

# Consultation on potential enhancements to the Bloomberg Barclays MSCI Fixed Income SRI Indexes

MARCH 2021

This consultation may or may not lead to the implementation of any or all of the proposed changes in the highlighted or any other Bloomberg Barclays MSCI indexes. Consultation feedback will remain confidential. Bloomberg/MSCI may publicly disclose feedback if specifically requested by specific market participants. In that case, the relevant feedback would be published together with the final results of the consultation.

# Proposed enhancements to the Bloomberg Barclays MSCI Fixed Income SRI Indexes

Bloomberg (BBG)/MSCI are proposing a series of methodology changes aiming to enhance values-based exclusion screens used in the Bloomberg Barclays MSCI Fixed Income (FI) SRI Indexes to clarify their objectives, simplify their design and reflect the latest consensus in the market with regards to controversial activities.

No.	Proposed Enhancements
1	Introduce a screen for companies involved in Thermal Coal and/or Unconventional Oil & Gas (O&G) businesses with an aim to improve the climate risk profile of the SRI Indexes.
2	Alignment to MSCI ESG Framework i.e. categorize activities based on the level of involvement.

Bloomberg/MSCI invite feedback from market participants on or before **08 April 2021** and will announce the results of the consultation on or before **15 April 2021**.

# Proposed Enhancement 1 – To incorporate climate risk in SRI methodology

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# Incorporating Climate Risk in SRI Indexes

## Understanding the significance of climate risk:

- Regulatory scrutiny on climate risk considerations are increasing and may impose a significant short-term risk for some investors.
- The level of carbon footprint of the current Bloomberg Barclays MSCI Fixed Income SRI Indexes might not be aligned with some recent ESG and Climate benchmark labeling requirements.
- Incorporating Climate Risk may support investors in their ESG integration strategies.
- Some institutional ESG investors are seeking greater climate awareness to support their use of ESG Indexes.

ESG Objective of Bloomberg Barclays MSCI Fixed Income SRI Indexes	Enhancement Proposals	Rationale for Proposal
Negatively screen out issuers that may be involved in business lines or activities that are in conflict with investment policies, values or social norms	<ul style="list-style-type: none"><li>• Exclude companies involved in thermal coal and unconventional oil and gas businesses</li><li>• Exclude companies with Fossil Fuel (FF) Reserves.</li></ul>	<ul style="list-style-type: none"><li>• Fossil Fuel reserves screen aims to divest from companies with stranded assets*.</li><li>• Additional revenue screen ensures exclusion of power generation companies that do not own fossil fuel reserves.</li></ul>

# Proposed Methodology Enhancements - 1

Rationale for proposal is to have a set of exclusions<sup>1</sup> which –

- Help reduce index carbon footprint and exposure to stranded assets
- Are sensible and consistent with ESG objectives of the index
- Would likely not cause deterioration in overall ESG profile of the index
- Would likely not cause significant changes in the composition of the index

New Climate Screens	Proposal <sup>2</sup>
Thermal Coal (Mining and Sale) + Unconventional Oil & Gas (Extraction)	Exclude all companies deriving <b>any revenue</b> (either reported or estimated) from thermal coal mining or unconventional oil and gas extraction.
Thermal Coal (Power Generation)	Exclude all companies deriving <b>5% or more revenue</b> (either reported or estimated) from thermal coal-based power generation.
Fossil Fuel Reserves Ownership	Exclude all companies with evidence of owning proven & probable coal reserves and/or proven oil and natural gas reserves used for energy purposes

1. Implemented as additional screens in the above methodologies. Other aspects of index methodologies like – ranking, sorting, weighting, are not changed.
2. Exact definitions of screens are provided in Appendix.

# Proposed Enhancement 2 – To align SRI exclusion screens under MSCI's revised ESG framework

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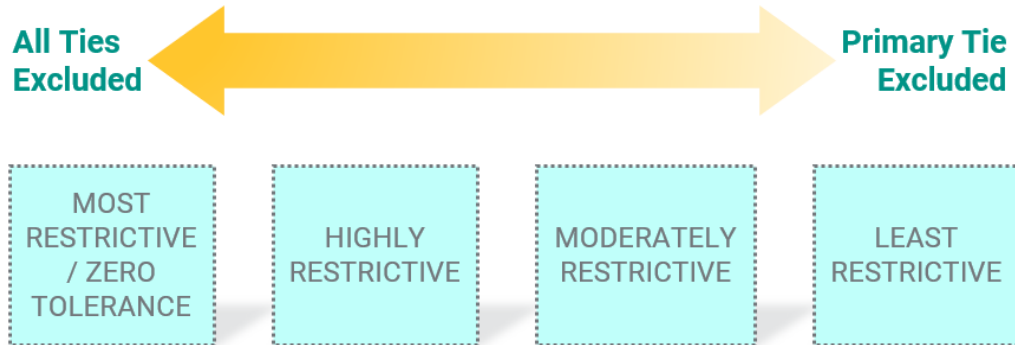
# Basis for ESG SRI Screen Migration

## Objective:

To migrate the current SRI\* ESG exclusion screens to align with the MSCI ESG Framework and to the latest version of MSCI Standard SRI Indexes.

## Advantages of migration to the new framework

- ✓ Clearer focus on the intent of exclusion (primary vs. secondary involvement – e.g., Tobacco producer vs. retailer)
- ✓ Would remove over-exclusion in certain screens to align with the primary objective of the index, which is focused on Values
- ✓ Will remove absolute thresholds and categorize activities based on the level of involvement



# Proposed Methodology Enhancements - 2

Align Bloomberg Barclays MSCI FI SRI exclusion screen with MSCI Standard SRI Indexes.

	Most Restrictive <sup>1</sup>	Highly Restrictive <sup>1</sup>	Moderately Restrictive <sup>1</sup>	Least Restrictive <sup>1</sup>
Proposed Values-based screens for the SRI Index	<ul style="list-style-type: none"> <li>Controversial weapons</li> </ul>	<ul style="list-style-type: none"> <li>Nuclear weapons</li> <li>Civilian firearms</li> <li>Tobacco</li> </ul>	<ul style="list-style-type: none"> <li>Alcohol</li> <li>Gambling</li> <li>Conventional weapons</li> <li>Adult Entertainment</li> <li>GMO</li> <li>Nuclear power</li> </ul>	-

<sup>1</sup> Details mentioned in the Appendix



# Simulated impact of enhancements on Bloomberg Barclays MSCI USD Corporate Bond SRI Index

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# Simulated impact of enhancements on Bloomberg Barclays MSCI USD Corporate Bond SRI Index

The proposed exclusion screens resulted in ~39% lower Carbon Intensity while maintaining similar characteristics compared to the current indexes

Key Metrics*	Bloomberg Barclays USD Corp Index	Bloomberg Barclays MSCI USD Corp SRI Index	Proposal Bloomberg Barclays MSCI USD Corp SRI Index
Number of constituents	6647	5616	5219
Yield**	1.74	1.69	1.67
OAD	8.84	8.60	8.58
OAS (bps)	96	92	92
Index Rating	A3	A3	A3
Transition Turnover (%)			6.31***
Included in Transition			40 (6 Issuers)
Deleted in Transition			437 (50 Issuers)

ESG Metrics*	Bloomberg Barclays USD Corp Index	Bloomberg Barclays MSCI USD Corp SRI Index	Proposal Bloomberg Barclays MSCI USD Corp SRI Index
ESG score	5.42	5.45	5.43
ESG leaders (AAA-AA) (%)	18.7	18.3	19.0
ESG laggards (B-CCC) (%)	6.5	6.7	6.9
Environmental pillar score	6.6	6.7	6.8
<b>Weighted Average Carbon Intensity</b>	<b>287.8</b>	<b>140.1</b>	<b>85.0</b>

\*As of December 31, 2020

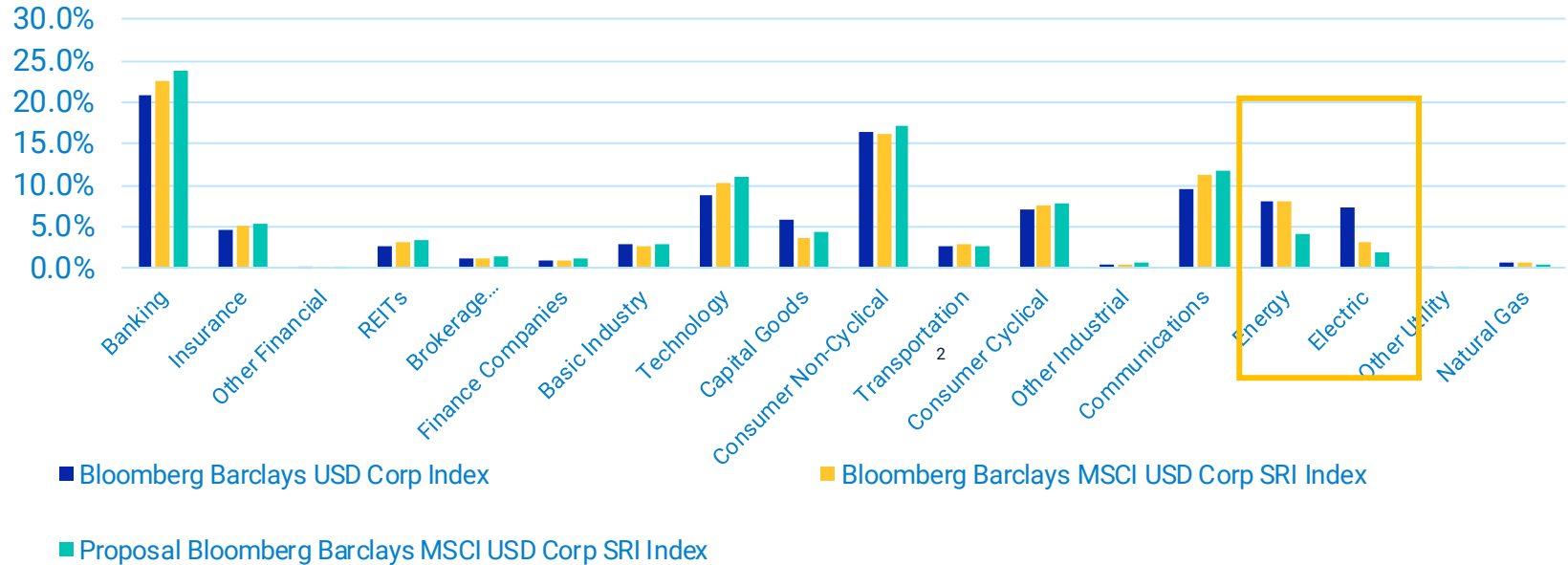
\*\*Yield to Worst

\*\*\* Maintenance = 2.57, Additions = 0.59%, Deletions = 3.15%



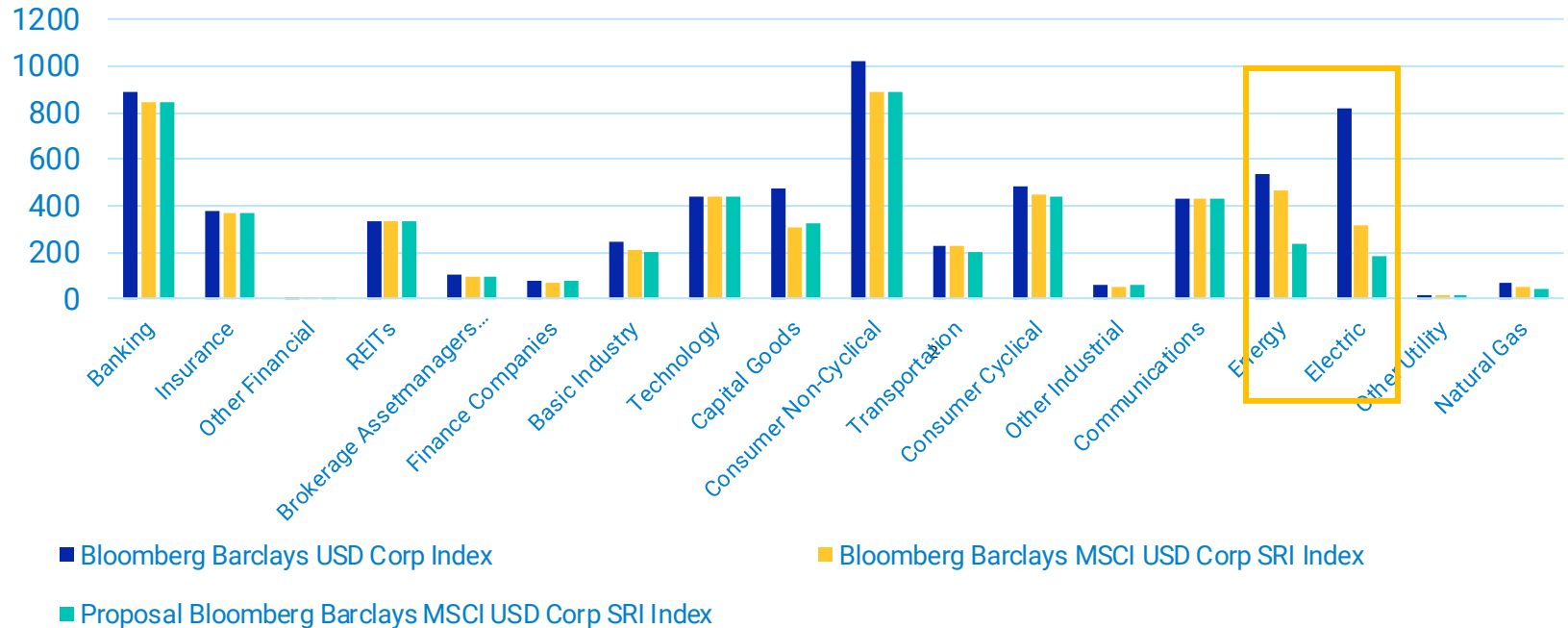
# Sector Distribution: Bloomberg Barclays MSCI USD Corporate Bond SRI Index

## Sector Distribution - %Market Value



# Sector Distribution: Bloomberg Barclays MSCI USD Corporate Bond SRI Index

## Sector Distribution - Number of Bonds



# Simulated Impact – Top issuer additions

Ticker*	Issuer Name	Parent Weight	Prior Exclusion Reason
GE	General Electric	0.74%	<b>Nuclear Power:</b> GE designs and manufactures nuclear reactors, such as boiling water reactors and fast breeder reactors. Now, with focus being on primary involvement in nuclear power generation, GE becomes eligible.
RIOLN	Rio Tinto Alcan	0.12%	<b>Nuclear Power:</b> Rio Tinto, through its subsidiary Energy Resources of Australia Ltd., produces uranium oxide and was flagged under nuclear uranium mining. Now, with focus being on primary involvement in nuclear power generation, Rio Tinto becomes eligible.
MASSIN	Massachusetts Institute Of Technology	0.06%	<b>Military Weapons:</b> Massachusetts Institute of Technology (MIT) develops defense systems against ballistic and cruise missiles with total global weapons revenue of 9.99%. Conventional Weapons category falls under 'moderately restrictive' in proposed values and the new revenue threshold of secondary involvement in 15% (from 5% earlier) and hence MIT becomes eligible
ANGSJ	Anglogold Holdings	0.01%	<b>Nuclear Power:</b> AngloGold Ashanti produces uranium oxide as a by-product from its wholly owned Great Noligwa, Kopanang, and Moab Khotsoeng mines in South Africa and was flagged under nuclear uranium mining. Now, with focus being on primary involvement in nuclear power generation, Anglogold holdings becomes eligible.
OSK	Oshkosh Corporation	0.01%	<b>Military Weapons:</b> Oshkosh designs and manufactures tactical vehicles for combat with total global weapons revenue of 5.50%. Conventional Weapons category falls under 'moderately restrictive' in proposed values and the new revenue threshold of secondary involvement in 15% (from 5% earlier) and hence Oshkosh becomes eligible
FLIR	FLIR Systems	0.01%	<b>Military Weapons:</b> FLIR Systems develops and manufactures weapon-mounted thermal and infrared imaging systems with total global weapons revenue of 5.50%. Conventional Weapons category falls under 'moderately restrictive' in proposed values and the new revenue threshold of secondary involvement in 15% (from 5% earlier) and hence Flir System becomes eligible.

\* If Bloomberg Barclays MSCI USD Corporate Bond SRI Index was transitioned to proposed methodology as of 31<sup>st</sup> Dec 2020.

# Simulated Impact – Top issuer deletions

Ticker*	Issuer Name	Parent Weight	Current Bloomberg Barclays MSCI USD Corp SRI Index Weight	Exclusion Reason
XOM	Exxon Mobil Corp	0.58%	0.69%	Thermal Coal, Fossil Fuel
BPLN	BP Capital	0.51%	0.60%	Thermal Coal, Fossil Fuel
KMI	Kinder Morgan EN	0.44%	0.52%	Thermal Coal, Fossil Fuel
BNSF	Burlington North	0.37%	0.44%	Thermal Coal, Fossil Fuel
CVX	Chevron USA Inc	0.33%	0.39%	Thermal Coal, Fossil Fuel
TRPCN	TransCanada Pl	0.26%	0.31%	Nuclear Power
TOTAL	Total Cap Intl	0.24%	0.28%	Thermal Coal, Fossil Fuel
COP	ConocoPhillips Co	0.23%	0.27%	Thermal Coal, Fossil Fuel
PEG	Public Service	0.20%	0.24%	Nuclear Power
PPL	Ppl Capital FDG	0.17%	0.20%	Thermal Coal

\*Top 10 Ineligible Issuers by %Market Value. Complete list provided in Appendix.  
 If Bloomberg Barclays MSCI USD Corporate Bond SRI Index was transitioned to proposed methodology as of 31<sup>st</sup> Dec 2020.

# Simulated impact of enhancements on Bloomberg Barclays MSCI EUR Corporate Bond SRI Index

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# Simulated impact of enhancements on Bloomberg Barclays MSCI EUR Corporate Bond SRI Index

The proposed exclusion screens resulted in ~16% lower Carbon Intensity while maintaining similar characteristics compared to the current indexes

Key Metrics*	Bloomberg Barclays EUR Corp Index	Bloomberg Barclays MSCI EUR Corp SRI Index	Proposal Bloomberg Barclays MSCI EUR Corp SRI Index
Number of constituents	3126	2753	2625
Yield**	0.22	0.20	0.20
OAD	5.27	5.20	5.16
OAS (bps)	92	90	90
Index Rating	A3	A3	A3
Transition Turnover (%)			6.24***
Included in Transition			22 (3 Issuers)
Deleted in Transition			150 (24 Issuers)
ESG Metrics*	Bloomberg Barclays EUR Corp Index	Bloomberg Barclays MSCI EUR Corp SRI Index	Proposal Bloomberg Barclays MSCI EUR Corp SRI Index
ESG score	6.5	6.6	6.6
ESG leaders (AAA-AA) (%)	40.9	41.2	42.5
ESG laggards (B-CCC) (%)	4.1	2.4	2.0
Environmental pillar score	6.9	7.0	7.1
<b>Weighted Average Carbon Intensity</b>	<b>132.9</b>	<b>114.4</b>	<b>95.6</b>

\*As of December 31, 2020

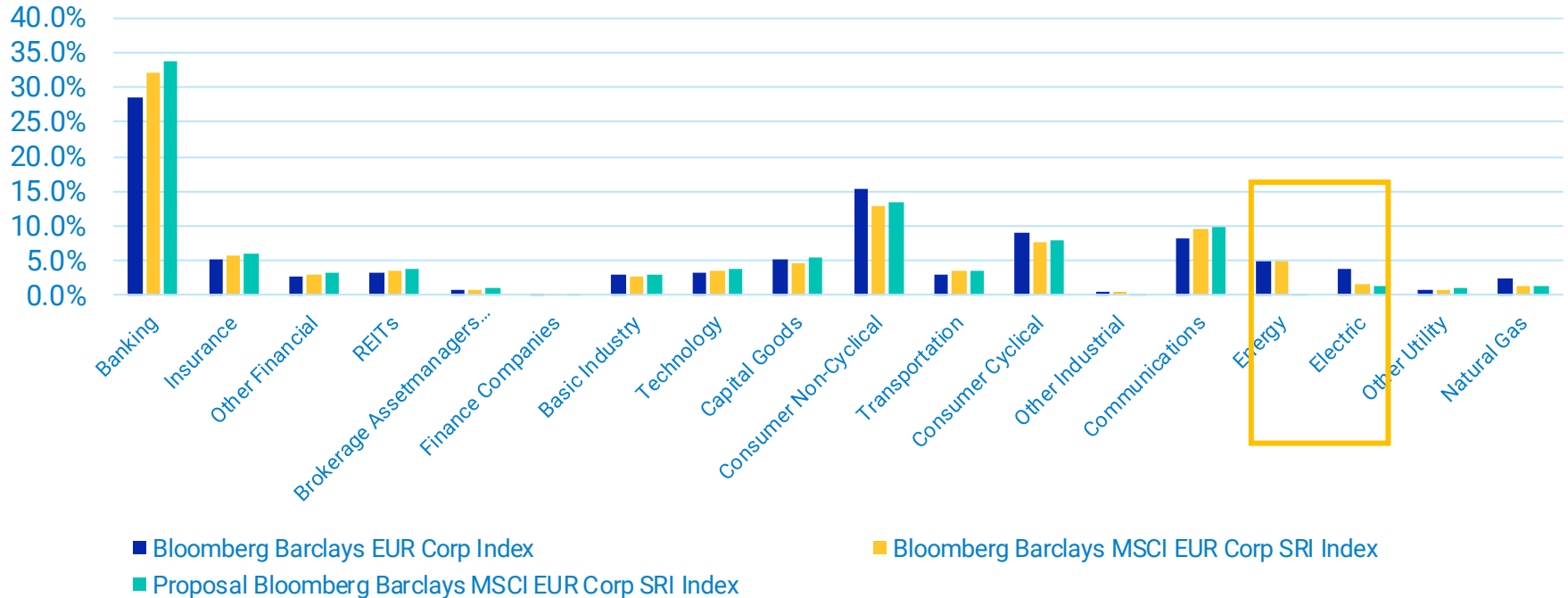
\*\*Yield to Worst

\*\*\* Maintenance = 2.65, Additions = 0.47%, Deletions = 3.12% Information Classification: GENERAL



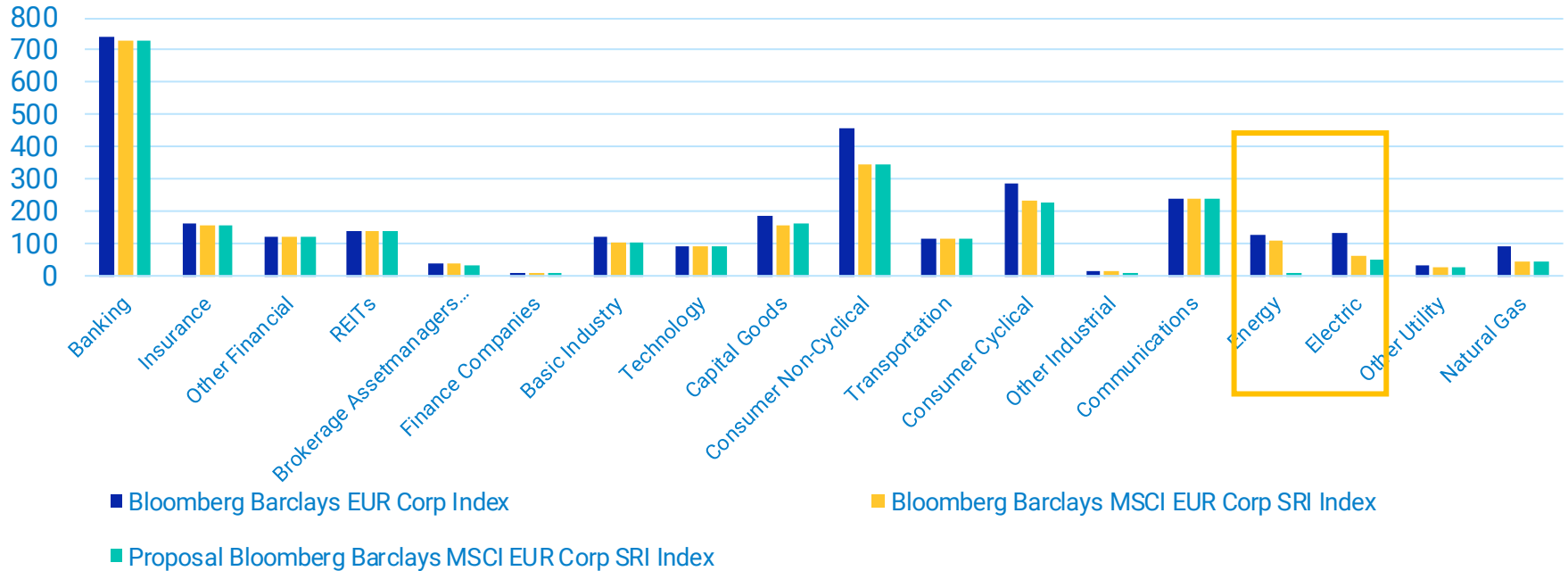
# Sector Distribution Bloomberg Barclays MSCI EUR Corp SRI Index

## Sector Distribution (%Market Value)



# Sector Distribution Bloomberg Barclays MSCI EUR Corp SRI Index

## Number of Bonds - Sector Distribution



# Simulated Impact – Top issuer additions

Ticker*	Issuer Name	Parent Weight	Prior Exclusion Reason
GE	General Electric	0.42%	<b>Nuclear Power:</b> GE designs and manufactures nuclear reactors, such as boiling water reactors and fast breeder reactors. Now, with focus being on primary involvement in nuclear power generation, GE becomes eligible.
BASGR	BASF SE	0.34%	<b>Genetic Engineering (GMO):</b> BASF, through its wholly-owned subsidiary, BASF Plant Science, develops genetically modified plants including rice, soybeans, and corn with total revenue from genetic engineering of 2%. GMO category falls under 'moderately restrictive' in proposed values and the new revenue threshold of in 5% (from 0% earlier) and hence BASF becomes eligible
RIOLN	Rio Tinto Alcan	0.02%	<b>Nuclear Power:</b> Rio Tinto, through its subsidiary Energy Resources of Australia Ltd., produces uranium oxide and was flagged under nuclear uranium mining. Now, with focus being on primary involvement in nuclear power generation, Rio Tinto becomes eligible.

\* If Bloomberg Barclays MSCI EUR Corporate Bond SRI Index was transitioned to proposed methodology as of 31<sup>st</sup> Dec 2020.

# Simulated Impact – Top issuer deletions

Ticker*	Issuer Name	Parent Weight	Current Bloomberg Barclays MSCI EUR Corp SRI Index Weight	Exclusion Reason
TOTAL	Total Cap Intl	1.21%	1.41%	Thermal Coal, Fossil Fuel
BPLN	BP Capital	0.93%	1.08%	Thermal Coal, Fossil Fuel
ENIIM	ENI Spa	0.69%	0.80%	Thermal Coal, Fossil Fuel
OMVAV	OMV AG	0.44%	0.51%	Fossil Fuel
CFRVX	Richemont Int	0.27%	0.31%	Civilian Firearms
CKHH	CK HUTCHISON FIN	0.21%	0.24%	Fossil Fuel
GLENLN	Glencore Finance	0.21%	0.24%	Thermal Coal, Fossil Fuel
SLB	Schlumberger Fin	0.20%	0.24%	Fossil Fuel
XOM	Exxon Mobil Corp	0.18%	0.21%	Thermal Coal, Fossil Fuel
REPSM	Repsol Intl Fin	0.17%	0.20%	Fossil Fuel

# Appendix

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# ESG Definitions: Modification to current screens

BISR Screen	Existing Definition	New Definition
Alcohol	<ul style="list-style-type: none"> <li>Excludes all issuers classified as alcohol producers that earn more than 5% in revenue, or more than \$500 million in revenue, from alcohol-related products.</li> </ul>	<ul style="list-style-type: none"> <li>All companies deriving 5% or more revenue from the production of alcohol related products</li> <li>All companies deriving 15% or more aggregate revenue from the production, distribution, retail and supply of alcohol-related products</li> </ul>
Tobacco	<ul style="list-style-type: none"> <li>Excludes all issuers classified as tobacco producers or distributors, retailers, or suppliers that derive 15% or more of their revenue from tobacco-related products.</li> </ul>	<ul style="list-style-type: none"> <li>All companies classified as a "Producer"</li> <li>All companies deriving 5% or more aggregate revenue from the production, distribution, retail, supply and licensing of tobacco-related products</li> </ul>
Gambling	<ul style="list-style-type: none"> <li>Excludes all issuers classified as involved in gambling operations or support that earn more than 5% in revenue, or more than \$500 million in revenue, from gambling-related activities.</li> </ul>	<ul style="list-style-type: none"> <li>All companies deriving 5% or more revenue from ownership of operation of gambling-related business activities</li> <li>All companies deriving 15% or more aggregate revenue from gambling related business activities</li> </ul>
GMO	<ul style="list-style-type: none"> <li>Companies that derive any revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption.</li> <li>Companies that are only involved in GMO Research &amp; Development activities are not excluded.</li> </ul>	<ul style="list-style-type: none"> <li>All companies deriving 5% or more revenue from activities like genetically modifying plants, such as seeds and crops, and other organisms intended for agricultural use or human consumption</li> </ul>
Adult Entertainment	<ul style="list-style-type: none"> <li>Excludes all issuers classified as adult entertainment producers that earn more than 5% in revenue, or more than \$500 million in revenue, from adult entertainment materials.</li> </ul>	<ul style="list-style-type: none"> <li>All companies deriving 5% or more revenue from the production of adult entertainment materials</li> <li>All companies deriving 15% or more aggregate revenue from the production, distribution and retail of adult entertainment materials</li> </ul>

# ESG Definitions: Modification to current screens

BISR Screen	Existing Definition	New Definition
<b>Nuclear Weapons</b>	<ul style="list-style-type: none"> <li>Excludes all issuers classified as involved in manufacturing of nuclear weapons, nuclear weapons components.</li> </ul>	<ul style="list-style-type: none"> <li>Excludes all issuers classified as involved in manufacturing of nuclear weapons, nuclear weapons components, manufacturing or assembly of nuclear weapons delivery platforms, or components of nuclear-exclusive delivery platforms</li> </ul>
<b>Conventional Weapons</b>	<ul style="list-style-type: none"> <li>Excludes all issuers that earn more than 5% in revenue, or more than \$500 million, from manufacturing conventional weapons, conventional weapons components, or conventional weapons support systems and services.</li> </ul>	<ul style="list-style-type: none"> <li>All companies deriving 5% or more revenue from the production of conventional weapons and components</li> <li>All companies deriving 15% or more aggregate revenue from weapons systems, components, and support systems and services</li> </ul>
<b>Controversial Weapons</b>	<ul style="list-style-type: none"> <li>Excludes all issuers classified as involved in manufacturing of chemical and biological weapons components, cluster munitions, landmines or depleted uranium weapons.</li> </ul>	<ul style="list-style-type: none"> <li>All companies with any tie to Controversial Weapons (cluster munitions, landmines, depleted uranium weapons, biological/chemical weapons, blinding lasers, non-detectable fragments and incendiary weapons)</li> </ul>
<b>Civilian Firearms</b>	<ul style="list-style-type: none"> <li>Excludes all issuers classified as civilian firearms producers or retailers that derive 5% or more of their revenue, or more than \$20 million in revenue, from civilian firearms-related products.</li> </ul>	<ul style="list-style-type: none"> <li>All companies classified as “Producer” of firearms and small arms ammunitions for civilian markets. It does not include companies that cater to the military, government, and law enforcement markets</li> <li>All companies deriving 5% or more aggregate revenue from the production and distribution (wholesale or retail) of firearms or small arms ammunition intended for civilian use</li> </ul>
<b>Nuclear Power</b>	<ul style="list-style-type: none"> <li>Excludes all issuers classified as nuclear utilities or involved in uranium mining, designing nuclear reactors, or enrichment of fuel for nuclear reactors.</li> <li>Excludes all issuers that earn 15% or more revenues as a supplier to the nuclear power industry</li> </ul>	<ul style="list-style-type: none"> <li>All companies generating 5% or more of their total electricity from nuclear power in a given year</li> <li>All companies that have 5% or more of installed capacity attributed to nuclear sources in a given fiscal year</li> <li>All companies deriving 15% or more aggregate revenue from nuclear power activities</li> </ul>

# ESG Definitions: New Screens

- THERMAL\_COAL\_MAX\_REV\_PCT - The maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from the mining of thermal coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties. It excludes: revenue from metallurgical coal; coal mined for internal power generation (e.g. in the case of vertically integrated power producers); intra-company sales of mined thermal coal; and revenue from coal trading.
- GENERAT\_MAX\_REV\_THERMAL\_COAL - The maximum percentage of revenue (either reported or estimated) that a company derives from the thermal coal based power generation.
- UNCONV\_OIL\_GAS\_MAX\_REV\_PCT - The maximum percentage of revenue (either reported or estimated) greater than 0% that a company derives from unconventional oil and gas. It includes revenues from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, and coal bed methane. It excludes all types of conventional oil and gas production including Arctic onshore/offshore, deepwater, shallow water and other onshore/offshore.
- Ex FF (Ex Fossil Fuel) - This screen identifies companies, regardless of their industries, with evidence of owning fossil fuel reserves used most likely for energy applications. For high-intensity industries (belonging to Energy and Utilities GICS Sector & Diversified Metals & Mining GICS Sub-Industry), this factor flags companies with evidence of fossil fuel reserves (excluding Metallurgical Coal). For other industries, it flags companies with evidence of fossil fuel reserves (excluding Metallurgical Coal) and deriving revenue from business segments associated with energy application of fossil fuels such as Thermal Coal mining, Oil & Gas exploration & production and downstream activities e.g. refining; distribution & retail; pipeline & transportation; trading and fossil fuel-based power generation.



# ESG Exclusions Framework(1/2)

The standard screens are based on MSCI ESG Research’s Exclusions framework and can be used to implement values-based exclusions in indexes in a simple and consistent manner.

Screen	Factor	Most Restrictive / Zero Tolerance	Highly Restrictive	Moderately Restrictive	Least Restrictive
<b>FREQUENTLY USED SCREENS</b>					
Alcohol	Producer	●	●	≥ 5%	≥ 10%
	Distributor	●			
	Retailer	●	≥ 5%	≥ 15%	
	Supplier	●			
	Licensor	●			
	Ownership Of/By	●			
Civilian Firearms	Producer: Automatic	●	●		●
	Producer: Semi-Automatic	●	●	≥ 5%	●
	Producer	●	●	≥ 5%	≥ 15%
	Producer: Ammunition	●	●		AND ≥ 10%
	Retailer and Distributor	●			
	Ownership Of/By	●			
Conventional Weapons	Conventional Weapons Systems	●	●	≥ 5%	≥ 15%
	Conventional Weapons Components	●	≥ 5%	≥ 5%	≥ 15%
	Support Systems and Services	●			
	Ownership Of/By	●			≥ 10%
Gambling	Operations	●	●	≥ 5%	≥ 10%
	Support	●	≥ 5%	≥ 15%	
	Licensor	●			
	Ownership Of/By	●			

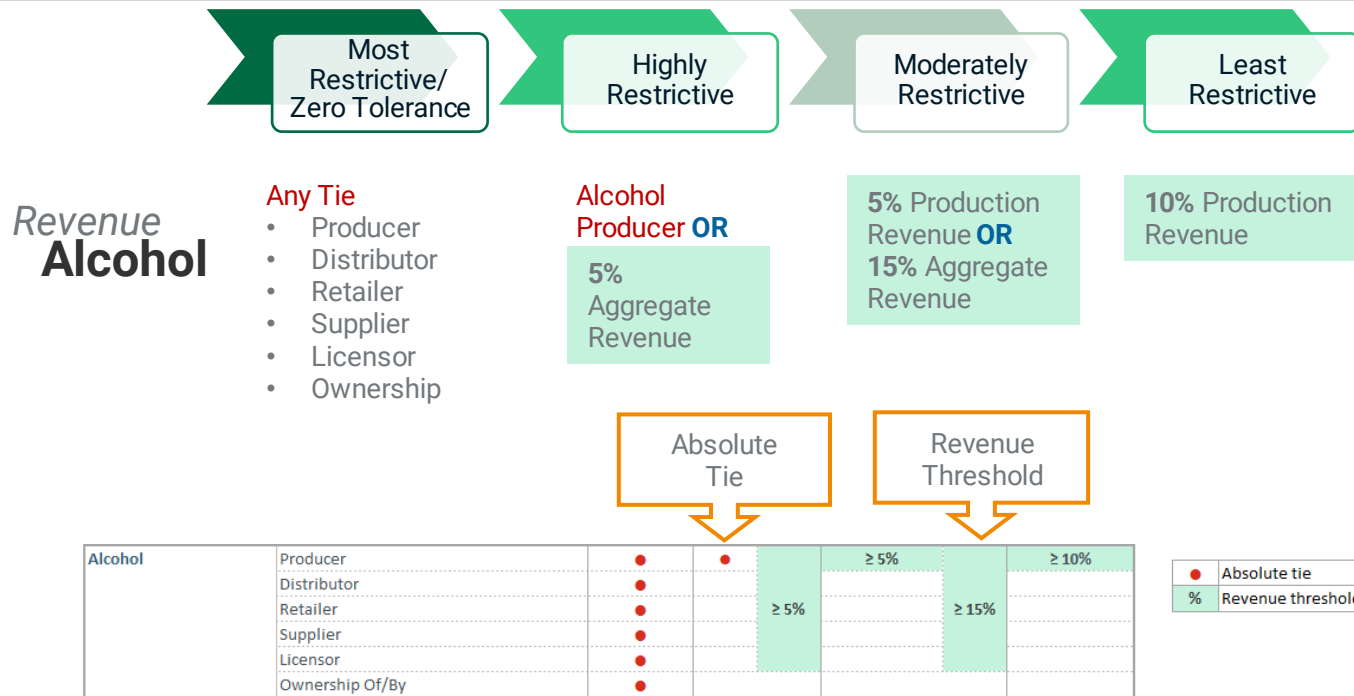
Restriction Levels

Absolute Tie vs. Revenue Threshold\*

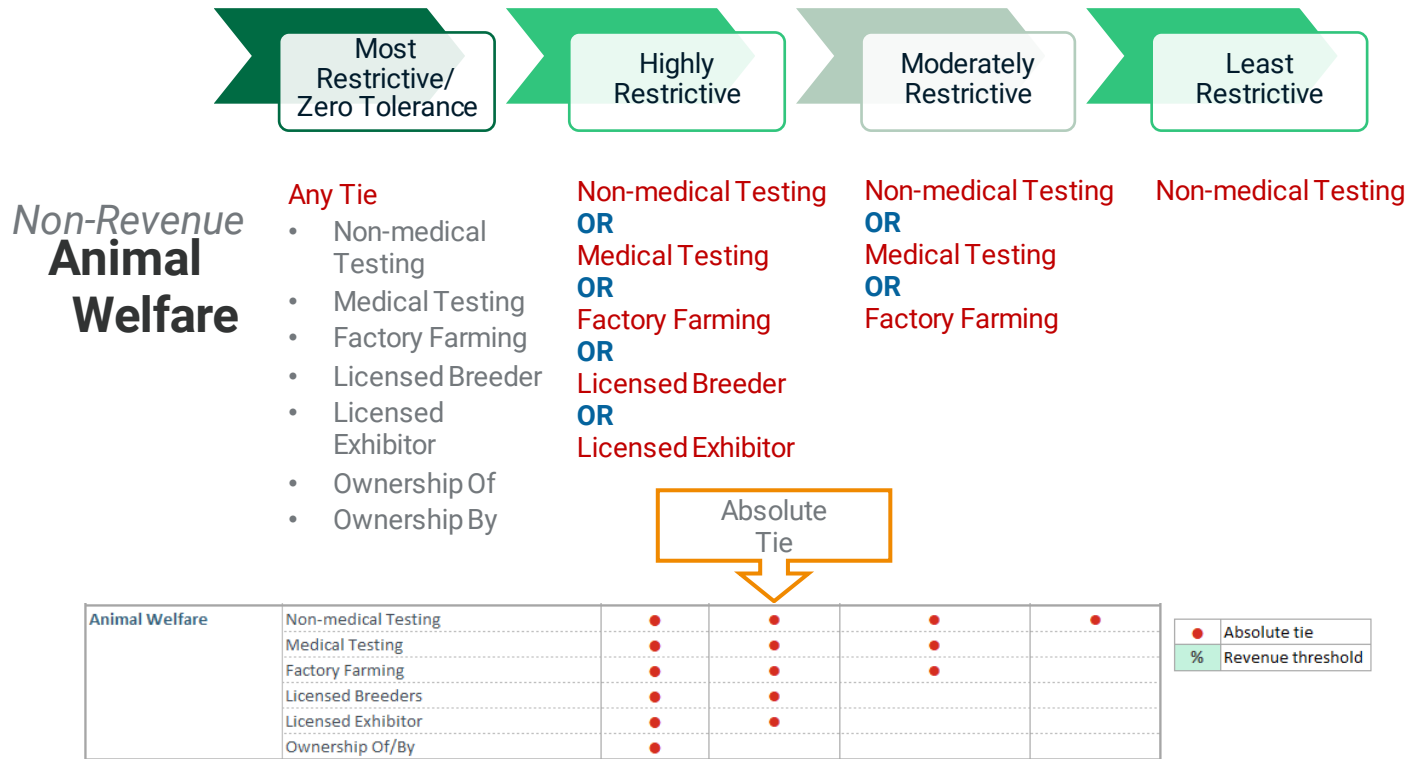
# ESG Exclusions Framework(2/2)

Screen	Factor	Most Restrictive / Zero Tolerance	Highly Restrictive	Moderately Restrictive	Least Restrictive
<b>FREQUENTLY USED SCREENS</b>					
Nuclear Power	Utility	●	●	≥ 5%	≥ 15%
	Supplier	●		Generation / Installed Capacity / Revenue ≥ 5%	Generation / Installed Capacity / Revenue ≥ 10%
	Ownership Of/By	●			
Nuclear Weapons	Warheads & Missiles	●	●	●	●
	Intended-use Components	●	●	●	●
	Nuclear Exclusive Delivery Platforms	●	●	●	
	Nuclear Weapons Support Services	●	●		
	Dual-use Components	●	●		
	Dual-use Delivery Platforms	●	●		
	Components of Nuclear Exclusive Delivery Platforms	●	●		
	Components of Dual-use Delivery Platforms	●			
	Ownership Of/By	●			
Tobacco	Producer	●	●	≥ 5%	≥ 10%
	Distributor	●			
	Retailer	●		≥ 5%	≥ 15%
	Supplier	●			
	Licensors	●			
	Ownership Of/By	●			

# Example of Revenue Screen: Alcohol



# Example of Non-Revenue Screen: Animal Welfare



# Simulated Impact – USD deletions (1/2)

Ticker*	Issuer Name	Parent Weight	Current Bloomberg Barclays MSCI USD SRI Index Weight	Bloomberg Classification
XOM	Exxon Mobil Corp	0.58%	0.69%	Energy
BPLN	Bp Cap Mkts Amer	0.51%	0.60%	Energy
KMI	Kinder Morgan En	0.44%	0.52%	Energy
BNSF	Burlington North	0.37%	0.44%	Energy
CVX	Chevron Usa Inc	0.33%	0.39%	Energy
TRPCN	Transcanada Pl	0.26%	0.31%	Transportation
TOTAL	Total Cap Intl	0.24%	0.28%	Energy
COP	Conocophil Co	0.23%	0.27%	Energy
PEG	Public Service	0.20%	0.24%	Energy
PPL	Ppl Capital Fdg	0.17%	0.20%	Energy
NI	Nisource Inc	0.15%	0.18%	Electric
CNQCN	Can Natural Res	0.14%	0.17%	Electric
SUCN	Suncor Inc	0.13%	0.16%	Natural Gas
CMS	Consumers Energy	0.12%	0.14%	Basic Industry
HES	Hess Corp	0.10%	0.12%	Energy
GLPI	Glp Cap/Fin Ii	0.09%	0.10%	Energy
DVN	Devon Energy	0.08%	0.09%	Electric
EOG	Eog Resources In	0.08%	0.09%	Basic Industry
PSD	Puget Sound Enrg	0.08%	0.09%	Energy
NUE	Nucor Corp	0.07%	0.09%	Consumer Cyclical
WEC	Wisc Elec Power	0.07%	0.09%	Energy
MRO	Marathon Oil Cor	0.07%	0.08%	Energy
CXO	Concho Res/Midla	0.07%	0.08%	Electric
LNT	Interstate P&L	0.07%	0.08%	Basic Industry

\* If Bloomberg Barclays MSCI USD Corp SRI Index was transitioned to proposed methodology as of 31<sup>st</sup> Dec 2020.

# Simulated Impact – USD deletions (2/2)

Ticker*	Issuer Name	Parent Weight	Current Bloomberg Barclays MSCI USD SRI Index Weight	Bloomberg Classification
TCKBCN	Teck Resourc	0.06%	0.07%	Basic Industry
SLB	Schlumberger Inv	0.05%	0.06%	Energy
BKH	Black Hills Corp	0.05%	0.06%	Electric
AES	Ipalco Entprs In	0.05%	0.06%	Electric
PCP	Precision Cast	0.04%	0.05%	Capital Goods
HSECN	Husky Energy Inc	0.04%	0.05%	Energy
EMACN	Emera Us Finance	0.04%	0.04%	Electric
NFG	National Fuel Ga	0.03%	0.04%	Energy
XEC	Cimarex Energy	0.03%	0.04%	Energy
TE	Tampa Electric	0.03%	0.04%	Electric
OGE	Oklahoma Gas & E	0.03%	0.03%	Electric
CPGX	Columbia Pipelin	0.03%	0.03%	Energy
PXD	Pioneer Natural	0.02%	0.03%	Energy
FE	Ohio Edison Co	0.02%	0.03%	Electric
CELARA	Celulosa Arauco	0.02%	0.03%	Basic Industry
ENELCH	Enel Chile Sa	0.02%	0.02%	Electric
WGL	Washington Gas	0.01%	0.02%	Natural Gas
IDA	Idaho Power Co	0.01%	0.01%	Electric
NWE	Northwestern Crp	0.01%	0.01%	Electric
ENIIM	Lasmo (Usa) Inc	0.01%	0.01%	Energy
ENELGX	Endesa (Chile)	0.01%	0.01%	Electric

# Simulated Impact – EUR deletions

Ticker*	Issuer Name	Parent Weight	Current Bloomberg Barclays MSCI EUR SRI Index Weight	Bloomberg Classification
CKHGTH	Ck Hutchison	0.17%	0.20%	Communications
SSELN	Sse Plc	0.17%	0.20%	Electric
IREIM	Iren Spa	0.13%	0.15%	Electric
AALLN	Anglo American	0.10%	0.11%	Basic Industry
MOLHB	Mol Hungarian	0.06%	0.07%	Energy
KMI	Kinder Morgan	0.05%	0.06%	Energy
PKNPW	Orlen Capital	0.03%	0.04%	Energy
KKR	Kkr Gr Fin Co	0.03%	0.03%	Brokerage Assetmanagers Exchanges
SIGMA	Sigma Alimentos	0.03%	0.03%	Consumer Non-Cyclical
GALPNA	Galp Gas Natural	0.02%	0.03%	Natural Gas
CKINF	Cheung Kong Infr	0.02%	0.03%	Other Industrial
ORGAU	Origin Ener Fin	0.02%	0.03%	Electric
TPEPW	Tauron Polska Sa	0.02%	0.02%	Electric
BRLS	Borealis Ag	0.01%	0.01%	Basic Industry

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