

ECPI Fixed Income Indices Methodology Guide

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CONTENTS

1. INTRODUCTION	5	4.4. ECPI GLOBAL DEVELOPED ESG HIGH YIELD CORPORATE BOND INDEX	15
1.1. GENERAL INFORMATION	5	4.4.1. OVERVIEW	15
1.2. OVERVIEW: ECPI SUSTAINABLE INDICES	5	4.4.2. INDEX REVIEW	15
2. GENERAL PRINCIPLES	6	4.5. ECPI EURO ESG CORPORATE BOND EX MILITARY INDEX	16
2.1. INDEX RATIONALE	6	4.5.1. OVERVIEW	16
2.2. METHODOLOGY REVIEW POLICIES	6	4.5.2. INDEX REVIEW	16
2.3. INDEX TERMINATION POLICY	6	4.6. ECPI EURO ETHICAL CORPORATE BOND INDEX	17
3. INDEX CHARACTERISTICS	7	4.6.1. OVERVIEW	17
3.1. BOND TYPES	7	4.6.2. INDEX REVIEW	17
3.2. BOND CLASSIFICATION	7	4.7. ECPI EURO ETHICAL CORPORATE EX FINANCIALS BOND INDEX	19
3.3. CREDIT RATING	8	4.7.1. OVERVIEW	19
3.4. TIME TO MATURITY	8	4.7.2. INDEX REVIEW	19
3.5. AMOUNT OUTSTANDING	8	4.8. ECPI EMERGING MARKETS ESG CORPORATE BOND INDEX	21
3.6. COUNTRY COVERAGE	9	4.8.1. OVERVIEW	21
3.7. SUSTAINABILITY SCREENING	11	4.8.2. INDEX REVIEW	21
3.7.1. NORMATIVE AND CONTROVERSY SCREENING:	11	5. ECPI GOVERNMENT BOND INDICES	22
3.7.2. BASELINE EXCLUSIONS	11	5.1. ECPI GLOBAL DEVELOPED GOVERNANCE GOVERNMENT BOND INDEX	22
4. ECPI CORPORATE BOND INDICES	12	5.1.1. OVERVIEW	22
4.1. ECPI GLOBAL DEVELOPED ESG CORPORATE BOND INDEX	12	5.1.2. INDEX REVIEW	22
4.1.1. OVERVIEW	12	5.2. ECPI EMU GOVERNANCE GOVERNMENT BOND INDEX	23
4.1.2. INDEX REVIEW	12	5.2.1. OVERVIEW	23
4.2. ECPI GLOBAL DEVELOPED ESG CORPORATE FINANCIALS BOND INDEX	13	5.2.2. INDEX REVIEW	23
4.2.1. OVERVIEW	13	5.3. ECPI GLOBAL DEVELOPED EX EMU GOVERNANCE GOVERNMENT BOND INDEX	24
4.2.2. INDEX REVIEW	13	5.3.1. OVERVIEW	24
4.3. ECPI GLOBAL DEVELOPED ESG CORPORATE EX FINANCIALS BOND INDEX	14	5.3.2. INDEX REVIEW	24
4.3.1. OVERVIEW	14	5.4. ECPI US GOVERNANCE GOVERNMENT BOND INDEX	25
4.3.2. INDEX REVIEW	14	5.4.1. OVERVIEW	25
		5.4.2. INDEX REVIEW	25
		5.5. ECPI UK GOVERNANCE GOVERNMENT BOND INDEX	26
		5.5.1. OVERVIEW	26
		5.5.2. INDEX REVIEW	26

CONTENTS

5.6. ECPI EMU GOVERNANCE GOVERNMENT 1-3Y BOND INDEX	27	6.2. REVIEW AND REBALANCE RULES	37
5.6.1. OVERVIEW	27	6.2.1. BOND SELECTION	37
5.6.2. INDEX REVIEW	27	6.2.2. INDEX COMPOSITION	37
5.7. ECPI EURO ETHICAL GOVERNMENT 1-3Y BOND INDEX	28	6.2.3. WEIGHTING ADJUSTMENTS	37
5.7.1. OVERVIEW	28	6.2.4. COUPON ADJUSTMENTS	37
5.7.2. INDEX REVIEW	28	6.2.5. RE-BALANCING TIMEFRAME	37
5.8. ECPI ITALY GOVERNMENT 1-3Y BOND INDEX	29	6.3. INDEX FORMULAS	38
5.8.1. OVERVIEW	29	6.3.1. TOTAL RETURN BOND INDICES	38
5.8.2. INDEX REVIEW	29	6.3.2. INFLATION LINKED BOND INDICES	38
5.9. ECPI EURO ETHICAL GOVERNMENT BOND INDEX	30	6.3.3. HEDGED BOND INDICES	39
5.9.1. OVERVIEW	30	6.4. CALCULATION CORRECTION	41
5.9.2. INDEX REVIEW	30	6.4.1. RULE-BASED CORRECTION	41
5.10. ECPI EMU GOVERNANCE GOVERNMENT INFLATION LINKED BOND INDEX	31	6.4.2. NON-RULE BASED CORRECTION	41
5.10.1. OVERVIEW	31	6.4.3. NOTIFICATIONS	41
5.10.2. INDEX REVIEW	31	6.4.4. PUBLICATION	42
5.11. ECPI EMERGING MARKETS ESG GOVERNMENT BOND INDEX	32	6.5. ESG METHODOLOGY	43
5.11.1. OVERVIEW	32	6.5.1. BENCHMARK-LEVEL ESG DISCLOSURES	43
5.11.2. INDEX REVIEW	32	6.5.2. ISSUER-LEVEL ESG ASSESSMENT METHODOLOGY	52
5.12. ECPI EURO ETHICAL AGENCY & SUPRANATIONAL BOND INDEX	33	7. METHODOLOGY REVIEW	56
5.12.1. OVERVIEW	33	7.1. OVERVIEW	56
5.12.2. INDEX REVIEW	33	7.2. FREQUENCY OF REVIEW	56
5.13. ECPI EUROZONE GOVERNMENT BOND 0-1Y INDEX	34	7.3. REVIEW PROCEDURE	56
5.13.1. OVERVIEW	34	7.3.1. INITIATION OF METHODOLOGY REVIEW	56
5.13.2. INDEX REVIEW	34	7.3.2. REVIEW DECISION AND ESCALATION	56
6. CALCULATION METHODOLOGY	35	7.4. MATERIAL CHANGES WITH CONSULTATION	56
6.1. INDEX CALCULATION	35	7.5. NON-MATERIAL CHANGES WITHOUT CONSULTATION	58
6.1.1. CURRENCY OF CALCULATION	35	7.6. PUBLICATION OF THE METHODOLOGY CHANGE	58
6.1.2. MINIMUM NUMBER OF BONDS	35	7.7. DISCRETION	59
6.1.3. MATURITY BUCKETS	35	7.8. EXERCISE OF DISCRETION	59
6.1.4. BONDS TRADING FLAT OF ACCRUED	35	8. LIMITATIONS	62
6.1.5. REINVESTMENT OF CASH	35	8.1. LIMITATIONS	62
6.1.6. SETTLEMENT CONVENTIONS	35		
6.1.7. INTRA MONTH EVENTS	35		

CONTENTS

9. HISTORY OF CHANGES	64
9.1. HISTORY OF CHANGES TO THE ECPI FIXED INCOME INDICES METHODOLOGY GUIDE	64

1. INTRODUCTION

1.1. GENERAL INFORMATION

STOXX Ltd. develops, creates and publishes Indices for certain uses, e.g., the issuance of Financial Instruments. In general, an Index is any figure published or made available to the public that is regularly determined by the application of a formula (or any other method of calculation, or by an assessment) on the basis of the value of one or more underlying assets or prices, including estimated prices, actual or estimated interest rates, quotes and committed quotes, or other values or survey.

With effect to June 1st, STOXX Ltd. performs the index calculation, index data reporting and index review of all ECPI Fixed Income indices. STOXX is the index administrator of the ECPI Fixed Income indices.

All ECPI Fixed Income Indices are governed by the respective index methodology applicable to the respective index or index family. In order to ensure the highest quality of each of its indices, STOXX Ltd. exercises the greatest care when compiling and calculating fixed income indices on the basis of the rules set out in this Guide.

However, STOXX Ltd. cannot guarantee that the various indices, or the various ratios that are required for index compilation and computation purposes, as set out in this Guide, are always calculated free of errors. STOXX Ltd. accepts no liability for any direct or indirect losses arising from any incorrect calculation of such indices or ratios.

These Fixed Income Indices in no way represent a recommendation for investment. In particular, the compilation and calculation of the various indices shall not be construed as a recommendation of STOXX Ltd. to buy or sell individual securities, or the basket of securities underlying a given index.

1.2. OVERVIEW: ECPI SUSTAINABLE INDICES

The objective of ECPI Indices is to provide the user with tradable indices that in their construction and management consider traditional financial criteria and non-financial dimensions.

All ECPI Indices are characterized by (i) a rigorous exclusion of companies that operate in certain sectors in coherence with the ethical sensibility of the investor and/or by (ii) a positive selection of companies that demonstrate a solid ESG profile.

ECPI Indices may be used as the basis for various investment vehicles: they allow for an efficient implementation of socially responsible or sustainable mandates as well as index-tracking portfolios and exchange traded funds.

Socially Responsible and Sustainability criteria used to select the indices' constituents, offer a conduit for investors to jointly express their interest in sustainability and, thus, to collectively move the relevant issues up the corporate agenda.

2. GENERAL PRINCIPLES

2.1. INDEX RATIONALE

STOXX defines the index rationale as the basis for applying a certain methodology in order to achieve the index objective. STOXX performs intensive research and may conduct conversations with market participants and third parties for this purpose. STOXX discloses the index objective in every case.

2.2. METHODOLOGY REVIEW POLICIES

STOXX constantly monitors the execution of the index calculation rules in order to ensure the validity of the index methodology. STOXX also conducts general methodology reviews in a periodic and ad-hoc basis, to reflect economic and political changes and developments in the investment industry. As a result of these activities, STOXX introduces changes to the methodology books. Material changes are notified to subscribers and the media through the usual communication channels. Clarifications of the methodology are updated in the rulebook. All changes are tracked in the section History of changes to the guide.

2.3. INDEX TERMINATION POLICY

For the termination of an index or index family for which outstanding products are present in the market to the knowledge of STOXX, a market consultation with the involved clients will be initiated by STOXX to consider their views and concerns related to the termination or transition. A consultation period will be opened. Its duration depends on the specific issue. After the consultation period and in case of further action needed, a notification will be issued and the process defined above will be followed. In the case of a transition, STOXX will launch the alternative index and will notify of its character as a suitable replacement for an existing index whose calculation should be discontinued in the future. This notification advises clients on the alternative recommended by STOXX as replacement. The timeframe in which both indices will be calculated in parallel will be disclosed in the notification's text and will be no shorter than three months.

For the termination of an index or index family for which, to the knowledge of STOXX, no listed financial products are issued in the market, a press release notification or e-mail notification to subscribers will be communicated at least three months before coming into force. Clients or third parties with interest in the index or index family are urged to communicate as soon as possible their concerns to STOXX. Based on the feedback collected, STOXX may alter the index termination decision. For the termination of an index without financial product issued on there will be no market consultation. Changes to the original notification will be communicated in the same manner.

3. INDEX CHARACTERISTICS

3.1. BOND TYPES

Fixed rate bonds whose cash flow can be determined in advance are eligible for the indices. In particular, bonds with the following characteristics are included:

- Fixed coupon bonds
- Zero coupon bonds
- Step-ups
- Event-driven bonds, such as rating or tax-driven bonds with a maximum of one coupon change per period
- Dated and undated callable corporate bonds, including fixed-to-floater bonds that change to a floating rate note at or after the first call date. Undated bonds must be callable. In the index calculation, these bonds are always assumed to redeem at the first call date
- Inflation-linked bonds, exclusively for the indices belonging to the ECPI Inflation Linked Bond Index Family

The following bonds are specifically excluded: index-linked bonds, sinking funds and amortizing bonds, other callable and undated bonds, floating rate notes and other fixed-to-floater bonds, convertible bonds, private placements, subordinated bank or insurance debt with mandatory contingent conversion features or with any conversion options before the first call date, CDOs (Collateralized Debt Obligations) and bonds collateralized by CDOs, covered bonds (bonds secured by a general pool of assets).

3.2. BOND CLASSIFICATION

Each bond is classified into one of the three categories: Sovereigns, Sub-Sovereigns and Corporate Bonds as well as a number of category-specific subsectors:

Sovereign: bonds issued by a central government

Sub-sovereign: bonds issued by local governments (e.g. German Bundesländer) and bonds guaranteed or issued by entities guaranteed by governments such as government agencies (e.g. Cades, KfW), public banks or supranational entities (e.g. EIB, World Bank), bonds issued by unguaranteed financial institutions with an irrevocable and explicit guarantee issued by the government of the issuer country that covers amount and timeliness of all interest and principal payments until the maturity of the bond.

The two main sub-sovereign sectors are agencies and supranationals.

- Agency's bonds are issued by entities whose major business is to fulfill a government-sponsored role to provide public services.
- Supranational bonds are issued by supranational entities, i.e. entities that are owned by more than one central government.

Corporate bonds: bonds issued by public or private corporations.

3. INDEX CHARACTERISTICS

3.3. CREDIT RATING

All bonds in the ECPI Bond index family are categorized as either investment grade (AAA to BBB-) or sub-investment grade (BB+ to B-) with substantial or high credit risk. Obligations that present a higher credit risk are excluded.

3.4. TIME TO MATURITY

All bonds having a minimum remaining time to maturity of at least one year at the rebalancing date are eligible. For money market indices, bonds having remaining time to maturity of between 1 month to 1 year (inclusive), at the rebalancing date, are eligible.

For callable bonds, the first call date is always assumed to be the expected redemption date. The expected remaining life is calculated as the number of days between the rebalancing date and the expected redemption date.

3.5. AMOUNT OUTSTANDING

All bonds require a specific minimum amount outstanding in order to be eligible for the indices, as shown below. The minimum amount outstanding is defined for each bond classification used and for each eligible currency:

GLOBAL DEVELOPED GOVERNMENT BONDS

Currency	Minimum Amount Outstanding
AUD, CAD, EUR, GBP, SEK, USD	2 billion
CHF, DKK, ILS, NOK, NZD	1 billion
JPY	150 billion

GLOBAL DEVELOPED Ex- EMU GOVERNMENT BONDS

Currency	Minimum Amount Outstanding
AUD, CAD, GBP, SEK, USD	2 billion
CHF, DKK, ILS, NOK, NZD	1 billion
JPY	150 billion

SUB-SOVEREIGNS BONDS

Currency	Minimum Amount Outstanding
EUR	1 billion

EMERGING MARKETS GOVERNMENT BONDS

Currency	Minimum Amount Outstanding
EUR, USD	500 million

3. INDEX CHARACTERISTICS

CORPORATE BONDS

Currency	Minimum Amount Outstanding
AUD, CAD, CHF, DKK, EUR, ILS, NOK, NZD, SEK, USD	500 million
GBP	250 million
JPY	50 billion

3.6. COUNTRY COVERAGE

The following list reports the eligible countries of incorporation for indices belonging to the ECPI Global Developed Indices:

Global Developed Countries			
Australia	France	Japan	Portugal
Austria	Germany	Luxembourg	Spain
Belgium	Greece	Netherlands	Sweden
Canada	Ireland	New Zealand	Switzerland
Denmark	Israel	Norway	United Kingdom
Finland	Italy		United States

The following list reports the eligible countries of incorporation for indices belonging to the ECPI Euro Indices:

Economic and Monetary Union (EMU) Countries		
Austria	France	Luxembourg
Belgium	Germany	Netherlands
Finland	Greece	Portugal
Ireland	Italy	Spain

The following list reports the eligible countries of incorporation for indices belonging to the ECPI Emerging Markets Indices:

Emerging Market Countries:		
Afghanistan	Azerbaijan	Bhutan
Albania	Bahamas	Bolivia
Algeria	Bahrain	Bosnia And Herzegovina
Andorra	Bangladesh	Botswana
Angola	Barbados	Brazil
Antigua And Barbuda	Belarus	Brunei Darussalam
Argentina	Belize	Bulgaria
Armenia	Benin	Burkina Faso
Bhutan	Cuba	Georgia
Bolivia	Cyprus	Ghana
Bosnia And Herzegovina	Czech Republic	Grenada
Botswana	Djibouti	Guatemala

3. INDEX CHARACTERISTICS

Cape Verde	Dominica	Guinea
Central African Republic	Dominican Republic	Guinea-Bissau
Chad	Ecuador	Guyana
Chile	Egypt	Haiti
China	El Salvador	Honduras
Colombia	Equatorial Guinea	Hong Kong
Comoros	Eritrea	Hungary
Congo	Estonia	Iceland
Cook Islands	Ethiopia	India
Costa Rica	Fiji	Indonesia
Cote D'Ivoire	Gabon	Iraq
Croatia	Gambia	Jamaica
Jordan	Madagascar	Myanmar
Kazakhstan	Malawi	Namibia
Kenya	Malaysia	Nauru
Kiribati	Maldives	Nepal
Korea (North)	Mali	Nicaragua
Korea (South)	Malta	Niger
Kuwait	Marshall Islands	Nigeria
Kyrgyzstan	Mauritania	Niue
Laos	Mauritius	Oman
Latvia	Mexico	Pakistan
Lebanon	Micronesia	Palau
Lesotho	Monaco	Palestinian Authority
Liberia	Mongolia	Panama
Libyan Arab Jamahiriya	Montenegro	Papua New Guinea
Liechtenstein	Morocco	Paraguay
Lithuania	Mozambique	Peru
Philippines	Serbia	Solomon Islands
Portugal	Seychelles	Somalia
Qatar	Sierra Leone	South Africa
Republic Of Moldova	Singapore	South Sudan
Romania	Slovakia	Thailand
Russian Federation	Slovenia	The Former Yugoslav Republic of Macedonia
Rwanda	Sri Lanka	The Islamic Republic of Iran
Saint Kitts And Nevis	Sudan	Timor-Leste
Saint Lucia	Suriname	Togo
Saint Vincent and the Grenadines	Swaziland	Tonga
Samoa	Syrian Arab Republic	Trinidad And Tobago
San Marino	Taiwan	Tunisia
Sao Tome And Principe	Tajikistan	Turkey
Saudi Arabia	Tanzania United Republic Of	Turkmenistan
Senegal	Tuvalu	Vatican City State
Uganda	Uruguay	Venezuela
Ukraine	Uzbekistan	Vietnam
United Arab Emirates	Vanuatu	Yemen

3. INDEX CHARACTERISTICS

Zimbabwe		
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3.7. SUSTAINABILITY SCREENING

All bonds included in the ECPI Bond Index Family are issued by entities that are eligible according to ECPI Rating Methodology.

3.7.1. NORMATIVE AND CONTROVERSY SCREENING:

For indices where Normative & Controversy Screening as per EPCI ESG Methodology is applied, the following companies are excluded:

- Companies with a poor ESG profile are excluded (ESG Rating = F) are excluded.
- Companies involved in structural, repetitive, and severe controversies or violations of the:
 - a. UN Global Compact
 - b. UN Guiding Principles on Business and Human Rights (UNGPs)
 - c. OECD Guidelines for Multinational Enterprises (as far as relevant)
 - d. ILO Conventions

3.7.2. BASELINE EXCLUSIONS

Companies involved in "baseline" controversial activities as defined below are excluded from the Investable Equity Universe (minimum ESG Rating):

- **Controversial Weapons** (Cluster Bombs, Antipersonnel Landmines, nuclear weapons, Biological Weapons): a company producing controversial weapons is considered "Not Eligible" regardless of the amount of revenues generated by the sale of these products.
- **Tobacco**: a company producing tobacco products or products that are instrumental for the sale of tobacco products, or distributing tobacco products, is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales (threshold considered for "Distributors" is 5%).
- **Coal Extraction**: company involved in the mining of coal is considered "Not Eligible" if revenues originated from this business activity are greater than 5% of total sales.
- **Coal Power Generation**: company involved in coal-based electricity generation is considered "Not Eligible" if revenues originated from this business activity are greater than 50% of total sales.

For detailed information on ECPI ESG Screening Methodology please refer to section 6.5 ESG Methodology.

4. ECPI CORPORATE BOND INDICES

4.1. ECPI GLOBAL DEVELOPED ESG CORPORATE BOND INDEX

4.1.1. OVERVIEW

The ECPI Global Developed ESG Corporate Bond Index selects investment grade global corporate bond issues which have a positive ESG rating according to ECPI ESG Rating Methodology.

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 722.78 on February 1, 2007

Dissemination calendar: STOXX ECPI Global Calendar

4.1.2. INDEX REVIEW

Component Selection

The index selects corporate bonds issued by public or private corporations that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Minimum amount outstanding and eligible currencies are applied as specified for corporate bonds in Section 3.5.
- Only issuers incorporated in the global developed countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have a positive ECPI ESG Rating (E- to EEE) are included
- Issuers are excluded if they fail the Normative & Controversy Screening (Section 3.7.1) or are involved in baseline controversial activities as defined in Section 3.7.2.

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

4. ECPI CORPORATE BOND INDICES

4.2. ECPI GLOBAL DEVELOPED ESG CORPORATE FINANCIALS BOND INDEX

4.2.1. OVERVIEW

The ECPI Global Developed ESG Corporate Financials Bond Index selects financial sector bonds which are members of the ECPI Global Developed ESG Corporate Bond Index

Parent Index: ECPI Global Developed ESG Corporate Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 773.29 on February 1, 2007

Dissemination calendar: STOXX ECPI Global Calendar

4.2.2. INDEX REVIEW

Component Selection

The index selects corporate bonds issued by public or private corporations classified under the financial sector and included in the ECPI Global Developed ESG Corporate Bond Index that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Minimum amount outstanding and eligible currencies are applied as specified for corporate bonds in Section 3.5.
- Only issuers incorporated in the global developed countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have a positive ECPI ESG Rating (E- to EEE) are included
- Issuers are excluded if they fail the Normative & Controversy Screening (Section 3.7.1) or are involved in baseline controversial activities as defined in Section 3.7.2.

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

4. ECPI CORPORATE BOND INDICES

4.3. ECPI GLOBAL DEVELOPED ESG CORPORATE EX FINANCIALS BOND INDEX

4.3.1. OVERVIEW

The ECPI Global Developed ESG Corporate Ex Financials Bond Index selects non-financials bonds which are members of the ECPI Global Developed ESG Corporate Bond Index

Parent Index: ECPI Global Developed ESG Corporate Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 686.9 on February 1, 2007

Dissemination calendar: STOXX ECPI Global Calendar

4.3.2. INDEX REVIEW

Component Selection

The index selects corporate bonds issued by public or private corporations, excluding those classified within the financial sector that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Minimum amount outstanding and eligible currencies are applied as specified for corporate bonds in Section 3.5.
- Only issuers incorporated in the global developed countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have a positive ECPI ESG Rating (E- to EEE) are included
- Issuers are excluded if they fail the Normative & Controversy Screening (Section 3.7.1) or are involved in baseline controversial activities as defined in Section 3.7.2.

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

4. ECPI CORPORATE BOND INDICES

4.4. ECPI GLOBAL DEVELOPED ESG HIGH YIELD CORPORATE BOND INDEX

4.4.1. OVERVIEW

The ECPI Global Developed ESG High Yield Corporate Bond Index selects sub-investment grade global corporate bond issues which have a positive ESG rating according to ECPI ESG Rating Methodology.

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on December 31, 2014

Dissemination calendar: STOXX ECPI Global Calendar

4.4.2. INDEX REVIEW

Component Selection

The index selects corporate bonds issued by public or private corporations belonging to the financial sector that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Sub investment-grade bonds as defined in Section 3.3 are included
- Minimum amount outstanding and eligible currencies are applied as specified for corporate bonds in Section 3.5.
- Only issuers incorporated in the global developed countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have a positive ECPI ESG Rating (E- to EEE) are included
- Issuers are excluded if they fail the Normative & Controversy Screening (Section 3.7.1) or are involved in baseline controversial activities as defined in Section 3.7.2.

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

4. ECPI CORPORATE BOND INDICES

4.5. ECPI EURO ESG CORPORATE BOND EX MILITARY INDEX

4.5.1. OVERVIEW

The ECPI Euro ESG Corporate Bond Ex Military Index selects investment grade global corporate bond issues denominated in Euro which have a positive ESG rating according to ECPI ESG Rating Methodology and excludes issuers involved in armaments production.

Parent Index: ECPI Global Developed ESG Corporate Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 834.42 on March 12, 2012

Dissemination calendar: STOXX ECPI Global Calendar

4.5.2. INDEX REVIEW

Component Selection

The index selects corporate bonds issued by public or private corporations that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR, with the minimum amount outstanding threshold applied as specified for corporate bonds in Section 3.5
- Only issuers incorporated in the global developed countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have a positive ECPI ESG Rating (E- to EEE) are included
- Issuers are excluded if they fail the Normative & Controversy Screening (Section 3.7.1) or are involved in baseline controversial activities as defined in Section 3.7.2.
- In addition, Instruments are excluded if the issuer is involved in armaments production (consumer firearms or military goods/services) and derives more than 2% of total sales from these activities.

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

4. ECPI CORPORATE BOND INDICES

4.6. ECPI EURO ETHICAL CORPORATE BOND INDEX

4.6.1. OVERVIEW

The ECPI Euro Ethical Corporate Bond Index includes investment grade corporate bond issues from companies incorporated in the Economic and Monetary Union (EMU) eligible countries and denominated in Euro that have a positive ESG rating and do not belong to controversial sectors according to ECPI Sector Screening.

Parent Index: ECPI Global Developed ESG Corporate Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 10000 on December 29, 2000

Dissemination calendar: STOXX ECPI Global Calendar

4.6.2. INDEX REVIEW

Component Selection

The index selects corporate bonds issued by public or private corporations that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR, with the minimum amount outstanding threshold applied as specified for corporate bonds in Section 3.5
- Only issuers incorporated in the global developed countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have a positive ECPI ESG Rating (E- to EEE) are included
- Issuers are excluded if they fail the Normative & Controversy Screening (Section 3.7.1) or are involved in baseline controversial activities as defined in Section 3.7.2.

In addition to the sustainability criteria defined above, instruments issued by entities that fall under the following "index specific" controversial activities are excluded:

- **Alcohol:** a company involved in the production, promotion and the distribution of alcoholic products is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales.
- **Gambling:** a company involved sports betting, betting centres, gambling and casinos and gambling machine manufacturing is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales.
- **Armaments:** a company involved in the production of firearms for the consumer market or goods and services for the military sector and to the Ministry of Defence and its offices for the purpose of military objectives, is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales.

4. ECPI CORPORATE BOND INDICES

- **Nuclear Power Generation:** a company involved in the production of nuclear energy, in the construction of nuclear plants, in the supply of products or components used for the construction or maintenance of nuclear plants, in the extraction or distribution of uranium, is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales.
- **Pornography:** a company involved in the production of pornographic material and distribution of pornographic material is considered "Not Eligible" regardless of the amount of revenues generated by the sale of these products.
- **Contraceptives:** a company involved in the production of contraceptives, medicines and equipment related to abortion or birth control methods is considered "Not Eligible" regardless of the amount of revenues generated by the sale of these products.
- **Genetically Modified Organism - Food Production:** a company involved in the research, development and production of biotechnologies, manipulation and genetic modification and production of species and other organisms for food products is considered "Not Eligible" regardless of the amount of revenues generated by the sale of these products

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

4. ECPI CORPORATE BOND INDICES

4.7. ECPI EURO ETHICAL CORPORATE EX FINANCIALS BOND INDEX

4.7.1. OVERVIEW

The ECPI Euro Ethical Corporate Ex Financials Bond Index is composed of non-financial sector bonds which are members of the ECPI Euro Ethical Corporate Bond Index

Parent Index: ECPI Euro Ethical Corporate Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on February 28, 2011

Dissemination calendar: STOXX ECPI Global Calendar

4.7.2. INDEX REVIEW

Component Selection

The index selects corporate bonds issued by public or private corporations NOT belonging to the financial sector that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR, with the minimum amount outstanding threshold applied as specified for corporate bonds in Section 3.5
- Only issuers incorporated in the global developed countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have a positive ECPI ESG Rating (E- to EEE) are included
- Issuers are excluded if they fail the Normative & Controversy Screening (Section 3.7.1) or are involved in baseline controversial activities as defined in Section 3.7.2.

In addition to the sustainability criteria defined above, instruments issued by entities that fall under the following "index specific" controversial activities are excluded:

- **Alcohol:** a company involved in the production, promotion and the distribution of alcoholic products is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales.
- **Gambling:** a company involved sports betting, betting centres, gambling and casinos and gambling machine manufacturing is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales.
- **Armaments:** a company involved in the production of firearms for the consumer market or goods and services for the military sector and to the Ministry of Defence and its offices for the purpose of military objectives, is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales.

4. ECPI CORPORATE BOND INDICES

- **Nuclear Power Generation:** a company involved in the production of nuclear energy, in the construction of nuclear plants, in the supply of products or components used for the construction or maintenance of nuclear plants, in the extraction or distribution of uranium, is considered "Not Eligible" if revenues originated from this business activity are greater than 2% of total sales.
- **Pornography:** a company involved in the production of pornographic material and distribution of pornographic material is considered "Not Eligible" regardless of the amount of revenues generated by the sale of these products.
- **Contraceptives:** a company involved in the production of contraceptives, medicines and equipment related to abortion or birth control methods is considered "Not Eligible" regardless of the amount of revenues generated by the sale of these products.
- **Genetically Modified Organism - Food Production:** a company involved in the research, development and production of biotechnologies, manipulation and genetic modification and production of species and other organisms for food products is considered "Not Eligible" regardless of the amount of revenues generated by the sale of these products

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

4. ECPI CORPORATE BOND INDICES

4.8. ECPI EMERGING MARKETS ESG CORPORATE BOND INDEX

4.8.1. OVERVIEW

The ECPI Emerging Markets ESG Corporate Bond Index is composed of emerging markets investment grade and sub-investment grade global corporate bond issues denominated in EUR and USD which have a positive ESG rating according to ECPI ESG Rating Methodology.

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on January 1, 2015

Dissemination calendar: STOXX ECPI Global Calendar

4.8.2. INDEX REVIEW

Component Selection

The index selects corporate bonds issued by public or private corporations that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade and sub-investment grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR and USD, with the minimum amount outstanding threshold applied as specified for corporate bonds in Section 3.5
- Only issuers incorporated in countries belonging to the Emerging markets countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have a positive ECPI ESG Rating (E- to EEE) are included
- Issuers are excluded if they fail the Normative & Controversy Screening (Section 3.7.1) or are involved in baseline controversial activities as defined in Section 3.7.2.

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.1. ECPI GLOBAL DEVELOPED GOVERNANCE GOVERNMENT BOND INDEX

5.1.1. OVERVIEW

The ECPI Global Developed Governance Government Bond Index selects developed countries' investment grade government bonds which are eligible investments according to ECPI Government Governance Rating Methodology.

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 693.45 on February 1, 2007

Dissemination calendar: STOXX ECPI Global Calendar

5.1.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Minimum amount outstanding and eligible currencies are applied as specified for global developed government bonds in Section 3.5.
- Only issuers incorporated in the global developed countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.2. ECPI EMU GOVERNANCE GOVERNMENT BOND INDEX

5.2.1. OVERVIEW

The ECPI EMU Governance Government Bond Index selects bonds in the ECPI Global Developed Governance Government Bond Index issued by EMU country members which are eligible investments according to ECPI Government Governance Rating Methodology.

Parent Index: ECPI Global Developed Governance Government Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 721.2 on January 2, 2007

Dissemination calendar: STOXX ECPI Global Calendar

5.2.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR with minimum amount outstanding threshold applied as specified for global developed government bonds in Section 3.5 are included.
- Only issuers incorporated in the EMU countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.3. ECPI GLOBAL DEVELOPED EX EMU GOVERNANCE GOVERNMENT BOND INDEX

5.3.1. OVERVIEW

The ECPI Global Developed ex EMU Governance Government Bond Index selects bonds in the ECPI Global Developed Governance Government Bond Index issued by non-EMU countries which are eligible investments according to ECPI Government Governance Rating Methodology.

Parent Index: ECPI Global Developed Governance Government Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 790.38 on December 24, 2008

Dissemination calendar: STOXX ECPI Global Calendar

5.3.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Minimum amount outstanding and eligible currencies are applied as specified for Global Developed ex- EMU Government Bonds in Section 3.5.
- Only issuers incorporated in the global developed countries which are not present in EMU countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.4. ECPI US GOVERNANCE GOVERNMENT BOND INDEX

5.4.1. OVERVIEW

The ECPI US Governance Government Bond Index is composed of bonds in the ECPI Global Developed Governance Government Bond Index issued by the U.S. Government.

Parent Index: ECPI Global Developed Governance Government Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on December 3, 2012

Dissemination calendar: STOXX ECPI Global Calendar

5.4.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in USD with minimum amount outstanding threshold applied as specified for global developed government bonds in Section 3.5.
- Only issuers incorporated in United States are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.5. ECPI UK GOVERNANCE GOVERNMENT BOND INDEX

5.5.1. OVERVIEW

The ECPI UK Governance Government Bond Index is composed of bonds in the ECPI Global Developed Governance Government Bond Index issued by the UK Government.

Parent Index: ECPI Global Developed Governance Government Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on December 31, 2019

Dissemination calendar: STOXX ECPI Global Calendar

5.5.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in GBP with minimum amount outstanding threshold applied as specified for global developed government bonds in Section 3.5.
- Only issuers incorporated in United Kingdom are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.6. ECPI EMU GOVERNANCE GOVERNMENT 1-3Y BOND INDEX

5.6.1. OVERVIEW

The ECPI EMU Governance Government 1-3y Bond Index is composed of bonds in the ECPI Global Developed Governance Government Bond Index that belong to the 1-3 years maturity bucket.

Parent Index: ECPI Global Developed Governance Government Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on March 31, 2016

Dissemination calendar: STOXX ECPI Global Calendar

5.6.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type requirements defined in Section 3.1
- All bonds must have a minimum remaining time to maturity of at least one year, and a maximum remaining time to maturity of not more than three years at the rebalancing date.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR with minimum amount outstanding as specified in Global Developed Government Bonds in Section 3.5.
- Only issuers incorporated in the EMU countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI ESG Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.7. ECPI EURO ETHICAL GOVERNMENT 1-3Y BOND INDEX

5.7.1. OVERVIEW

The ECPI Euro Ethical Government 1-3y Bond Index is composed of bonds in the ECPI Euro Ethical Government Bond that belong to the 1-3 years maturity bucket.

Parent Index: ECPI Euro Ethical Government Bond

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on October 30, 2002

Dissemination calendar: STOXX ECPI Global Calendar

5.7.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type requirements defined in Section 3.1
- All bonds must have a minimum remaining time to maturity of at least one year, and a maximum remaining time to maturity of not more than three years at the rebalancing date.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR with minimum amount outstanding as specified in Global Developed Government Bonds in Section 3.5.
- Only issuers incorporated in the EMU countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.8. ECPI ITALY GOVERNMENT 1-3Y BOND INDEX

5.8.1. OVERVIEW

The ECPI Italy Government 1-3y Bond Index is composed of bonds in the ECPI Euro Ethical Government 1-3y Bond Index issued by the Italian Government.

Parent Index: ECPI Euro Ethical Government 1-3y Bond Index

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 100 on June 1, 2010

Dissemination calendar: STOXX ECPI Global Calendar

5.8.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type requirements defined in Section 3.1
- All bonds must have a minimum remaining time to maturity of at least one year, and a maximum remaining time to maturity of not more than three years at the rebalancing date.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR with minimum amount outstanding as specified in Global Developed Government Bonds in Section 3.5.
- Only issuers incorporated in Italy are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.9. ECPI EURO ETHICAL GOVERNMENT BOND INDEX

5.9.1. OVERVIEW

The ECPI Euro Ethical Government Bond Index is composed of investment grade government bonds of the EMU Eligible Countries with a positive rating according to ECPI ESG Methodology.

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on October 30, 2002

Dissemination calendar: STOXX ECPI Global Calendar

5.9.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR with minimum amount outstanding as specified for Global Developed Government Bonds in Section 3.5.
- Only issuers incorporated in the EMU countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.10. ECPI EMU GOVERNANCE GOVERNMENT INFLATION LINKED BOND INDEX

5.10.1. OVERVIEW

The ECPI EMU Governance Government Inflation Linked Bond Index represents investment grade Euro denominated inflation linked debt issued by the EMU Eligible Countries that have a positive ESG rating according to ECPI ESG Methodology.

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 735.4 on January 01, 2007

Dissemination calendar: STOXX ECPI Global Calendar

5.10.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR with minimum amount outstanding as specified for Global Developed Government Bonds in Section 3.5.
- Only issuers incorporated in the EMU countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.11. ECPI EMERGING MARKETS ESG GOVERNMENT BOND INDEX

5.11.1. OVERVIEW

The ECPI Emerging Markets ESG Government Bond Index is composed of emerging markets investment grade and sub-investment grade government and sub-sovereign bond issues denominated in EUR and USD which have a positive rating according to ECPI Government and Supranational ESG Rating Methodology.

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on December 31, 2014

Dissemination calendar: STOXX ECPI Global Calendar

5.11.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Investment-grade and sub-investment grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR and USD with minimum amount outstanding as specified for emerging markets government bonds in Section 3.5.
- Only issuers incorporated in countries belonging to the Emerging markets countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by countries that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.12. ECPI EURO ETHICAL AGENCY & SUPRANATIONAL BOND INDEX

5.12.1. OVERVIEW

The ECPI Euro Ethical Agency & Supranational Bond Index includes investment grade global agency bond issues denominated in Euro that have a positive ESG assessment according to ECPI ESG Screening Methodology.

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on December 29, 2000

Dissemination calendar: STOXX ECPI Global Calendar

5.12.2. INDEX REVIEW

Component Selection

The index selects bonds that meet the following criteria:

- Eligible instruments must meet the general bond type and maturity requirements defined in Section 3.1 and Section 3.4.
- Sub-sovereign bonds as defined in Section 3.2
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR with minimum amount outstanding as specified for Sub-Sovereign Government Bonds in Section 3.5.
- Only issuers belonging to the EMU countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI Government and Supranational Screening Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

5. ECPI GOVERNMENT BOND INDICES

5.13. ECPI EUROZONE GOVERNMENT BOND 0-1Y INDEX

5.13.1. OVERVIEW

The ECPI Eurozone Government Bond 0-1Y Index is composed of investment grade government bonds issued by EMU countries with a positive rating according to ECPI ESG Methodology and remaining time to maturity of between 1 month to 1 year (inclusive), at the rebalancing date.

Weighting scheme: The index constituents are weighted according to their market capitalization

Base value and date: 1000 on December 31st, 2020

Dissemination calendar: STOXX ECPI Global Calendar

5.13.2. INDEX REVIEW

Component Selection

The index selects sovereign bonds issued by central governments that meet the following criteria:

- Eligible instruments must meet the general bond type requirements defined in Section 3.1
- All bonds must have a minimum remaining time to maturity of at least one month, and a maximum remaining time to maturity of less than one year at the rebalancing date.
- Investment-grade bonds as defined in Section 3.3 are included
- Bonds denominated in EUR with minimum amount outstanding as specified for Global Developed Government Bonds in Section 3.5.
- Only issuers belonging to the EMU countries listed in Section 3.6 are eligible for inclusion.

Sustainability Screening:

- Instruments issued by entities that have ECPI Governance Rating equal to or greater than E- according to ECPI ESG Methodology

Review frequency: Reviews are conducted monthly. Eligibility and index composition are determined using outstanding amounts and rating data as of three business days prior to month-end (T-3). The final list of securities entering and exiting the index is published two business days before month-end (T-2). Intra-month changes are reflected through rebalancing at the beginning of the following month. Bonds that are in their ex-dividend period at the rebalancing date are not eligible for inclusion as new index constituents.

Weighting cap factors: The components are not subject to component weight restrictions and capping.

6. CALCULATION METHODOLOGY

6.1. INDEX CALCULATION

The indices are calculated based on bid prices. Bonds that currently are not in the index but become eligible at the next rebalancing will enter the indices at their ask price. If necessary, other pricing sources may be selected in order to guarantee representativeness and the quality of the index.

6.1.1. CURRENCY OF CALCULATION

The indices are calculated in Euro, using WM/Refinitiv 4:00 pm London spot rates for currency conversion

6.1.2. MINIMUM NUMBER OF BONDS

An index is calculated if at least one available bond matches all index criteria. If no more bonds qualify for an index, that index is no longer calculated and the index level remains at the last published level. If at least one bond qualifies again, calculation of the index is resumed.

6.1.3. MATURITY BUCKETS

All bonds are categorized into maturity buckets. As a principle, the bands are defined as 0-1, 1-3, 1-5, 1-10, 1-20, 3-5, 5+, 5-7, 5-10, 5-15, 7+, 7-10 and 10+ years.

6.1.4. BONDS TRADING FLAT OF ACCRUED

If a bond is identified as trading flat of accrued, the accrued interest of the bonds is set to 0 in the total return index calculation and the bond is excluded from the calculation of all bond and index analytical values.

6.1.5. REINVESTMENT OF CASH

Payments from coupons and scheduled partial and unscheduled full redemptions are held as cash until the next rebalancing when the cash is reinvested in the index.

6.1.6. SETTLEMENT CONVENTIONS

The settlement convention is t+0.

6.1.7. INTRA MONTH EVENTS

CALLED BONDS:

Bonds that are called during the month are treated immediately: the value of the called bond is kept constant at the call price plus accrued interest as of the call date and brought forward until the next rebalancing.

6. CALCULATION METHODOLOGY

FUNGED BONDS:

Bonds may be issued in several tranches. The different tranches are initially legally separate and therefore trade independently for a certain period. On and after the funge date, the tranches will be combined into one bond, i.e. the parent tranche will contain the original security, as well as the additional notional(s) from the new tranche(s). After the funge date, the prices for both the securities are the same, because they constitute one uniform bond. This is reflected in the indices as follows:

- After the funge date, the price from the parent tranche is used for the funged tranche.
- Funged tranche leaves the index at the next rebalancing and parent amount outstanding increases accordingly.

EX-DIVIDEND CONVENTION:

Some markets have ex-dividend conventions. Ex-dividend means that the next coupon is detached from the bond several days in advance of the coupon payment date. The date on which the next coupon is detached is the ex-dividend date and the period between the ex-dividend date and the coupon payment date is the ex-dividend period. If a bond is in the ex-dividend period, the next coupon payment will not be paid to a buyer of this bond but will be paid to the original bond holder.

The treatment of such bonds is as follows- for index components with ex-dividend convention; the index calculation will consider the coupon on the relevant payment date.

6. CALCULATION METHODOLOGY

6.2. REVIEW AND REBALANCE RULES

ECPI Bond indices are reviewed and re-balanced on a monthly basis. The adjustment is carried out as follows.

6.2.1. BOND SELECTION

The universe of bonds is reviewed monthly; the issues meeting the criteria described above at the end of the month are included in the indices. The cut-off date for meeting the outstanding amount criteria is three business days prior to month-end. The rating information includes all rating actions published three trading days before the end of the month. Intra-month rating changes are reflected at the beginning of the following month. The time to maturity is measured from the rebalancing date to the final specified maturity date of the bond.

6.2.2. INDEX COMPOSITION

All bonds are assigned to the indices according to their classification. The assignment of a bond to a certain maturity bucket is based on its expected remaining life. The expected remaining life is expressed in years and calculated as follows:

- For plain vanilla bonds, the expected remaining life of the bond is its time to maturity, calculated as the number of days between the last calendar day of the current month and its maturity.
- For dated and undated callable bonds, the first call date is always assumed to be the expected redemption date. The expected remaining life is calculated as the number of days between the last calendar day of the month and the expected redemption date.

All bonds remain in their maturity bucket for the entire month.

6.2.3. WEIGHTING ADJUSTMENTS

Within an index, each bond is weighted according to its market value. Intra-month changes of the amount outstanding for each bond are reflected in the index through the rebalancing procedure at the beginning of the next month.

6.2.4. COUPON ADJUSTMENTS

Coupon changes to corporate bonds are taken into account in the calculation of the indices from the exact date on which the coupon was altered.

6.2.5. RE-BALANCING TIMEFRAME

Two business days before the end of each month, a final list of securities entering and exiting the index is published.

6. CALCULATION METHODOLOGY

6.3. INDEX FORMULAS

The indices are calculated as basket indices based on real bonds. All indices are published as total return indices.

The ECPI Bond indices are calculated on a capitalization-weighted basis that recognizes the relative changes in value compared to the beginning of each month. The composition and weightings of the index are adjusted at the beginning of each month.

6.3.1. TOTAL RETURN BOND INDICES

For total return indices the monthly adjustment involves the reinvestment of coupon payments into the index at the beginning of the new month. Total return indices are calculated as follows:

$$TR_t = TR_{t-s} \frac{\sum_{i=1}^n (P_{i,t} + A_{i,t} + XD_{i,t-s} * (CP_{i,t} + G_{i,t})) * N_{i,t-s}}{\sum_{i=1}^n (P_{i,t-s} + A_{i,t-s} + XD_{i,t-s} * CP_{i,t-s}) * N_{i,t-s}}$$

Notation:

- $A_{i,t}$ = Accrued interest of bond i at time t
- $A_{i,t-s}$ = Accrued interest of bond i on the last calendar day of the previous month
- $CP_{i,t}$ = Value of the next coupon payment of bond i during an ex-dividend period (because the next coupon is separated from the bond during the ex-dividend period). Outside the ex-dividend period, the value is 0
- $CP_{i,t-s}$ = Value of the next coupon payment of bond i (at the last re-balancing) during an ex-dividend period (because the next coupon is separated from the bond during the ex-dividend period). Outside the ex-dividend period, the value is 0
- $G_{i,t}$ = Coupon payment received from bond i between the day of the payment and month-end. If none the value is set to 0
- n = Number of bonds resp. number of future cash flows in the index
- $N_{i,t-s}$ = Notional of bond i at the last rebalancing
- $P_{i,t}$ = Price of bond i at time t
- $P_{i,t-s}$ = Closing price of bond i on the last trading day of the previous month
- $PI_{i,t}$ = Price Index level at time t
- $PI_{i,t-s}$ = Closing price index level on the last calendar day of the previous month
- s = Time since last rebalancing
- t = Time of calculation
- TR_t = Total return index level at time t
- TR_{t-s} = Closing total return index level on the last calendar day of the previous Month
- $XD_{i,t-s} = 0$, if the bond enters the index during its current ex-dividend period (to ensure that the next coupon payment is not included in the total return calculation)
- $XD_{i,t-s} = 1$, if (a) the bond does have ex-dividend conventions, (b) has not entered the index during an ex-dividend period, or (c) entered the index during a previous ex-dividend period

6.3.2. INFLATION LINKED BOND INDICES

Inflation-linked bonds, primarily issued by sovereign governments, are indexed to inflation so that the principal and interest payments rise and fall with the rate of inflation.

6. CALCULATION METHODOLOGY

For total return indices the monthly adjustment involves the reinvestment of coupon payments at the beginning of the month. Consequently, total return indices are calculated as follows:

$$TR_t = TR_{t-s} \frac{\sum_{i=1}^n (P_{i,t} * IR_{i,t} + A_{i,t} * IR_{i,t} + (CP_{i,t} * IR_{i,t} + G_{i,t} * IR_{i,t})) * N_{i,t-s}}{\sum_{i=1}^n (P_{i,t-s} + A_{i,t-s} + CP_{i,t-s}) * N_{i,t-s} * IR_{i,t-s}}$$

$$N_{i,t}^N = N_{i,t} * IR_t$$

$$IR_t = \frac{CPI_t}{CPI_{t_0}}$$

Notation:

- $A_{i,t}$ = Accrued interest of bond i at time t
- $A_{i,t-s}$ = Accrued interest of bond i on the last calendar day of the previous month
- $CP_{i,t}$ = Value of the next coupon payment of bond i during an ex-dividend period (because the next coupon is separated from the bond during the ex-dividend period). Outside the ex-dividend period, the value is 0
- $CP_{i,t-s}$ = Value of the next coupon payment of bond i (at the last re-balancing) during an ex-dividend period (because the next coupon is separated from the bond during the ex-dividend period). Outside the ex-dividend period, the value is 0
- $G_{i,t}$ = Coupon payment received from bond i between the day of the payment and month-end. If none the value is set to 0
- n = Number of bonds resp. number of future cash flows in the index
- $N_{i,t-s}$ = Notional of bond i at the last rebalancing
- $P_{i,t}$ = Price of bond i at time t
- $P_{i,t-s}$ = Closing price of bond i on the last trading day of the previous month
- $PI_{i,t}$ = Price Index level at time t
- $PI_{i,t-s}$ = Closing price index level on the last calendar day of the previous month
- s = Time since last rebalancing
- t = Time of calculation
- TR_t = Total return index level at time t
- TR_{t-s} = Closing total return index level on the last calendar day of the previous Month
- $XD_{i,t-s} = 0$, if the bond enters the index during its current ex-dividend period (to ensure that the next coupon payment is not included in the total return calculation)
- $XD_{i,t-s} = 1$, if (a) the bond does have ex-dividend conventions, (b) has not entered the index during an ex-dividend period, or (c) entered the index during a previous ex-dividend period
- CPI_t = Reference Consumer Price Inflation on settlement date t
- CPI_{t_0} = Base index level applying to the interest accrual date of the bond

6.3.3. HEDGED BOND INDICES

A currency hedged index is constructed by adding a layer of currency forward contracts to the underlying unhedged indexes. The Hedged Indexes are calculated as daily return indexes and hedged on a monthly basis. The Hedged Indexes are designed to represent returns for global investment strategies that involve hedging currency risk, but not the underlying constituent risk.

Hedging Algorithm

6. CALCULATION METHODOLOGY

The hedged index performance is calculated as the performance of the unhedged index in the base currency plus the hedge impact in the base currency, as derived from the forward positions.

The hedge impact (*HI*) is calculated according to the following formula:

$$HI(t) = NAF \times \sum_{i=1}^n \left\{ Weight_{i,M-2} \times FXRate_{i,M-2} \times \left(\frac{1}{FFRate_{i,M-1}} - \frac{1}{FFRate_{i,odd-days_t}} \right) \right\}$$

Notation:

- t = Index calculation date.
- $NAF = \frac{HedgedIndex_{M-2}}{HedgedIndex_{M-1}}$
- M = First calendar day of the month.
- $HI(t)$ = Index Hedge Impact at time t .
- $Weight_{i,M-2}$ = Currency weight in the index 2 days before next month first day.
- $FXRate_{i,M-2}$ = Spot rate of the currency i two business days before the start of the current calendar month. This term determines the notional amount of the foreign currency to be sold corresponding to its weight in the index.
- $FFRate_{i,M-1}$ = 1-month Forward for the currency i one business day before the start of the current calendar month (or last business day of the previous calendar month)
- $FFRate_{i,odd-days_t}$ = Interpolated odd-days forward rate of the currency i on day t .

The interpolated odd-days forward rate is calculated according to the following formula:

$$FFRate_{odd-days_t} = FXRate_t + \left\{ (FFRate_{1-month_t} - FXRate_t) \times \frac{Odd-days_t}{TotNbOfCalcDaysDuringMonth} \right\}$$

Notation:

- $FXRate_t$ = Spot rate at time t
- $FFRate_{1-month_t}$ = 1-month forward rate at time t
- $Odd-Days_t$ = Number of days until the last business day of the current month (not counting t)

The performance of the hedged index total return net is calculated as:

$$\text{Hedged Index} = \frac{I(\text{TRNet})_t}{I(\text{TRNet})_{M-1}} - 1 + HI(t)$$

6. CALCULATION METHODOLOGY

6.4. CALCULATION CORRECTION

This section outlines the rules and procedures applicable in case of a calculation error, meaning the provision of index values, usage of index constituents or other elements or the application of weightings, capping, or other aspects of the index methodology in a manner that is not in line with this index methodology, e.g. due to a mistake, incorrect input data, etc.

6.4.1. RULE-BASED CORRECTION

STOXX Ltd. corrects a Calculation Error without delay on the dissemination day it occurred, provided that STOXX Ltd. becomes aware of such Calculation Error before 15:30 CET on that dissemination day and insofar as technically and operationally feasible. STOXX Ltd. does not change intraday index composition of an index.

If STOXX Ltd. became aware of a Calculation Error at or after 15:30 CET, STOXX Ltd. aims at correcting the Calculation Errors as of the end of the next dissemination day, including corrections to index constituents.

STOXX Ltd. amends without undue delay previous incorrect index values or input data only if they are required for the subsequent index values calculation. Incorrect real-time index values disseminated before the effective time of the correction are not restated.

6.4.2. NON-RULE BASED CORRECTION

If the above-outlined rule-based error correction cannot be applied, the relevant STOXX Committee assesses without undue delay:

- if and how the Calculation Error should be corrected, including if the index shall be restated, and/or
- if the dissemination of index values shall be suspended.

An index should be restated, when the performance of the index can no longer be replicated. A suspension of index dissemination is triggered when relevant STOXX Committee decides that the correction will take significant time during which misleading index values could lead to financial, legal and reputational risks.

STOXX Ltd. suspends the dissemination of an index at the latest at the end of the dissemination day after it became aware of a Calculation Error, if the Calculation Error has not been corrected by then.

STOXX Ltd. will resume the dissemination of the index as soon as the correct index calculation is feasible, and the correct historical values are available.

6.4.3. NOTIFICATIONS

In general, notifications take the form of an announcement on the STOXX website (<https://www.stoxx.com>). Announcements can (but need not, depending on the decision of STOXX Ltd.) be published via financial relevant media.

With regards to calculation errors, STOXX Ltd. issues notifications in accordance with the following

6. CALCULATION METHODOLOGY

rules:

STOXX Ltd. will publish a notification before correcting a calculation error. Notifications are effective immediately following their issuance, unless otherwise specified in the notification.

The notification will specify if a Calculation Error will be corrected retrospectively. In case of retrospective correction, STOXX Ltd. will publish the notification using the new end-of-day closing price.

If STOXX Ltd. decides under Section Non-rule-based correction that index dissemination is suspended until the Calculation Error is corrected, a resume notification is published specifying the point in time when index dissemination is resumed and the correction will take place.

STOXX Ltd. will refrain from the issuance of a notification if it reaches the view that the issuance of a notification is not in line with the applicable laws and may decide to issue such Notification at a later point in time when such reasons have lapsed. By reason of force majeure or other events beyond the control of STOXX Ltd. it might become impossible for STOXX Ltd. to issue a notification in due time or by the means set out herein. In such cases STOXX Ltd. may exceptionally issue the notification either subsequently immediately following such event or in any case by other means

6.4.4. PUBLICATION

Index closing values and analytics are published daily by STOXX Ltd. at www.stoxx.com, after the close of trading.

6. CALCULATION METHODOLOGY

6.5. ESG METHODOLOGY

6.5.1. BENCHMARK-LEVEL ESG DISCLOSURES

EU Benchmark Regulation Disclosure

In adherence with EU sustainability-related disclosures regulation for benchmarks, STOXX provides explanations of how environmental, social and governance factors are reflected in each benchmark belonging to either the fixed income family or the equity family.

Regulation References

The published texts of the Delegated Acts can be found at the following links:

- Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published
- Commission Delegated Regulation (EU) 2020/1817 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the minimum content of the explanation on how environmental, social and governance factors are reflected in the benchmark methodology
- Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks

Indices in scope

All ECPI indices aim to attain certain ESG Objectives, and therefore ECPI publishes ESG factors, including Environmental, Social and Governance Dimensions for all its Indices.

At the date this document goes public, ECPI does not offer any Index referable to as "Climate Transition Benchmark" or "EU Paris-Aligned Benchmark".

Frequency of update and publication of ESG metrics

All ESG Metrics are calculated for each index on a monthly basis, immediately following the last business day of the month and are published within 5 business days following month end for each index in the relevant Index factsheet and published on the Company website (www.stoxx.com).

Data Sources

ESG metrics are calculated based on ECPI research methodology, and third-party data, including Trucost data and publicly available data sources.

Disclosed Data and definitions

ECPI publishes, as foreseen in Annex II to the EU Delegated Act, mandatory and voluntary ESG metrics based on the underlying assets of the index.

SOVEREIGN BOND INDICES

<i>Combined ESG Factors</i>		
DISCLOSURES	TYPE	FORMULA

6. CALCULATION METHODOLOGY

Weighted average ESG rating of the benchmark.	Voluntary	$\sum_i (\omega_i * ESG_i)$ $\omega_i = \text{index weight for security } i$ $ESG_i = \text{Overall ESG score of security } i$
Overall ESG rating of top ten benchmark constituents by weighting in the benchmark.	Voluntary	List of Top 10 Holding and Securities' ESG ratings
Environmental Factors		
Weighted average environmental rating of the benchmark.	Voluntary	$\sum_i (\omega_i * ENV_i)$ $\omega_i = \text{index weight for security } i$ $ENV_i = \text{Environments pillar score of security } i$
Greenhouse gas (GHG) intensity of the benchmark.	Compulsory	$\sum_i (\omega_i * CarbonIntensity_i)$ $\omega_i = \text{index weight for security } i$ $CarbonIntensity_i$ = Territorial GHG emissions of country i, including land use, land use change and forestry, as reported by the WRI, divided by GDP (mtCO2e/million GDP)
Percentage of GHG emissions reported versus estimated.	Compulsory	$\sum_i (\omega_i * CarbonDisclosure_i)$ $\omega_i = \text{index weight for security } i$ $CarbonDisclosure_i = \text{Percentage of GHG emissions reported for security } i$
Percentage of green bonds in the benchmark portfolio.	Compulsory	$\sum_i (\omega_i * GB_Exposure_i)$ $\omega_i = \text{index weight for security } i$ $GB_Exposure_i = 1, \text{ if security } i \text{ is a Green Bond}$ $GB_Exposure_i = 0, \text{ otherwise}$
Social Factors		
Weighted average social rating of the	Voluntary	$\sum_i (\omega_i * SOC_i)$

6. CALCULATION METHODOLOGY

benchmark.		ω_i = index weight for security i SOC_i = Social pillar score of security i
Number of benchmark constituents subject to social violations (absolute number and relative number divided by all benchmark constituents), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	Compulsory	$\sum_i SV_Exposure_i$ $SV_Exposure_i =$ 1, if issuer i is subject to very severe controversies related to international treaties and conventions, United Nations principles on social rights $SV_Exposure_i = 0$, otherwise
Average human rights performance of the issuers (including a quantitative indicator and the methodology used to calculate it).	Compulsory	$\sum_i (\omega_i * HRS_i)$ ω_i = index weight for security i HRS_i = human rights score of security i issuer
Average income inequality score, measuring the distribution of income and economic inequality among the participants in a particular economy (including a quantitative indicator and the methodology used to	Compulsory	$\sum_i (\omega_i * IIS_i)$ ω_i = index weight for security i IIS_i = income inequality score of security i issuer

6. CALCULATION METHODOLOGY

calculate it).		
Average freedom of expression score measuring the extent to which political and civil society organizations can operate freely (including a quantitative indicator and the methodology used to calculate it).	Compulsory	$\sum_i (\omega_i * FH_i)$ <p>ω_i = index weight for security i</p> <p>FH_i = freedom of expression score of security i issuer</p>
Governance Factors		
Weighted average governance rating of the benchmark.	Voluntary	$\sum_i (\omega_i * GOV_i)$ <p>ω_i = index weight for security i</p> <p>GOV_i = Governance pillar score of security i issuer</p>
Average corruption score measuring the perceived level of public sector corruption (including a quantitative indicator and the methodology used to calculate it).	Compulsory	$\sum_i (\omega_i * CPI_i)$ <p>ω_i = index weight for security i</p> <p>CPI_i = perceived levels of public sector corruption score of security i issuer</p>
Average political stability score, measuring the likelihood that the current regime will be overthrown by the use of force (including a	Compulsory	$\sum_i (\omega_i * PSS_i)$ <p>ω_i = index weight for security i</p> <p>PSS_i = political stability score of security i issuer</p>

6. CALCULATION METHODOLOGY

<p>quantitative indicator and the methodology used to calculate it).</p>		
<p>Average rule of law score, based on the absence of corruption, respect for fundamental rights, and the state of civil and criminal justice (including a quantitative indicator and the methodology used to calculate it).</p>	<p>Compulsory</p>	$\sum_i (\omega_i * RLS_i)$ <p>ω_i = index weight for security i</p> <p>RLS_i = rule of law score of security i issuer</p>

Calculation and display methodology

- **ESG RATING:** Weighted average ESG rating of the benchmark.
- **ENV RATING:** Weighted average environmental rating of the benchmark.
- **SOC RATING:** Weighted average social rating of the benchmark.
- **GOV RATING:** Weighted average governance rating of the benchmark.
- **TOP 10 POSITIONS:** Overall ESG rating of top ten benchmark constituents by weighting in the benchmark.
- **GHG intensity (tonnes CO2e/USD mn):** Greenhouse gas (GHG) intensity of the benchmark.
- **GHG reported vs estimated (%):** Percentage of GHG emissions reported versus estimated.
- **Green Bonds (%):** Percentage of green bonds in the benchmark portfolio.
- **Number of Social Violations:** Number of benchmark constituents subject to social violations, as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.
- **Human Rights Performance:** Average human rights performance of the issuers (Weighted average Fragile State Index - P3: Human Rights and Rule of Law). Scores are represented as values from 1 (highest human rights performance) to 10 (lowest human rights performance)
- **Income Inequality Score:** Average income inequality score, measuring the distribution of income and economic inequality among the participants in a particular economy (Weighted average Fragile State Index - E2: Uneven Economic Development). Scores are represented as values from 1 (most equal) to 10 (least equal).
- **Freedom of Expression Score:** Average freedom of expression score measuring the extent to which political and civil society organizations can operate freely (Weighted average Freedom House Index). Scores are represented as values from 1 (lowest level of freedom) to 100 (highest level of freedom).
- **Corruption Score:** Average corruption score measuring the perceived level of public sector corruption (Weighted average Corruption Perception Index) Scores are represented as

6. CALCULATION METHODOLOGY

values from 1 (most corrupt) to 100 (least corrupt).

- Political Stability Score:** Average political stability score, measuring the likelihood that the current regime will be overthrown by the use of force (Weighted average Political Stability and absence of Violence Index). Scores are represented as values from 0 (lowest political stability performance) to 10 (highest political stability performance).
- Rule of Law Score:** Average rule of law score, based on the absence of corruption, respect for fundamental rights, and the state of civil and criminal justice (Weighted average Rule of Law Index). Scores are represented as values from 0 (lowest rule of law performance) to 10 (highest rule of law performance).

CORPORATE BOND INDEX FAMILY

Combined ESG Factors		
DISCLOSURES	TYPE	FORMULA
Weighted average ESG rating of the benchmark.	Voluntary	$\sum_i (\omega_i * ESG_i)$ ω_i = index weight for security i ESG_i = Overall ESG score of security i
Overall ESG rating of top ten benchmark constituents by weighting in the benchmark.	Voluntary	List of Top 10 Holding and securities' ESG ratings
Environmental Factors		
Weighted average environmental rating of the benchmark.	Voluntary	$\sum_i (\omega_i * ENV_i)$ ω_i = index weight for security i ENV_i = Environments pillar score of security i
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	$\sum_i (\omega_i * PhysicalRiskScore_i)$ ω_i = index weight for security i $PhysicalRiskScore_i$ = climate related physical risks for security i , expressed as a weighted average with exposure to a moderate climate change scenario in the year 2030.
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	Compulsory	$\sum_i (\omega_i * HCIS_Exposure_i)$ ω_i = index weight for security i $HCIS_Exposure_i$ = 1, if issuer i belongs to a high climate impact sector 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 $HCIS_Exposure_i$ = 0, otherwise

6. CALCULATION METHODOLOGY

weight in the portfolio (NACE Revision 2 Sector classification codes: A-H, L).		
Greenhouse gas (GHG) intensity of the benchmark.	Compulsory	$\sum_i (\omega_i * CarbonIntensity_i)$ $\omega_i = \text{index weight for security } i$ $CarbonIntensity_i = \text{Greenhouse gases divided by revenue for security } i \text{ (tonnes CO2e /USD mn), calculated as emissions from direct operations of the company and those of its suppliers}$
Percentage of GHG emissions reported versus estimated.	Compulsory	$\sum_i (\omega_i * CarbonDisclosure_i)$ $\omega_i = \text{index weight for security } i$ $CarbonDisclosure_i = \text{Percentage of GHG emissions reported for security } i$
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. (NACE Revision 2 Sector division codes: 05-09, 19 and 20)	Compulsory	$\sum_i (\omega_i * BS_Exposure_i)$ $\omega_i = \text{index weight for security } i$ $BS_Exposure_i = 1, \text{ if issuer } i \text{ belongs to a brown sector falling under Divisions 05 to 09, 19}$ $BS_Exposure_i = 0, \text{ otherwise}$
Percentage of green bonds in the benchmark portfolio.	Compulsory	$\sum_i (\omega_i * GB_Exposure_i)$ $\omega_i = \text{index weight for security } i$ $GB_Exposure_i = 1, \text{ if security } i \text{ is a Green Bond}$ $GB_Exposure_i = 0, \text{ otherwise}$
Social Factors		
Weighted average social rating of the benchmark.	Voluntary	$\sum_i (\omega_i * SOC_i)$ $\omega_i = \text{index weight for security } i$ $SOC_i = \text{Social pillar score of security } i$
International treaties and conventions, United Nations principles or, where applicable, national law used in order to determine what constitutes a 'controversial weapon'.	Compulsory	<p>ECPI considers depleted uranium weapons and nuclear weapons, chemical, biological weapons, anti-personnel mines, cluster munitions to be controversial weapons. Exclusion rules follow the prohibitions defined in the following treaties and conventions: 1) Conventions and Treaties on Cluster Munitions (The Ottawa Treaty 1997, The Convention on Cluster Munitions 2008); 2) Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons (1975); Treaty on the Non-Proliferation of Nuclear Weapons (1968); The Chemical Weapons Convention (1997).</p>
Weighted average percentage of benchmark constituents	Compulsory	$\sum_i (\omega_i * CW_Exposure_i)$ $\omega_i = \text{index weight for security } i$ $CW_Exposure_i = 1, \text{ if issuer } i \text{ belongs to controversial weapons sector}$

6. CALCULATION METHODOLOGY

in the controversial weapons sector.		$CW_Exposure_i = 0$, otherwise
Weighted average percentage of benchmark constituents in the tobacco sector.	Compulsory	$\sum_i (\omega_i * T_Exposure_i)$ ω_i = index weight for security i $T_Exposure_i = 1$, if issuer i belongs to tobacco sector $T_Exposure_i = 0$, otherwise
Number of benchmark constituents subject to social violations, as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	Compulsory	$\sum_i HRLR_Exposure_i$ $HRLR_Exposure_i$ $= 1$, if issuer i is subject to very severe controversies related to Human Rights $HRLR_Exposure_i = 0$, otherwise
Exposure of the benchmark portfolio to companies without due diligence policies on issues addressed by the fundamental International Labor Organization Conventions 1 to 8.	Compulsory	$\sum_i (\omega_i * ILO_Exposure_i)$ ω_i = index weight for security i $ILO_Exposure_i$ $= 1$, if issuer i is not involved in significant labour related controversy $ILO_Exposure_i = 0$, otherwise
Weighted average gender pay gap.	Compulsory	$\sum_i (\omega_i * GenderPayGapPercentage_i)$ ω_i = index weight for security i $GenderPayGapPercentage_i$ = Gender Pay Gap of issuer i
Weighted average ratio of female to male board members.	Compulsory	$\sum_i \left(\omega_i * \frac{BoardFemaleRatio_i}{1 - BoardFemaleRatio_i} \right)$ ω_i = index weight for security i $BoardFemaleRatio_i$ = Percentage of female board members of issuer i
Weighted average percentage of benchmark constituents with health & safety related controversies	Compulsory	$\sum_i (\omega_i * OHS_Exposure_i)$ ω_i = index weight for security i $OHS_Exposure_i$ $= 1$, if issuer i is involved in significant occupational health and safety related controversies $OHS_Exposure_i = 0$, otherwise
Weighted average percentage of benchmark constituents with corruption/bribery related controversies	Compulsory	$\sum_i (\omega_i * C\&B_Exposure_i)$ ω_i = index weight for security i $C\&B_Exposure_i$ $= 1$, if issuer i is involved in significant corruption and bribery related controversies $C\&B_Exposure_i = 0$, otherwise

6. CALCULATION METHODOLOGY

Governance Factors		
Weighted average governance rating of the benchmark.	Voluntary	$\sum_i (\omega_i * GOV_i)$ $\omega_i =$ index weight for security i $GOV_i =$ Governance pillar score of security i
Weighted average percentage of board members who are independent.	Compulsory	$\sum_i (\omega_i * IndependentBoardRatio_i)$ $\omega_i =$ index weight for security i $IndependentBoardRatio_i =$ Percentage of independent board members of issuer i
Weighted average percentage of female board members.	Compulsory	$\sum_i (\omega_i * BoardFemaleRatio_i)$ $\omega_i =$ index weight for security i $BoardFemaleRatio_i =$ Percentage of female board members of issuer i

Calculation and display methodology

- **ESG RATING:** Weighted average ESG rating of the benchmark.
- **ENV RATING:** Weighted average environmental rating of the benchmark.
- **SOC RATING:** Weighted average social rating of the benchmark.
- **GOV RATING:** Weighted average governance rating of the benchmark.
- **TOP 10 POSITIONS:** Overall ESG rating of top ten benchmark constituents by weighting in the benchmark.
- **High Climate Impact Sector Exposure (%):** Benchmark exposure to activities included in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.
- **GHG intensity (tonnes CO2e/USD mn):** Greenhouse gas (GHG) intensity of the benchmark.
- **GHG reported vs estimated (%):** Percentage of GHG emissions reported versus estimated.
- **Brown Sector Exposure (%):** Benchmark exposure to activities included in Divisions 05 to 09, 19 and 20 of Annex I to Regulation (EC) No 1893/2006.
- **Green Bonds (%):** Percentage of green bonds in the benchmark portfolio.
- **Climate-related physical risk score:** Exposure of the benchmark portfolio to climate-related physical risks, expressed as a weighted average physical risk score with exposure to a moderate climate change scenario in the year 2030. Scores are represented as values from 1 (lowest risk) to 100 (highest risk).
- **Controversial Weapons Exposure (%):** Weighted average percentage of benchmark constituents in the controversial weapons sector. Controversial Weapons definition covers cluster munitions, landmines, nuclear and depleted uranium weapons, biological/chemical weapons.
- **Tobacco Exposure (%):** Weighted average percentage of benchmark constituents in the tobacco sector.
- **Number of Social Violations:** Number of benchmark constituents subject to very severe controversies related to Human Rights and Labour Rights.
- **Adherence to ILO Principles:** Weighted average percentage of benchmark constituents with no significant labour related controversies.
- **Gender Pay Gap (%):** Weighted average gender pay gap.
- **Female to Male Board Members:** Weighted average ratio of female to male board members
- **Work Related Accidents (%):** Weighted average percentage of benchmark constituents

6. CALCULATION METHODOLOGY

with significant health & safety related controversies.

- **Corruption/Bribery (%)**: Weighted average percentage of benchmark constituents with significant corruption/bribery related controversies.
- **Independent Board Members (%)**: Weighted average percentage of board members who are independent.
- **Female Board Members (%)**: Weighted average percentage of female board members.

6.5.2. ISSUER-LEVEL ESG ASSESSMENT METHODOLOGY

ECPI ESG COMPANY RATING METHODOLOGY

ECPI research process follows an objective, rigorous and disciplined proprietary methodology that translates qualitative data into quantitative indicators, assigning to each issuer an Environmental, Social and Governance (ESG) score and a rating.

ECPI uses a rule-based non-discretionary approach considering approximately 100 key performance indicators to evaluate an issuer's environmental, social and governance sustainability. ECPI evaluates companies in the following areas

	INDICATORS	CATEGORIES	PILLARS	
PUBLIC INFORMATION SOURCES	7	Environmental strategy and policy	ENVIRONMENTAL Max score 40 Rating F>EEE (9 notches)	ESG RATING Max score 120 Rating F>EEE (9 notches)
	13	Environmental management		
	3/4	Products (sector specific)		
	6/11	Production process (sector specific)		
	9	Employees and human capital	SOCIAL Max score 40 Rating F>EEE (9 notches)	
	12	Community relations		
	11	Markets	GOVERNANCE Max score 40 Rating F>EEE (9 notches)	
	19	Corporate governance and shareholders		

The traditional pillars of ESG scrutiny are the following:

“E”
Environmental strategy, policy and management system. Industry-specific environmental impact of production processes and products.

“S”
Social strategy and policy: assessing the quality of the company's relationships with its employees and local communities (labor and human rights, health & safety)

“G”
Relation with other stakeholders (customers, competitors, competitors, competitors, competitors, management, public agencies and regulators, shareholders, creditors, local government and international institutions), market positioning and competitor analysis. Governance structure:

6. CALCULATION METHODOLOGY

assessing both market and internal management issues, identifying the structure of the company's governing bodies, its main operating characteristics, as well as the political and regulatory/legal specifics of the firm's country of affiliation.





The analysis produces a score and a rating. A company's overall rating is the sum of the scores from each indicator, the higher the final score, the higher the final rating.

ECPI also monitors the involvement of companies in the following controversial activities:

- **Alcohol:** Production and/or promotion of alcoholic products and its use
- **Gambling:** Involvement in horse betting, betting centers, casinos, gambling machine manufacturing
- **Weapons and Violence:** Involvement in the spread of violence, such as manufacture of firearms for the consumer market, manufacture of landmines, major weapons contractors contributing to the spread of global militarism
- **Tobacco:** Manufacturing, processing, trading or distributing wholesale tobacco, and tobacco products
- **Pornography:** Production aimed exclusively at inducing sexual excitement or a prurient interest in sex e.g. the objectification of women as sexual objects
- **Nuclear energy:** Involvement in the production of nuclear energy, with relation to possible accidents and disasters, residual generation of plutonium and raw material used in nuclear armament production (proliferation)
- **Contraceptives:** In the pharmaceutical industry, production of contraceptives, medicines and equipment related to abortion or birth control methods
- **GMO - Genetically modified organism – food production:** Involvement in the research, development and production of biotechnologies and in the genetic modification and production of species, produce and other organisms

Exclusions are driven by the percentage contribution of controversial activity to the total revenues of the issuer.

ECPI's proprietary rating scale ranges from "NE" to "EEE", along 10 notches.

RATING	LEVEL	DEFINITION	ECPI COMPANY RATING
EEE EEE-	Very good	The company shows an innovative long-term strategic attitude, strong operational management practices and proactive actions to tackle social and environmental needs.	VERY GOOD 
EE+ EE EE-	Good	The company shows a clear long-term strategic attitude, sound operational management practices and positive actions to tackle social and environmental needs.	GOOD 
E+ E E-	Fair	The company shows a basic long-term strategic attitude, standard operational management practices and/or average actions to tackle social and environmental needs.	FAIR 
F	Poor	The company shows a poor long-term strategic attitude, weak operational management practices and/or ineffective-negative actions to tackle social and environmental needs.	POOR 
NE*	Controversial	The company is involved in controversial sectors or activities .	

* Only when applicable / on clients request

6. CALCULATION METHODOLOGY

Other controversial activities (applied only to specific indices, see single index rules for details) monitored are:

- **Unconventional Oil & Gas:** involvement in unconventional oil & gas extraction (tar sands, shale gas through hydraulic fracking)
- **Coal – Mining:** involvement in the extraction and management of thermal coal mines
- **Coal – Thermal:** companies in the Utilities industry involved in the production of energy from thermal coal

For more information, read ECPI ESG rating methodology document for companies [here](#).

ECPI ESG COUNTRY RATING METHODOLOGY

ECPI Sustainability methodology applied to government issuers is aimed at guaranteeing investors that the investment portfolio is built exclusively with financial instruments issued by Governments which are compliant with international Environmental, Social and Governance (ESG) standards and without any significant liabilities in any aforementioned areas.

Since 1948, when the Universal Declaration of Human Rights was created, nations have begun to recognize the importance of respecting human dignity, freedom of expression and movement, equal opportunities in the work and political spheres, non-exploitative labour practices, respect for the environment, and a non-belligerent approach to conflicts.

Therefore, ECPI developed the Countries and Supranationals Methodology to assess the government's adherence to principles and to practices in aspects such as respect for human and labour rights, respect for the environment and anti-corruption.

REGULATION

The Methodology assesses the level of compliance of a government with a number of international treaties, conventions and best practices, which represent the international standard.

IMPLEMENTATION

The Methodology verifies the effectiveness of a government in implementing national legislation compliant with international standards and in enforcing it efficiently.

	CATEGORIES	WEIGHT	PILLARS	WEIGHT	
PUBLIC INFORMATION SOURCES	Environmental regulation e.g. Basel Convention	50%	ENVIRONMENTAL	33%	ESG RATING Max score 120 Rating F>EEE (9 notches)
	Environmental implementation e.g. Environmental Performance Index – EPI	50%			
	Social regulation e.g. Human Right Conventions – UN	50%	SOCIAL	33%	
	Social implementation e.g. Death Penalty – Amnesty International	50%			
	Governance regulation e.g. Doing Business Report – World Bank	50%	GOVERNANCE	33%	
	Governance implementation e.g. Corruption Perception Index – Transparency int.	50%			

6. CALCULATION METHODOLOGY

Government and Supranational Rating Scale :

ESG SCORE	SECTION (E - S - G) SCORE	RATING	LEVEL	DEFINITION
105. - 120	35. - 40	EEE	Very good	Countries display full compliance with international ESG standards, effective implementation, and efficient enforcement.
90. - 105	30. - 35	EEE-		
75. - 90	25. - 30	EE+	Good	Countries display adequate compliance with international ESG standards, good implementation, and sound enforcement.
60. - 75	20. - 25	EE		
45. - 60	15. - 20	EE-		
30. - 45	10. - 15	E+	Fair	Countries display partial compliance with international ESG standards, acceptable implementation, and basic enforcement.
15. - 30	5. - 10	E		
0 - 15	0 - 5	E-		
< 0	< 0	F	Poor	Countries display poor overall ESG performance.
---	---	NE	Controversial	Countries retain death penalty and/or are classified not free/partly free in terms of civil liberties and political rights.

For more information, read ECPI ESG rating methodology document for countries and supnationals [here](#).

7. METHODOLOGY REVIEW

7.1. OVERVIEW

The purpose of the methodology review is to maintain integrity of the index, i.e. that the index methodology remains executable and results in an accurate and reliable representation of the market / economic realities the index seeks to measure.

7.2. FREQUENCY OF REVIEW

To ensure the index integrity is always maintained, the methodology is reviewed annually and ad hoc if a Limitation has occurred. If a Limitation cannot be properly dealt with by a methodology review, this may give rise to an index cessation or index transition. STOXX Ltd. shall not be liable for any losses arising from any decisions taken as part of a methodology review.

7.3. REVIEW PROCEDURE

7.3.1. INITIATION OF METHODOLOGY REVIEW

The IMC proposes an annual methodology review schedule for approval by the IGC (Discretionary Rule, refer section 'Discretion').

The IMC is in charge of initiating ad hoc methodology reviews in case of a Limitation or based on recommendations to initiate a Methodology Review by other STOXX Committee (Discretionary Rule, refer section 'Discretion').

7.3.2. REVIEW DECISION AND ESCALATION

The following STOXX Committees are responsible for making the decisions on amendments to an index methodology:

The IMC decides on changes to the index methodology, unless

- a. a material change to the index methodology is proposed (see Section 'Material changes with consultation' below),
- b. the change is triggered by an Unclear Rule or Insufficient Rule (as part of a Section 'Limitation'), or
- c. it relates to a request for a market consultation,
- d. financial products relating to the index have a notional value/notional amount of more than EUR 500 Mn.

If any of the conditions a) to d) above are met, the decision is taken by IGC.

7.4. MATERIAL CHANGES WITH CONSULTATION

As described in the STOXX Changes to Methodology Policy and in STOXX Consultation Policy (publicly available on STOXX website), prior to proposed material changes to the index methodology, a consultation will be performed.

A change to an index methodology shall be considered material in the event of:

- a) a substantial change in the index objective or market/economic reality the index aims to represent (e.g. market leader components vs. mid cap companies), or
- b) a substantial change of the index methodology in aspects such as, but not limited to, the ones listed below and that would result in altering the overall concept or the nature of the index:

7. METHODOLOGY REVIEW

- i. calculation methods or formulas with a substantial impact on the index performance, or
- ii. rules regarding the determination of index constituents by application of the index methodology, or
- iii. rules regarding the determination of the weights of index constituents by application of the index methodology,
- iv. rules regarding the treatment of corporate actions.

On the contrary, index methodology updates resulting from the application of existing methodology principles or minor clarifications of existing rules or corrections without altering the overall concept or the nature of the index are generally considered non-material.

The IMC determines whether an amendment is material as defined above. In case such determination is not possible, the proposed amendment shall be treated as material.

In case of Changes to Methodology as described in STOXX Changes to Methodology Policy a STOXX consults with reasonably affected stakeholders ("Stakeholders") prior to take decision.

Stakeholders mean (a) persons or entities who have an index license with STOXX regarding a benchmark administered by STOXX (Subscriber) and/or as far as STOXX is reasonable aware (b) persons or entities and/or third parties who own contracts or financial instruments that reference a benchmark administered by STOXX (Investors)

Taking into account the Principle of Proportionality, STOXX informs affected Stakeholders as follows:

- either via public consultation open to the entire market and performed via STOXX website;
- or, when the relevant Stakeholders are known, on a restricted basis directly on the Stakeholders e-mail address.

STOXX shall inform in writing the Stakeholders on:

- the key elements of the proposed relevant changes
- the rationale for any proposed relevant changes
- the specific questions to be answered
- the deadline for receiving feedback
- the timeline of implementation of the Relevant Changes
- contact details where to provide feedback
- relevant definitions

The consultation shall enable Stakeholders to submit comments.

The standard consultation period shall be 1 month with the option to shorten or extend this period.

The IGC may decide to shorten the 1-month period in the following cases:

- in extreme or exceptional market conditions or analogous extraordinary situations
- in urgent cases, such as a situation in which the Index cannot be replicated anymore;
- in situations where there is no known Stakeholders impact or only a limited number of Stakeholders;
- in order to align the effective date of a proposed changed with Index Maintenance; e.g. an Equity/Bond Index Rebalancing, Index Review, and Corporate Action Adjustment, or
- any other similar cases applying the principle of proportionality.

The IGC s will consider the feedback received and decide whether the relevant changes shall become effective.

The IGC is not bound by any feedback received. Moreover, if the received feedback is ambiguous, or if no Stakeholders participated, the IGC may decide to conduct another consultation, which again will not be binding.

7. METHODOLOGY REVIEW

If the IGC decides that relevant changes shall become effective, STOXX will communicate a timeline on the implementation of the relevant changes, if not already communicated in the consultation material.

STOXX will after the consultation make available the Stakeholders feedback received in the consultation and STOXX's summary response to those comments, except where confidentiality has been requested by the respective Stakeholders.

The decision will be communicated as soon as possible in the form of an Announcement or Press Release.

STOXX Ltd. will refrain from issuance of a notification if it reaches the view that the issuance of a notification is not in line with applicable laws and may decide to issue such notification at a later point in time when such reasons have lapsed.

By reason of force majeure or other events beyond the control of STOXX Ltd. it might become impossible for STOXX Ltd. to issue a notification in due time or by the means set out herein. In such cases STOXX Ltd. may exceptionally issue the notification either subsequently immediately following such event or in any case by other means.

At the end of each consultation STOXX Ltd. will make available the feedback received from Stakeholders in the consultation together with a summary of its response to that feedback, except where confidentiality has been requested by the respective Stakeholders. (Discretionary Rule, refer section 'Discretion').

7.5. NON-MATERIAL CHANGES WITHOUT CONSULTATION

Non-material changes of the index methodology, including a description of the impact and the rationale, will be announced via Announcement or Press Release, effective immediately following publication, unless otherwise specified in the notification (Discretionary Rule, refer section 'Discretion'). STOXX Ltd. will refrain from the issuance of a notification if it reaches the view that the issuance of a notification is not in line with applicable laws and may decide to issue such Notification at a later point in time when such reasons have lapsed (Discretionary Rule, refer section 'Discretion'). By reason of force majeure or other events beyond the control of STOXX Ltd. it might become impossible for STOXX Ltd. to issue a notification in due time or by the means set out herein. In such cases STOXX Ltd. may exceptionally issue the notification either subsequently immediately following such event or in any case by other means.

7.6. PUBLICATION OF THE METHODOLOGY CHANGE

The effective date for benchmark methodology changes is aligned, where feasible, with the periodic benchmark reviews dates when the benchmark composition is changed, and a rebalancing is triggered to avoid extra ordinary impact for clients. Material methodology changes should generally be publicly announced 3 months prior to implementation. IGC may decide to shorten the notice period:

- a. In exceptional or urgent cases such as extreme or exceptional market conditions or analogous extraordinary situations
- b. in situations where there is no Stakeholder impact and where it has been agreed that the notice period has to be shortened but immediate communication is not possible. A case that requires urgent action is for example a situation in which the investor's ability to replicate the index benchmark performance with his or her portfolio is no longer ensured. In such cases,

7. METHODOLOGY REVIEW

changes or amendments to the published index methodology must be made on the same day the new rule or change is implemented.

- c. to align with the period benchmark review dates and the rebalancing of the benchmarks.

In case of any proposed material change in its methodology, STOXX shall share its view on the key elements of the methodology that will be impacted by a proposed material change.

Furthermore, STOXX Ltd. shall include an assessment as to whether the representativeness of the benchmark and its appropriateness for its intended use are put at risk in case the proposed material change is not put in place. In case of any changes or amendments to the present Index Guide, Operations and Product will work together to ensure both the public and subscribers are provided with detailed information about the nature and rationale of the change as well as the implications and terms for the new methodology to enter into force.

7.7. DISCRETION

Save for the cases expressly described in this Guide, the index methodology is entirely rule-based and automatic. Discretion only applies if expressly stated and must be exercised as provided for in this Guide.

7.8. EXERCISE OF DISCRETION

Discretion may only be exercised by STOXX Committee(s) (as defined hereafter) with a view to resolve issues arising in maintaining the prevailing index methodology in response to events, with an overarching aim to accurately and reliably measure the market or economic realities as defined in this Guide.

Discretion shall be exercised in line with the following principles:

- The body or person(s) exercising discretion must not be affected by a conflict of interest.
- The body or person(s) exercising discretion must have the requisite skills, knowledge and experience to exercise such discretion.
- All facts and circumstances relevant for the exercise of discretion must have been established and properly documented prior to the exercise of discretion;
- The exercise of discretion must comply with all applicable laws and regulations.
- The body or person(s) exercising discretion must act on the basis of the relevant facts and circumstances only, must give proper weight to the various considerations and ignore irrelevant facts and circumstances;
- The body or person(s) exercising discretion must act with a view to maintain the integrity of the market or economic reality by aiming to ensure that indices remain representative and can be replicated, taking into account, inter alia, some, or all of the following:
 - Relevance of the event to the ECPI Indices
 - Trading accessibility of the affected market
 - Availability of alternative markets
 - Ability of market participants to replicate the index or, where applicable, the results of the index review.
 - Public information related to the events and their development in the foreseeable future
- The body or person(s) exercising discretion must act honestly, reasonably, impartially and in good faith.

As part of the decision-making process, STOXX may consult with external stakeholders.

7. METHODOLOGY REVIEW

Discretionary Rule: Any exercise of discretion must take into account the rationale of the index, the purpose of the rules with regard to which discretion is exercised, the objective to preserve market integrity and reliability of the index calculation to avoid undue market impact, the technical feasibility and economic reasonability, and the interest of licensees or investors. Bodies and functions responsible for decision-making

The cases in which STOXX Ltd. may exercise discretion regarding the index methodology and its application are noted in the respective rules of this Guide.

The following bodies (hereafter each of them separately also referred to as "STOXX Committee") are involved in the decision-making process relevant for the indices governed by this Guide:

- Product Approval Committee (PAC),
- Index Operations Committee (IOC),
- Index Management Committee (IMC),
- Index Governance Committee (IGC),
- Oversight Committee (OC),
- Management Board (MB).

The following table summarizes the cases in which STOXX Committee(s) may exercise discretion regarding the index methodology and its application

Case	Responsible STOXX Committee
Index Termination and Transition	IMC, IGC
Sector Affiliation	IGC
Exclusion from Rankings	IGC
Deviation from Fast Exit/Fast Entry rules and Regular Exit/Regular Entry rules in exceptional cases	IGC
Procedure in case if a breach of the Basic Criteria	IGC
Determination of expected price to new shares in case of Subscription Rights on Other Share Classes	IGC
Procedure for Subscription Rights on Instruments with Embedded Options	IGC
Limitations	IGC
Review and approve treatment of Calculation Errors. Non-rule-based Correction.	IOC, IGC
Annual methodology review schedule	IMC, IGC
Initiation of ad hoc methodology reviews	IMC
Determination regarding materiality of changes to the index methodology	IMC
Deviation from standard consultation period in case of material changes of the index methodology	IGC
Deviation from notification procedure in case of material changes of the index methodology	IGC
Deviations from notification procedure in case of non-material changes of the index methodology	IMC
Extreme or exceptional market conditions or analogous extraordinary situations to be addressed in a fast track way (e.g. Pandemic)	IGC

7. METHODOLOGY REVIEW

Periodic review of current index methodologies (e.g. matching of underlying interest) including initiation of ad-hoc reviews of benchmarks or benchmark families and clarification of methodologies (if required).	IGC
(Annual) Review of the control framework (including identification of operational risks and definition of measures that address operational risks).	IOC, IMC
Review and approve reports on monitoring of outsourced service providers, contributors, risks and incidents reporting (Art. 10 BMR relevant)	IGC
Consideration and follow-up on the implementation of remedial actions based on results of internal and external audits.	IGC
Monitoring of input data (including input data from contributors).	IOC, IGC, OC
Review and approval of special cases identified during index review	IOC, IMC, IGC
Review and approval of complex corporate actions (disagreement on treatment of corp. action or application of rules)	IOC, IMC, IGC
Decisions with respect to complaints.	IGC
Review and approve periodic reporting requirements under the Periodic Review Policy.	IGC
Review and approve changes in case thresholds of significant or critical benchmarks exceeded and notify competent authority	IGC
Approval of launch of new products, including checks on suitability based on Positioning Paper.(including Regulatory Checklist, financial products that will be used and confirmation that any maintenance tool will be delivered by the launch date).	PAC, IGC
Responsibilities for clients, strategic or internal requests: -Final estimation of costs and revenues and final launch date -Final Positioning Paper (including Regulatory Checklist, financial products that will be used and confirmation that any maintenance tool will be delivered by the launch date).	PAC, IGC

8. LIMITATIONS

8.1. LIMITATIONS

This section applies in the event of Limitations that occur due to:

- insufficient rules, meaning the absence of a methodology rule, provision or procedure which leads to a failure when determining the respective index value or which leads to an index value that does not properly reflect the concept / nature of the index, e.g.:
 - performance of the index can no longer be physically replicated;
- insufficiently available index constituents to fulfil the requirements of the Index Methodology; unclear rules, meaning a situation in which the rules leave multiple possible interpretations on how a certain rule shall be applied to a specific situation
- data insufficiency, meaning a scenario in which the calculation of an index is no longer possible due to insufficient data quantity or quality;
- failure to produce index values as intended;
- market disruption which results in the performance of the index being unable to be tracked;
- events with a market impact that by their nature could reasonably not be foreseen, or events whose impact on an index or the economic reality the index intends to represent, cannot be determined in advance. Events covered in this section include, but are not limited to, events of natural, social, political, economic nature that may negatively impact regional or global societies or economies. Examples may be, but are not limited to, the following: (i) change to currency convertibility or restriction on capital flows announced by a country; (ii) market disruption, e.g. an event that materially negatively influences the aggregated liquidity, capitalization or tradability of an entire market; (iii) exchange closure, (iv) government intervention, (v) pandemic, (vi) natural catastrophe.

If a Limitation has occurred, the IGC shall decide if and how the Limitation shall be rectified (Discretionary Rule, refer section 'Discretion'). Any such rectification may comprise deviations from the index methodology which may apply as long as the Limitation persists (Discretionary Rule, refer section 'Discretion').

In this context, STOXX may also decide to cancel an index review.

If a Limitation that could justify the cancellation of an index review occurs two or fewer dissemination days before the scheduled review implementation day, the review will be performed as planned, if reasonably possible. This aims to avoid last-minute changes and not undermine the trading activity that may have already been performed.

If a review is cancelled, STOXX aims to perform it at the next scheduled review of the index, whichever comes first and subject to the then prevailing market conditions.

If a decision to deviate from the index methodology is taken, it will be communicated as soon as possible in form of an Announcement or Press Release. STOXX Ltd. will refrain from the issuance of a notification if it reaches the view that the issuance of a notification is not in line with applicable laws and may decide to issue such notification at a later point in time when such reasons have lapsed (Discretionary Rule, refer section 'Discretion'). By reason of force majeure or other events beyond the control of STOXX Ltd. it might become impossible for STOXX Ltd. to issue a notification in due time or by the means set out herein. In such cases STOXX Ltd. may exceptionally issue the notification either subsequently immediately following such event or in any case by other means.

8. LIMITATIONS

Any measures will be implemented two dissemination days later and will enter into effect the next dissemination day after implementation, unless a different effective date is specified in the notification

9. HISTORY OF CHANGES

9.1. HISTORY OF CHANGES TO THE ECPI FIXED INCOME INDICES METHODOLOGY GUIDE

May 21 st 2026	Version 1.0	Governance Update: General Rulebook Clarification and Guide Migration to STOXX Template
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