristics (country, sector, size segment, etc.) Reevaluation for continued inclusion in the Index will occur at the subsequent Index Review.

Further detail and illustration regarding specific treatment of corporate events relevant to this Index can be found in the MSCI Corporate Events Methodology book under the sections detailing the treatment of events in Capped Weighted and Non-Market Capitalization Weighted indexes.

The MSCI Corporate Events methodology book is available at:
https://www.msci.com/index-methodology

Appendix 1: Business Exclusion Criteria

MSCI ESG Research has developed a framework designed to define significant involvement in controversial activities. According to this framework, there are three tolerance levels: Zero Tolerance, Minimal Tolerance and Low Tolerance.

Each controversial activity screened by The Indexes (except Thermal Coal, Conventional Weapons, Oil Sands and Global Norms) is assigned to one of these tolerance levels:

Activities classified under "Zero Tolerance"

- **Controversial Weapons**
  - All companies with any tie to Controversial Weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), as defined by the methodology of the MSCI Ex-Controversial Weapons Indexes available at https://www.msci.com/index-methodology.

Activities classified under "Minimal Tolerance"

- **Nuclear Weapons**
  - All companies that manufacture nuclear warheads and/or whole nuclear missiles.
  - All companies that manufacture components that were developed or are significantly modified for exclusive use in nuclear weapons (warheads and missiles).
  - All companies that manufacture or assemble delivery platforms that were developed or significantly modified for the exclusive delivery of nuclear weapons.
  - All companies that provide auxiliary services related to nuclear weapons.
  - All companies that manufacture components that were not developed or not significantly modified for exclusive use in nuclear weapons (warheads and missiles).
  - All companies that manufacture or assemble delivery platforms that were not developed or not significantly modified for the exclusive delivery of nuclear weapons.

  - All companies that manufacture components for nuclear-exclusive delivery platforms.
- **Civilian Firearms**
  - All companies classified as "Producer" of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets.
  - All companies deriving 5% or more revenue from the distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use.
- **Tobacco**
  - All companies classified as a "Producer"
  - All companies deriving 5% or more aggregate revenue from the production, distribution, retail and supply of tobacco-related products.

Activities not classified under any specific tolerance level

- **Thermal Coal**
  - All companies deriving 5% or more revenue (either reported or estimated) from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.
  - All companies deriving 5% or more revenue (either reported or estimated) from the thermal coal based power generation.
- **Conventional Weapons**
  - All companies deriving 5% or more revenue from the production of conventional weapons
  - All companies deriving 10% or more aggregate revenue from weapons systems, components and support systems and services
- **Oil Sands**
  - All companies deriving 5% or more revenue from oil sands extraction, which own oil sands reserves and disclose evidence of deriving

revenue from oil sands extraction. Companies that derive revenue from non-extraction activities (e.g. exploration, surveying, processing, refining) or intra-company sales are not excluded. Additionally, companies that own oil sands reserves with no associated revenue are also not excluded.

- **Global Norms – United Nations Global Compact Compliance**
    - All companies that fail to comply with the United Nations Global Compact principles.

Appendix 2: Optimization Constraints

At each Quarterly Index Review, the following optimization constraints are used to ensure replicability and investability.

Screened Parent

The screened parent is constructed by excluding securities from the Parent Index based on the exclusion criteria as defined in Section 3.3 (“Screened Parent”). The security weights are then normalized to 100%.

Optimization Constraints

Table 2: Optimization Constraints

No.	Parameter	Values
1	Minimum Constituent Weight	Minimum constituent weight in the Screened Parent
2	Asset Lower Bound	Maximum (Minimum constituent weight in the Screened Parent, 0.25 * Security Weight in the Screened Parent)
3	Asset Upper Bound	Minimum (5 * Security Weight in the Screened Parent, Security Weight in the Screened Parent +2%)
4^	Active Country Weights*	+/-10%
5^	Minimum Increase in the Weighted Average ESG Score relative to the Parent Index	20%
6^	Minimum Reduction in the Weighted Average Carbon Emission Intensity relative to the Parent Index	30%
7^	Minimum Reduction in the Potential Emissions per dollar of market capitalization relative to the Parent Index	30%
8	One Way Turnover during May and November Index Review	10%
9	One Way Turnover during Feb and Aug Index Review	5%
10	Specific Risk Aversion	0.075
11	Common Factor Risk Aversion	0.0075

No.	Parameter	Values
12	Maximum Issuer Weight	35%
13	Minimum Index Sustainable Exposure	Applicable Indexes and Threshold as mentioned in Table 3

* Active Country Weights – In case there are countries in the Parent Index which weigh less than 2.5% in the Parent Index, then for such countries the active country upper bound of +10% is not applicable. When a country weighs less than 2.5% in the Parent Index then the upper bound of country weight in The Index is set at three times of the country's weight in the Parent Index. The Active Weight constraint is applied as a "Soft" constraint in The Indexes.

^ The Optimization Constraints are applied relative to the Parent Index.

Minimum Index SE% Constraints

The following optimization constraints on minimum Index SE% are used for each index.

Table 3: Index Sustainable Exposure Threshold

No.	Index	Index SE% Threshold
1	MSCI World Information Technology ESG Reduced Carbon Select 20 35 Capped Index	35%
2	MSCI World Materials ESG Reduced Carbon Select 20 35 Capped Index	25%
3	MSCI World Health Care ESG Reduced Carbon Select 20 35 Capped Index	20%
4	MSCI World Industrials ESG Reduced Carbon Select 20 35 Capped Index	20%

Please refer to Appendix 5 for the criteria used to determine the company-level sustainable exposure qualification and the calculation of index-level sustainable exposure.

Appendix 3: Barra Equity Model Used in The Optimization

The Indexes currently use an optimization setup using the MSCI Barra Global Equity Model for Long-Term Investors (GEMLTL).

Appendix 4: New release of Barra® Equity Model or Barra® Optimizer

A major new release of the relevant Barra Equity Model or Barra Optimizer may replace the former version within a suitable timeframe.

Appendix 5: Company-Level Sustainable Exposure and Calculation of Index SE%

A company qualifies as having company-level sustainable exposure if it meets all the following conditions

1. MSCI ESG Rating of "BB" or above[8]
2. MSCI ESG Controversies Score of 2 or above[9]
3. At least one of the following conditions is met:
    a. Derives 20% or more aggregate revenue from any of the thirteen social and environmental impact categories of Sustainable Impact Metrics (including nutrition, sanitation, major diseases treatment, SME finance, education, connectivity, affordable real estate, alternative energy, energy efficiency, green building, pollution prevention, sustainable agriculture and sustainable water)
    b. Has one or more active carbon emissions reduction target(s) approved by the Science Based Targets initiative (SBTi)
4. Not flagged by the following business involvement criteria:
    a. Has any tie to Controversial Weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons), in line with the methodology of the MSCI Ex-Controversial Weapons Indexes available at https://www.msci.com/index-methodology
    b. Derives 1% or more revenue (either reported or estimated) from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties
    c. Manufactures tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco
    d. Derives 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products

[8] The condition is not met if the MSCI ESG Rating is missing for the company.

[9] The condition is not met if the MSCI ESG Controversies Score is missing for the company.

The index-level sustainable exposure is calculated as the sum of the weight of companies in the index that qualify as having company-level sustainable exposure.

The following sections have been modified as of March 09, 2022:

- Section 3.5: Added clarification that the relaxed parameters are also applicable for Quarterly Index Reviews.

The following sections have been modified as of November 2022:

- Introduction: Updated to reflect the new requirement on index-level sustainable exposure
- Section 4.2: Monthly Review of Controversies

  Added to reflect the monthly exclusions of 'Red Flag Companies'
- Appendix 2: Updated to reflect the optimization constraints on index-level sustainable exposure
- Appendix 5: Additional details regarding criteria used to determine the company-level sustainable exposure qualification and the calculation of index-level sustainable exposure

The following sections have been modified as of February 2023:

- Methodology book was updated to reflect the transition of the MSCI Global Investable Market Indexes (GIMI) to Quarterly Comprehensive Index Reviews.
- All references to "Semi-Annual Index Reviews" and "Quarterly Index Reviews" of the MSCI GIMI were replaced with "Index Reviews".
- Section 4.2: Monthly Review of Controversies

  Updated to reflect the monthly exclusions of 'Red Flag Companies', across all MSCI World Sector ESG Reduced Carbon Select 20 35 Capped Indexes

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