### Section A - Description of Index

#### Index overview

**Index name:** Bloomberg MSCI Global Green Bond Index

**Date of completion:** 21/06/2022

**Please provide a brief description of the index [max. 100 words]:**

The Bloomberg MSCI Green Bond Index offers investors an objective and robust measure of the global market for fixed income securities issued to fund projects with direct environmental benefits. An independent research-driven methodology is used to evaluate index-eligible green bonds to ensure they adhere to established green bond principles and are classified according to their environmental and social impact.

**Launched (year):** 2014

**Index dissemination:** Webpage / Documentation link

**Index factors:** Project category selection

**Comments:**

### Eligibility criteria

<table>
<thead>
<tr>
<th>Category</th>
<th>Eligibility criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental</td>
<td>Treasury, corporate, government related, and securitized bonds are included. This includes taxable municipals.</td>
</tr>
<tr>
<td>Social</td>
<td>No</td>
</tr>
</tbody>
</table>

**Project category selection:** The six eligible environmental categories defined by MSCI ESG Research are listed below.

- Alternative Energy
- Energy Efficiency
- Pollution Prevention and Control
- Sustainable Water
- Sustainable Land Use
- Climate Adaptation

**Social Project Categories:**

- N/A

**Eligibility:**

- **Eligible to include green buildings:** Yes
- **Eligible to include green municipalities:** Yes

**Licenced users and Bloomberg Terminal users:**

- Treasury, corporate, government related, and securitized bonds are included. This includes taxable municipals.

**Market coverage:**

- Global

**Is the index an EU Climate Transition Benchmark?**

- No

**Is the index an EU Paris-aligned Benchmark?**

- No

**Is the index recognised under any other regulation?**

- Yes, it is a UK Benchmark Regulation compliant Benchmark.

**GSS bond eligibility: Alignment**

- Green Bond Principles.
MSCI ESG Research reserves an independent methodology to evaluate index-eligible green bonds to ensure they align with established Green Bond Principles and are classified by their environmental use of proceeds.

**Green bond eligibility: Methodology**

Green bonds are fixed income securities in which the proceeds will be exclusively and formally applied to projects or activities that promote climate or other environmental sustainability outcomes through their use of proceeds. For the Bloomberg Barclays MSCI Global Aggregate Bond Indices, green bonds are independently evaluated by MSCI ESG Research along four dimensions to determine whether they should be classified as a green bond.

1. **Credit quality:** Securities must be rated investment grade (Baa3/BBB- or higher) using the middle rating of Moody’s, S&P, and Fitch; when a rating from only two agencies is available, the lower rating will be used. If bond-level ratings are available, the issuer rating is used. If bond-level ratings are not available, the issuer rating is used.

2. **Maturity:** Bonds that are expected to be held to maturity, including fixed-to-floating and floating rate structures, are evaluated using the middle rating of Moody’s, S&P, and Fitch. Intermediate maturity bands include bonds with maturities of 1 to 9.999 years. Long maturity bands include maturities of 10 years or greater.

3. **Verification and quality of data:** Verification of environmental performance of the use of proceeds is required. If an issuer has not published a report within 15 months of issuance, it will be flagged as “On Watch” in the next monthly green bond technical note, with details provided in the note regarding the timing and process for removal of the bond from the index.

4. **Comparability across securities:** Only fixed income securities that meet prescribed eligibility criteria.

**Ongoing reporting criteria and frequency:**

- Securities must be subject to ongoing reporting of the environmental performance of the use of proceeds.
- Ongoing reporting must be published by the issuer to ensure that the bond(s) will be considered for inclusion in the index.
- The issuer must publish a report within 18 months from issuance or 18 months from the last annual report, whichever is greater, and the report must be available to issuers at the time of issuance.
- If the issuer has not published a report within 15 months of issuance, it will be flagged as “On Watch” in the next monthly green bond technical note, with details provided in the note regarding the timing and process for removal of the bond from the index.
- Subsequent reports must be published within 15 months of the previous report, or at the time of the next index rebalance, whichever is greater.

**Credit quality:**

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- Credit quality considerations include:
  - Local currency treasuries and hard currency sovereign issues are classified using the middle issuer-level local currency and hard currency debt ratings from each agency for all outstanding bonds, even if bond-level ratings are available.
  - For the Canadian Dollar market, DBRS is considered in addition to Moody’s, S&P, and Fitch. When all four ratings agencies are available, the highest and lowest issuer-level ratings are used.
  - For German Pfandbriefe, ratings that are one full rating category above the issuer’s unsecured debt are used.
  - For unrated securities, the highest available issuer rating is used for index classification purposes.

**Amount outstanding:**

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**Data quality:**

- Data quality considerations include:
  - Data used must be widely accepted by investors as green bonds or made available to issuers at the time of issuance.
  - Data from three data providers is used: Bloomberg, IHS Markit, and Refinitive. Data from other sources may be used to classify securities by credit quality.
  - Data must be available to issuers at the time of issuance.

**Sub-indices:**

- Sub-indices based on maturity are inclusive of lower bounds. Intermediate maturity bands include bonds with maturities of 1 to 9.999 years. Long maturity bands include maturities of 10 years or greater.

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<table>
<thead>
<tr>
<th>Coupon type</th>
<th>Exclusions</th>
</tr>
</thead>
</table>
| Fixed-rate coupon | • Contingent capital securities, including traditional CoCos and contingent write-down securities  
| | • Bonds with equity type features (e.g., warrants, convertibles, preferred, DRD/QDI-eligible issues)  
| | • Inflation-linked bonds, floating-rate issues  
| | • Enhanced equipment trust certificates (EETC)  
| | • Certificates of deposit  
| | • Fixed-rate and fixed-to-floating rate bonds are eligible during their fixed-rate term only  
| | • Bonds with a step-up coupon that changes according to a predetermined schedule are eligible  

<table>
<thead>
<tr>
<th>Qualifying bonds</th>
<th>Exclusions</th>
</tr>
</thead>
</table>
| Fixed-rate bonds, parable, variable-rate and index-linked bonds  
| • Variable-rate securities, including Build America Bonds (BABs)  
| • Original issue zero coupon bonds  
| • Bonds issued through underwriter MBS programs  
| • Enhanced equipment trust certificates (EETC)  
| • Certificates of deposit  
| • Fixed-rate and fixed-to-floating rate bonds are eligible during their fixed-rate term only  
| • Bonds with a step-up coupon that changes according to a predetermined schedule are eligible  
| • Issued in connection with transactions where the issuer is the sole or majority owner or has significant influence over the issuer  

<table>
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<tr>
<th>Restrictions</th>
<th>Exclusions</th>
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</table>
| • Bonds with equity type features (e.g., warrants, convertibles, preferred, DRD/QDI-eligible issues)  
| • Inflation-linked bonds, floating-rate issues  
| • Fixed-rate participating  
| • Tax-exempt municipal securities  
| • Private placements,small-batch  
| • EETC with a rate reset prior to 2020  
| • Structured notes, pass-through certificates  
| • Non-GAAP eligible CMBS  
| • US agency MBS (as of April 1, 2013)  
| • Formosa bonds (as of April 1, 2013)  
| • Bonds with a step-up coupon that changes according to a predetermined schedule are eligible  
| • Issued in connection with transactions where the issuer is the sole or majority owner or has significant influence over the issuer  

| Illiquid securities where reliable pricing is unavailable  
| • Fixed-rate bullet, putable, sinkable/amortizing and callable bonds  
| • Taxable municipal securities, including Build America Bonds (BABs)  
| • Original issue zero coupon bonds  
| • Bonds issued through underwriter MBS programs  
| • Enhanced equipment trust certificates (EETC)  
| • Certificates of deposit  
| • Fixed-rate and fixed-to-floating rate bonds are eligible during their fixed-rate term only  
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| Bonds with a step-up coupon that changes according to a predetermined schedule are eligible.
<table>
<thead>
<tr>
<th>Index maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ongoing alignment methodology</strong></td>
</tr>
<tr>
<td>All issues issued on or after the index calculation date are included in the index. If an issue is partially made up of projects financed by the proceeds of multiple issues, or cannot be linked to a specific issue, the index price is weighted to reflect the proportion of each issue in the total issue.</td>
</tr>
<tr>
<td><strong>Price source</strong></td>
</tr>
<tr>
<td>Market Value</td>
</tr>
<tr>
<td><strong>Frequency of calculating</strong></td>
</tr>
<tr>
<td>Daily</td>
</tr>
<tr>
<td><strong>Frequency of rebalancing</strong></td>
</tr>
<tr>
<td>Monthly</td>
</tr>
<tr>
<td><strong>Weighting method</strong></td>
</tr>
<tr>
<td>Only Green</td>
</tr>
<tr>
<td><strong>If index is a mix of Green, Social project categories: allocation method across GSS projects</strong></td>
</tr>
<tr>
<td>New issuances</td>
</tr>
<tr>
<td>And long-exception projects, but not necessarily related to or before the index calculation date, qualify for inclusion in the following month’s review. If the proposed security fails initial information and pricing are weekly updated.</td>
</tr>
<tr>
<td><strong>Description of governance</strong></td>
</tr>
<tr>
<td>BISL uses two primary committees to provide overall governance and effective oversight of its benchmark administration activities.</td>
</tr>
<tr>
<td>1. Product, Risk &amp; Operations Committee (PROC) provides direct governance and is responsible for the first line of controls over the creation, design, construction and dissemination of benchmarks, indices, strategies, rates and foreign exchange rates administered by BISL. The PROC is comprised of Bloomberg personnel with significant experience or relevant expertise in the field of financial benchmarks. Meetings are attended by Bloomberg Legal &amp; Compliance personnel. Nominations and removals are subject to review by the BOC.</td>
</tr>
<tr>
<td>2. Benchmark Oversight Committee (BOC) provides business oversight. The BOC is independent of the PROC and is responsible for monitoring and challenging the activities carried out by the PROC, in carrying out its oversight duties, the BOC reviews reports of management information back from the PROC as well as Bloomberg Legal &amp; Compliance members engaged in second level controls.</td>
</tr>
<tr>
<td>To a quarterly basis, the BOC reports to the BOC on governance matters, including but not limited to client complaints, the launch of new benchmarks, operational incidents (including errors &amp; malfunctions), major enhancements and material changes concerning the benchmark, the results of any reviews of the benchmarks (internal or external) and material stakeholder engagements.</td>
</tr>
<tr>
<td>Section B - About the Administrator</td>
</tr>
<tr>
<td>------------------------------------</td>
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<tr>
<td><strong>Index Administrator</strong></td>
</tr>
<tr>
<td>National Supervisory Authority</td>
</tr>
<tr>
<td><strong>Alignment to IOSCO Objectives and Principles of Securities Regulation, and the IOSCO Assessment Methodology?</strong></td>
</tr>
</tbody>
</table>

Bloomberg’s index team has a proven track record in creating industry-leading and bespoke indices across asset classes, including bond, fixed income, and commodity indices. Bloomberg’s Index Services Limited (BISL) takes an innovative approach to delivering strategic benchmarks that help market participants address their evolving needs. As an integral part of Bloomberg, BISL has access to a comprehensive range of trusted data sources and powerful technology for calculations, analytics, and workflow automation, along with distribution capabilities that can help amplify the visibility of our customers’ products.