CLIMATE-RELATED DISCLOSURES DEFINITION

The data reported under item 7 is provided by ISS ESG.

● **ESG rating:** This factor provides a numeric score from 1 (D-), being poor, to 4 (A+), being high, linked to the rated entity's overall rating based on an assessment of environmental, social, and governance performance.

● **Environmental rating:** This factor provides a numeric score from 1 (D-), being poor, to 4 (A+), being high, linked to the rated entity's Environmental rating. The Environmental rating is based on an assessment of performance across key environmental metrics including energy management, water risk and impact, waste management, eco-efficiency, sector specific environmental aspects along the value chain, and other issues.

● **Social rating:** This factor provides a numeric score from 1 (D-), being poor, to 4 (A+), being high, linked to the rated entity's Social rating. The Social rating is based on an assessment of performance across key social sustainability metrics, including staff and suppliers, health and safety, human rights, sector specific product responsibility, and other issues.

● **Governance rating:** This factor provides a numeric score from 1 (D-) to 4 (A+) linked to the rated entity's Governance rating. The Governance rating is based on an assessment of performance across key governance metrics, including business ethics, corporate governance, and other issues.

● **Climate-related physical risks:** The aim of a climate-related physical risk analysis is to understand a company's future exposure to climate change-induced natural catastrophes, for example through increases in tropical cyclones or wildfires. The analysis provided by ISS ESG gives the investor knowledge on company risk exposure and the climate risk awareness of the companies analysed.
The assessment covers five of the most costly physical climate hazards across three scenarios, historical, most likely, and worst case. Granular corporate data is used to understand an issuer's geographical activity profile and thereby its hazard exposure. Proprietary financial data is used to assess the Value at Risk from hazards on a granular basis, including not only owned but also rented and leased assets for a holistic analysis.
The ESG physical risk solution provides metrics on both corporate and portfolio level. The factors show the financial impact on companies of individual hazards through Physical Risk Scores. Underlying factors that provide more granular details on how companies are affected by physical risks are also analysed. The key factors provided are:
- Physical risk score per hazard and scenario
- Value at Risk per hazard and scenario
- Management score for overall physical climate risk management

The score is computed as a weighted average and is expressed on a scale 0-100 where a low score indicates high risk, and a high score indicates low risk.

● **Degree of exposure of the portfolio to the sector 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.[1] This list of sectors is including the oil, gas, mining and transportation sectors, are sectors that highly contribute to climate change.

Section	Section Name
A	AGRICULTURE, FORESTRY AND FISHING
B	MINING AND QUARRYING
C	MANUFACTURING
D	ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY
E	WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES
F	CONSTRUCTION
G	WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES
H	TRANSPORTATION AND STORAGE
L	REAL ESTATE ACTIVITIES

[1] https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A32006R1893

● **ISS Greenhouse gas (GHG) intensity (Scope 1 & 2)** of the benchmark is expressed as a weighted average, the unit is in tons of CO2e per million EUR of revenue per year. This factor identifies the issuer's total Scope 1 + Scope 2 carbon emissions intensity. The carbon intensity is expressed as the issuer's total carbon emissions per million EUR of revenue as a proxy of the carbon efficiency per unit of output. The global overage is covering a universe of 25,000+ listed companies and issuers of corporate debt.

● **Emissions Data Source - Reported Source or Estimated Emissions:** This factor identifies the data resource used for the Total Emissions value. Reported data includes information derived from Sustainabilty or Annual Reports, CDP disclosures, or other verified resources. The "Modelled Emissions" value identifies issuers where ISS estimated emissions models to generate emissions data, either because the issuer does not report emissions or an issuer's reported emissions data does not meet quality standards.

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● **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[1], including Mining of coal and manufacture of chemicals, are sectors that highly contribute to climate change.

Division	Division Name
5	Mining of coal and lignite
6	Extraction of crude petroleum and natural gas
7	Mining of metal ores
8	Other mining and quarrying
9	Mining support service activities
19	Manufacture of coke and refined petroleum products
20	Manufacture of chemicals and chemical products

[1] https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX%3A32006R1893

● **Exposure of the benchmark portfolio to activities included in the environmental goods and services sector**, as defined in Article 2, point (5) of Regulation (EU) No 691/2011 of the European Parliament and of the Council.[2] ISS uses the Mitigating Climate Change - Comb. Contribution (%). This factor provides information on the share of net sales (reported or estimated) generated by a company with products/services defined as having a contributing impact on the achievement of the objective "Mitigating climate change". It is the sum of significant and limited net contribution percentages.

[2] https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32011R0691

● **Controversial weapons:** Indicates companies with verified involvement in controversial weapons (biological, chemical and nuclear weapons, cluster munitions, anti-personnel mines, depleted uranium). The result is expressed as a sum of weights of companies with verified involvement.

Anti-personnel mines: Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction.

Biological weapons: Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction.

Chemical weapons: Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on their Destruction.

Cluster munitions: Convention on Cluster Munitions.

Nuclear weapons: Treaty on the Non-Proliferation of Nuclear Weapons and the International Court of Justice's Advisory Opinion on the Legality of the Threat or Use of Nuclear Weapons as well as the Treaty on the Prohibition of Nuclear Weapons.

● **Tobacco - Involvement Tie:** This factor identifies issuers engaged in the production, distribution, or provision of services related to tobacco. The "Production" value identifies issuers engaged in manufacturing and producing tobacco products, as well as companies that grow or process raw tobacco leaves, "Distribution" includes issuers engaged in the wholesale or retail distribution of tobacco products, and "Services" identifies issuers engaged in marketing and promotion of tobacco products, issuers that supply key products necessary for the production of tobacco products, as well as issuers that license a company or brand name to tobacco products. The result is expressed as a sum of weights of companies with >= 10% tobacco revenue share.

● **Social Violation:** Indicates companies with a verified failure to respect established norms with regard to Human Right or Labor Rights. The Norm-Based Research assesses corporate involvement in alleged or verified failures to respect established norms on human rights, labor standards, environmental protection and business malpractice set out in authoritative standards on responsible business conduct.

Key Normative Frameworks :	-UN Global Compact -OECD Guidelines -UN Guiding Principles -UN Sustainable Development Goals	-ILO Conventions -ICCPR and ICESCR Paris Agreement -Convention on Biological Diversity

● **Board members who are independent:** Percentage of board independence based on ISS classification of Independence.

● **Weighted average ratio of accidents, injuries, fatalities.** - The metric is the total record incident rate per 200000 working hrs. The factor evaluates the company employee’s total recordable incident rate, normalized by 200,000 hours worked. 200,000 working hours correspond to 100 full time equivalents (FTE) or 100 employees working 40 hours for 50 weeks. Recordable incidents are defined as the sum of all recordable workplace injuries plus all medical treatment cases (MTC) plus all restricted work cases (RWC).

The data reported under Section 2 and Section 3 is provided by Carbone 4.

● **Forward-looking year-on-year decarbonisation trajectory** : The methodology is based on induced emissions, emissions savings and forward-looking analysis at company level. Carbon Impact Analytics provides conclusions on the alignment of a portfolio or index with a climate change trajectory. This alignment is a convention based on a scale of average overall ratings of underlying firms. In other words, this step defines if the portfolio represents an economy consistent with an increase of 2, 3, 4, 5 or 6 degrees of temperature at the end of the century. Carbon Impact Analytics' temperature alignment in based on a benchmarking approach, with two benchmark designed as followed:

• a business as usual benchmark;

• a 2°C aligned benchmark.

The business as usual represent the actual economy, that is still increasing the world greenhouse gas emissions. The most representative climate scenario for the business as usual economy is the Intergovernmental Panel on Climate Change (IPCC) RCP 6.0 scenario, it projects a temperature increase of 3.5°C by the end of the century. It is benchmarked by entirety of the CIA universe - 2000 companies - which is used as a proxy for world emissions. The 2°C aligned benchmark is derivative from the CIA universe, with the same sectoral allocation and a best in class approach on the overall rating of the constituents. For each sector, the companies selected are the ones with the highest overall rating scores.

The selection is made as follow:

Best score of the sector	Eligible companies' scores for the 2 degrees benchmark	Example of sector
A	A and B	Electricity production
B	B and C	Cement
C	C	Oil & Gas
D	Not eligible	Mining

● **Carbon4 Greenhouse gas (GHG) intensity (Scope 1, 2 & 3)**: In order to avoid double-counting of a firm's emissions between its stocks and corporate debt, the carbon intensity of a firm is computed on the Enterprise Value of the firm, instead of solely on the market capitalisation. Thus, total emissions of the firm are allocated proportionally between its equity and its debt, and one euro of equity has the same carbon intensity as one euro of debt. The Greenhouse gas (GHG) intensity unit is in tons of CO_2e per year per million EUR of enterprise value including cash. This factor identifies the issuer's total (Scope 1 + Scope 2 + Scope 3) carbon emissions intensity. The 'enterprise value including cash' or 'EVIC' means the sum, at fiscal year-end, of the market capitalisation of ordinary shares, the market capitalization of preferred shares, and the book value of total debt and non-controlling interests, without the deduction of cash or cash equivalents.