

Explanation of the Provisions of the Global ESG Disclosure Standards for Investment Products **– Errata June 2022**

The following item reflects a correction to the Explanation of the Provisions of the Global ESG Disclosure Standards for Investment Products.

1. Provision 2.A.8

If the INVESTMENT PRODUCT uses an ESG INDEX as an investment universe, then the INVESTMENT MANAGER MUST disclose:

- a. either the significant ESG characteristics of the index or, if the index is a readily recognized index, the name of the index.

Sample Disclosure 2

“The XYZ Climate Index (‘Index’) is compatible with a 1.5-degree Celsius global warming climate scenario through the selection and weighting of its constituent securities. The Index is a subset of the XYZ Broad Market Equity Index. ~~The Index is designed to meet the minimum standards for methodology of an ‘EU Paris Aligned’ benchmark.~~ The Index places a limit on exposure to companies that do not disclose their carbon emissions and applies constituent weighting caps to limit the Index’s exposure to the physical and transition risks of climate change. The Index is constructed to have lower measures of greenhouse gas emissions and fossil fuel reserves than the XYZ Broad Market Equity Index. All Index constituents must be aligned with a transition pathway toward a 1.5-degree Celsius climate warming scenario. The Index excludes companies that generate revenue from coal, oil, or natural gas exploration or processing.”