Statement on principal adverse impacts of investment decisions on sustainability factors methodology

The Sustainable Finance Disclosure Regulation (SFDR) aims to increase the transparency of ESG disclosure towards end-investors, by introducing standardised disclosure rules for selected indicators and metrics. These are known as the Principal Adverse Impacts (PAI) Indicators.

Our methodology, using Morningstar Sustainalytics Principal Adverse Impact Data Solution, is designed to meet the regulatory disclosure requirements related to the PAI, focusing on two main components:

- The general methodology underlying the mapping and portfolio aggregation processes.
- The indicator-specific methodology covering the data points mapped to each PAI—including all applicable limitations—and the specific portfolio aggregation methodology.

1. General methodology principles

For each PAI, one or more mapped data points were chosen following two main criteria:

A. Coherence with the regulatory definition, or its interpretation, as expressed by the concept of PAI Fit.

Fit is the criterion that allows us to map a certain data point from Morningstar Sustainalytics to a specific SFDR PAI. There are 3 levels of Fit:

- **Exact fit:** the datapoint provided by Sustainalytics fully covers the PAI requirement.
- **Partial fit:** the datapoint provided by Sustainalytics covers the EU requirement to a significant extent, but not fully, for example in the case of range-based assessments or usage of different financial metrics.
- **Minimum fit:** datapoint provided by Sustainalytics covers the EU requirement to a minimum extent, for example in the case of proxy scores.

The level of Fit for each PAI is available in Table 1 in the "Fit to requirements".

B. Suitability in the context of portfolio level aggregation and disclosure.

All portfolio level calculations are conducted in accordance with Morningstar's general aggregation methodology. Morningstar distinguishes between corporate, sovereign, real estate, and other holding types for the purpose of PAI calculations, as follows:

- **Corporate (Investee Company)** - applicable to corporate issuers including all equity and equity-like securities. It also includes all bonds issued by corporations.

Note: Derivatives and funds for which look-through data is not available (including private equity) is also included in the corporate eligible universe.

- **Sovereign or Supranational** - applicable to government, some agencies and supranational bonds including all government bonds, government agency bonds (except for Freddie Mac and Fannie Mae), and supranational bonds.
- **Other Holdings** - including all other security's types (cash, commodities, and unknown securities).

Note: Our current methodology is limited to corporate and sovereign PAI only. Due to the limitations in availability and quality of asset-level data in the market, we provide no information on real estate PAI.

Portfolio weights used for PAI calculations are based on the proportion of a portfolio a holding represents once any fund holdings have been 'looked through'. The weights are based on the market value of the security. For PAI calculations, the following additional steps are taken to compute weights:

- Netting out of long and short positions for securities having both.
- Removal of remaining short positions.
- Removal of currency effects.

For all PAI, coverage statistics are calculated to enable users to see the proportion of the adjusted portfolio (the portfolio after the removal of any net short position, composed of long positions only) that is eligible and covered.

- **Eligible assets** - holdings that are the relevant type for the PAI in question - for example —a corporate holding for a corporate PAI (1-14), sovereign holding for a sovereign PAI (15 &16) and real estate holding for real estate PAI (17&18).
- **Covered assets** - holdings that are the relevant type for the PAI in question and for which the relevant underlying data has been obtained or estimated.

As there is no clear regulatory guidance on the notion of all investments (it can be understood as all the investments made by financial market participants ('FMP') or investments in the particular type of entity) for aggregation purpose, we currently use different approaches for certain groups of PAI indicators:

- Table 1 PAI 1, 2, 3, 8, 9 – impact value is calculated and disclosed based on the entire portfolio (all investments).
- Table 1 PAI 4, 5, 6, 7, 10, 11, 12, 13, 14, 16, Table 2 PAI 4 and Table 3 PAI 9 – impact value is calculated and disclosed based on the portfolio's eligible and covered holdings only.

In addition, Sustainalytics have grouped the PAI into six categories according to the applicable calculation methodology:

- **Emission Calculations** - GHG emissions are aggregated to the portfolio level by assuming that the portfolio is considered 'responsible for' the underlying holdings' emissions in proportion to the share of ownership in respective investee entities. For example, if a portfolio owns 10% of a given company, it would be responsible for 10% of its emissions (portfolio ownership).

- **Average Value Calculations** - this aggregation approach is used for PAI that require a calculation of the Average Value of the holdings, which means that only holdings for which the relevant underlying data is available can be used.
- **Involvement Calculations** - this aggregation approach is used for PAI that require a calculation of the share of investments that are involved with (or exposed to) certain industries or activities. The involved proportion of the portfolio is calculated as a proportion of the holdings that are Eligible and Covered, expressed as a percentage of the total Adjusted Portfolio.
- **Policy Calculations** – this aggregation approach is used for PAI that require a calculation of proportion of portfolio that have or lack the relevant policy or processes.
- **Social Violation Calculations** – this metric represents the number of countries the portfolio is invested in—as an absolute number - that are subject to social violations.
- **Anticorruption/Bribery Violation Calculations** – this approach requires a calculation of the number of convictions and the number of fines (in euros) due to corruption and/or bribery offenses of the underlying portfolio holdings.

Calculation methodology for each PAI is available in Table 1 in the "Calculation type".

2. Indicator specific methodology

Annex 1 Table 1 – Mandatory Adverse Impacts Indicators

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
1. GHG Emissions	**Corporate**	GHG emissions - Scope 1	The purpose of PAI1 is to measure and assess the negative effects of a company's activities on greenhouse gas (GHG) emissions. Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel as in a furnace or vehicle. Carbon emissions for internally approved green bonds are reported as zero. Impact value represents the sum of a portfolio's corporate asset's GHG scope 1 emissions, weighted by the portfolio ownership (investment value / enterprise value of the company). Data limitation: GHG Emissions - Scope 1 data are primarily based on company disclosures, or estimated by Morningstar Sustainalytics, in the absence of company reports. The coverage is limited and from the HSBC covered universe, approximately 61% of the data was reported by the companies, while the remaining data was estimated.	Morningstar Sustainalytics	Exact fit	Yes	Emissions

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
1. GHG Emissions	**Corporate**	GHG emissions - Scope 2	The purpose of PAI1 is to measure and assess the negative effects of a company's activities on greenhouse gas (GHG) emissions. Scope 2 emissions are those caused by the generation of electricity purchased by a company. Carbon emissions for internally approved green bonds are reported as zero. Impact value represents the sum of a portfolio's corporate asset's GHG scope 2 emissions, weighted by the portfolio ownership (investment value / enterprise value of the company). Data limitation: GHG Emissions - Scope 2 data are primarily based on company disclosures, or estimated by Morningstar Sustainalytics, in the absence of company reports The coverage is limited and from HSBC covered universe, approximately 61% was reported by the companies, while the remaining data was estimated.	Morningstar Sustainalytics	Exact fit	Yes	Emissions
1. GHG Emissions	**Corporate**	GHG emissions - Scope 3	The purpose of PAI1 is to measure and assess the negative effects of a company's activities on greenhouse gas (GHG) emissions. Scope 3 emissions are divided into two main categories: upstream (supply chain, i.e., purchased or acquired goods & services) and downstream (products value chain: use of sold goods and services) activities of a company. We have included a Scope 3 emissions figure, despite concerns about data reliability. Carbon emissions for internally approved green bonds are reported as zero. Impact value represents sum of portfolio's corporate asset's GHG scope 3 emissions, weighted by the portfolio ownership (investment value / enterprise value of the company). Data limitation: Scope 1 and 2 carbon are more directly under the control of the individual companies we invest in, whereas scope 3 estimates are more an estimation of a company's interaction and the resulting GHG emissions of downstream & upstream stakeholders. Due to a lack of reported information, it is a great challenge to estimate and quantify company scope 3 emissions.	Morningstar Sustainalytics	Exact fit	Yes	Emissions
1. GHG Emissions	**Corporate**	GHG emissions - Total	The purpose of PAI1 is to measure and assess the negative effects of a company's activities on greenhouse gas (GHG) emissions. To get to portfolio value, for each investee company we sum up the Scope 1, 2, and 3 emissions, multiply this by the portfolio ownership ratio (invested amount divided by total enterprise value), then sum up all these values. Data limitation: Questionable data reliability of Scope 3 emission and lack of coverage of GHG emissions in some niche asset classes (such as Small Caps, High Yield or emerging markets issuers).	Morningstar Sustainalytics	Exact fit	Yes	Emissions

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
2. Carbon footprint	**Corporate**	Carbon footprint - Scope 1+2+3	The purpose of this PAI is to measure and assess a company's carbon footprint. This PAI equates to the sum of the carbon emissions (scope 1, 2 and 3) of an issuer multiplied by the portfolio ownership ratio (investment value / enterprise value of the company), divided by the current value of all investments. It is a measure of carbon emissions ownership (tonnes of Co2), as it considers the proportion of emissions per investment, relative to the total size of the issuer value. However, carbon footprint can fluctuate without a change in carbon emissions because of changes in issuer value. Data limitation: Carbon emissions (Scope 1, 2 & 3) are primarily based on company carbon disclosures or estimated by the vendor in the absence of company reports. It is worth noting that the lack of coverage of scope 3 Carbon emissions and some niche asset classes (such as Small Caps, High Yield or emerging markets issuers). These gaps are due to companies not reporting emissions and it is not appropriate to estimate non-reported emissions for niche asset classes or sub-industries.	Morningstar Sustainalytics	Exact fit	Yes	Emissions
3. GHG intensity of investee companies	**Corporate**	GHG Intensity of investee companies scope 1+2+3	GHG intensity measures the quantity of GHG emissions (scope 1, 2 and 3) per million-euro revenue of an issuer of a financial investment. It is a measure of the environmental efficiency of an issuer, measuring issuer GHG emissions relative to issuer economic output. It is useful for comparing the economic environmental position of two funds with similar sector and geographic allocation because the level of issuer GHG intensity is dependent in part on the sector, and country policies in which the issuer operates. For comparison purposes, the GHG intensity of the fund/mandate is shown against the GHG intensity of its reference benchmark. Data limitation: GHG intensity are primary based on company GHG emissions (Scope 1, 2 & 3) disclosures, or estimated by Morningstar Sustainalytics in the absence of company reports. The lack of coverage of scope 3 and niche asset classes (Small Caps, High Yield or emerging markets issuers) are due to companies not reporting emissions and it is not appropriate to estimate non-reported emissions for niche asset classes or sub-industries. This PAI is measured in tonnes of CO2 equivalents and covers the full spectrum of GHG emissions and not only carbon. Hence, we consider it as an Exact Fit of the PAI definition.	Morningstar Sustainalytics	Exact fit	Yes	Average value
4. Exposure to companies active in the	**Corporate**	Share of investments in companies	This PAI requires investors to disclose the share of investments in companies active in the fossil fuel sector (companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage, and trade of fossil fuels). All data	Morningstar Sustainalytics	Exact fit	No	Involvement

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
fossil fuel sector		active in the fossil fuel sector	points provide the levels or exact percentages of revenue involvement, and the binary metric "involved" is applied, when Fossil Fuel - Revenue percentage is greater than zero. The portfolio impact value represents the share of investments from the portfolio's eligible & covered universe that are involved in the fossil fuel sector.				
5. Share of non-renewable energy consumption and production	**Corporate**		This PAI represents the percentage of the company's total energy production and consumption that is generated using non-renewable sources in the reporting year. It evaluates the company's efforts to shift away from fossil fuel-based energy towards renewable energy sources, such as solar, wind, hydro, or geothermal energy. The portfolio impact value is calculated as the weighted average of a portfolio's corporate asset's non-renewable energy consumption & production. To calculate the reported shares, Morningstar Sustainalytics either looks at percentages as directly reported by companies, or calculates the shares based on company disclosure on total energy consumption or production and related non-renewable share. No estimates are used for the purpose of this metric. Data limitation: Despite a large research universe, only a fraction of companies are disclosing the metric, but we can expect this limitation to ease in the future.	Morningstar Sustainalytics	Exact fit	No	Average value
6. Energy consumption intensity per high impact climate sector	**Corporate**	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	This PAI requires the disclosure of the energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector based on NACE classification of activities. NACE (Nomenclature of Economic Activities) is the European statistical classification of economic activities. This data is taken as reported by the company, however there is an important assumption underlying this data point - One Company - One sector rule (Morningstar Sustainalytics assumes that each company sits only in one sector, it is not possible at the current stage to dissect a company across the full spectrum of NACE's activities and sectors in which it is involved). The portfolio impact value represents weighted average of the portfolio's corporate asset's energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector. Data limitation: Despite a large research universe, only a fraction of companies is disclosing the metric, but we can expect this limitation to ease in the future.	Morningstar Sustainalytics	Partial fit	No	Average Value

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
7. Activities negatively affecting biodiversity-sensitive areas	**Corporate**	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	For this PAI, investors need to disclose the share of investments in investee companies with sites/operations located in or near to biodiversity sensitive areas where activities of those investee companies negatively affect those areas. This data point takes a value of 'True' if a company has operations affecting biodiversity sensitive areas and 'False' otherwise. In addition, Morningstar Sustainalytics provides a second data point that captures the headlines of a company's relevant incidents that affect biodiversity sensitive areas to provide further context. Data limitation: As of today, only a small fraction of companies are disclosing the metric or information that is requested by the PAI 7, but we can expect this limitation to ease in the future as some companies are increasingly interested in natural capital accounting to mitigate their impacts and measure their risks. Access to the Key Biodiversity Area (KBA)26 database is not public, hence reducing the possibility to match locations. Considering the approximation made and data limitation, this PAI is a Partial Fit of the definition. The portfolio impact value represents the sum of the portfolio's corporate assets that have geographic exposure to biodiversity sensitive areas and engage in activities negatively affecting those areas.	Morningstar Sustainalytics	Partial fit	No	Involvement & Policy
8. Emissions to water	**Corporate**	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	This PAI focuses on harmful substances that are released to water. Emissions are measured in tonnes of pollutants and the following pollutants are considered for the purpose of this metric: Direct emissions of nitrates, phosphate and pesticides, and direct emissions of priority substances (e.g., heavy metals, loads of organic pollutant parameters such as biochemical oxygen demand (BOD) and chemical oxygen demand (COD), nitrogen and phosphorus compounds). Aggregate scores represent the negative impact that FMPs investment decisions or activities have on water resources. Morningstar Sustainalytics does not use estimation models to cover this PAI. The portfolio impact value is calculated as the sum of the portfolio's corporate asset's emissions to water weighted by the portfolio ownership ratio (MV/EVIC) adjusted by the current value of all investments (€M) Data limitation: At least in the beginning, we can expect a highly heterogeneous disclosure with most companies only including a subset of this metric in their reporting.	Morningstar Sustainalytics	Exact fit	No	Emissions

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
9. Hazardous waste and radioactive waste ratio	**Corporate**	Tonnes of hazardous waste generated by investee companies per million EUR invested, expressed as a weighted average	PAI 9 assesses hazardous waste, which is measured in tonnes of hazardous waste generated by a company. Following the EU definition, the datapoints include both hazardous and radioactive waste as reported by companies. We consider this metrics to be an Exact Fit to the PAI definition as provided by the regulator given the correspondence of covered substances. Morningstar Sustainalytics does not use estimation models to cover this PAI. The portfolio value is calculated as the sum of the portfolio's corporate asset's hazardous waste weighted by the portfolio ownership ratio (MV/EVIC) adjusted by the current value of all investments (€M). Data limitation: At least in the beginning, we can expect a highly heterogeneous disclosure with most companies only including a subset of this metric in their reporting.	Morningstar Sustainalytics	Exact fit	No	Emissions
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	**Corporate**	Share of Investments in investee companies that have been involved in violations of the UNGC principles for OECD Guidelines for Multinational Enterprises	Morningstar Sustainalytics assesses this PAI based on various data points, using a combination of their Global Standard Screening (GSS) Research and Event Indicators. Since GSS refers to the requirement of the regulation, Morningstar Sustainalytics uses it as the primary signal with Events used as supporting signals. Breach conclusion represents the companies in violation of UN Global Compact Principles (GSS status Non-Compliant). However, the terminology 'Breach' does not mean that the company is claimed to breach, e.g., EU law but a non-binding norm that is assessed in GSS. Conversely, companies obtaining a Watch conclusion (i.e., being either flagged as Watchlist under GSS or as Category 4 or 5 under Events) are regarded to be closely monitored but not yet in violation of the principles relevant for the regulation. Last, if a company has a GSS status of Compliant and is not involved in a Category 4 or 5 Event then the company is flagged as 'No Breach'. Given the scope of the principles and standards covered, we consider this data point as an Exact Fit. These data points are aggregated at the portfolio level, where "Breach" value is equivalent to 'Involved' and 'Watch' or 'No Breach' conclusions are considered as 'Not Involved'. Data Limitation: In some cases, we cannot always guarantee the data accuracy, timeliness or completeness provided by the vendor. Where necessary, we investigate to verify the accuracy of the violations before a decision is made to action. In situations where we disagree with the vendor's assessments, we add our proprietary research and conclusions for the exclusionary screens committed.	Morningstar Sustainalytics	Exact fit	No	Involvement & Policies

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD guidelines for Multinational Enterprises	**Corporate**	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handing mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	Morningstar Sustainalytics addresses the first part by providing data points that refer to the lack of relevant policies (the existence/non-existence of these policies is reflected in the scores of Management Indicators used in ESG Risk Ratings). This indicator is aggregated using an 'AND' condition, implying that a company needs to have all policies to qualify. The second part of this PAI is addressed via binary check whether a company's grievance/complaints handling mechanism covers all relevant dimensions as defined by the UNGC principles and OECD Guidelines. The aggregation across the four data points uses again the 'AND' condition. The portfolio impact value represents the sum of the portfolio's corporate assets with no evidence of processes and mechanisms to monitor compliance with the UNGC or OECD guidelines for Multinational Enterprises. Data limitation: For this PAI, companies are only disclosing when they evidenced the highest level of commitments in the areas screened: Human Rights, UN Global Compact, bribery, and anti-corruption processes.	Morningstar Sustainalytics	Exact fit	No	Involvement & Policies
12. Unadjusted gender pay gap	**Corporate**	Average unadjusted gender pay gap of investee companies	The average unadjusted gender pay gap of investee companies is the difference expressed between the average (mean or median) earnings of men and women including management across a workforce, irrespective of worker characteristics or job title. The portfolio impact value is calculated as weighted average of the portfolio's corporate assets gender pay gap ratio. Data limitation: Only a small proportion of companies disclose gender pay gap data, and not all disclosures are the same, but we can expect these limitations to ease in the future.	Morningstar Sustainalytics	Exact fit	No	Average value

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
13. Board gender diversity	**Corporate**	Average ratio of female to male board members in investee companies	Under this PAI, companies need to report the average ratio of female to male board members, where the board is considered the "administrative, management or supervisory body of a company. This data point is collected directly from company reports and is not estimated by Morningstar Sustainalytics and no further adjustments are made to the metric values. The portfolio impact value is calculated as the weighted average of the portfolio's corporate assets ratio of female to male board members.	Morningstar Sustainalytics	Exact fit	No	Average value
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	**Corporate**	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	We rely on Morningstar Sustainalytics data to identify companies with strong indications of involvement in the production or distribution of anti-personnel mines, cluster munitions, chemical weapons and biological weapons. In addition, for the 'Yes/No' involvement analysis at the company level, Morningstar Sustainalytics does not consider a company to be involved if only its parent company is involved, but the company itself is not. The portfolio impact value represents the sum of the portfolio's corporate assets with exposure to SFDR controversial weapons.	Morningstar Sustainalytics	Exact fit	No	Involvement & Policies
15. GHG intensity	**Sovereign**	GHG Intensity of investee countries	This metric is measured as the level of carbon emissions (measured in kilo tonnes, Kton) per unit of GDP (M€). Data for the GDP of invested countries is obtained from the World Bank and converted into euros, while carbon emissions are sourced from EDGAR (Emissions Database for Global Atmospheric Research). Intensities are then computed as a simple ratio between emissions and GDP for the latest year available.	Morningstar Sustainalytics	Partial fit	Yes	Average value

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
16. Investee countries subject to social violations	**Sovereign**	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	We rely on Morningstar Sustainalytics' country risk analysis which includes social risks such as civil or transnational conflict, state repression, violent crime, and labour rights/discrimination. Morningstar Sustainalytics captures the most controversial social-related events in which a country is involved in that are interpreted to potentially affect the prosperity and economic development of a country and its ability to manage its wealth in an effective and sustainable manner. At the event level, the overall impact on stakeholders and the environment gets evaluated based on the Incidents' Severity Scores as well as the risk to a country's Human Capital. The impacts of an incident get summarized in a Severity Score, which measures the Depth (the degree of impact), Breadth (how widespread the impact is) and Duration (what the duration is likely to be) of an Incident. We consider only the most severe events (category 4 and 5) to constitute Social Violations in the spirit of the regulation. Data points provided by Morningstar Sustainalytics are considered as an exact fit to this PAI's requirements.	Morningstar Sustainalytics	Minimum fit	No	Social violations
17. Exposure to fossil fuels through real estate assets	**Real Estate**	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	Due to data constraints, we were not able to collect PAI indicators for our real estate assets, therefore they could not be reported. If data becomes available in the future, these will be included and the PAI value will be presented.	Morningstar Sustainalytics	N/A	N/A	N/A
18. Exposure to energy-inefficient real estate assets	**Real Estate**	Share of investments in energy-inefficient real estate assets	Due to data constraints, we were not able to collect PAI indicators for our real estate assets, therefore they could not be reported. If data becomes available in the future, these will be included and the PAI value will be presented.		N/A	N/A	N/A

Annex 1 Table 2 – Additional climate and other environment related indicators

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
4. Investments in companies without carbon emission reduction initiatives	**Corporate**	Share of investments in investee companies without carbon emissions reduction initiatives aimed at aligning with the Paris Agreement	This indicator looks at GHG reduction programmes in general where the outcome criterion "Net Zero and Paris Alignment" checks whether the company has a net zero or science-based temperature aligned GHG emissions reduction target to be achieved no later than 2050. The portfolio impact value represents the sum of portfolio's corporate assets that do not have carbon emission reduction initiatives aimed at aligning with the Paris Agreement.	Morningstar Sustainalytics	Exact fit	No	Involvement & Policy

Annex 1 Table 3 – Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Sections	Metric Type	Indicator	Description	Data Source	Fit to requirements	Using estimations	Calculation type
9. Lack of human rights policy	**Corporate**	Share of investments in investee companies without human rights policy	The portfolio impact value represents the sum of portfolio's corporate assets that have no disclosed company human rights policy.	Morningstar Sustainalytics	Exact fit	No	Involvement & Policy

Source: Morningstar Sustainalytics – Principal Adverse Impact Data Solution Methodology – Version 1.3, June 2023.

For more information visit: http://www.sustainalytics.com/