

# MSCI Launches MSCI ESG Sovereign Ratings

## New Reports Assess a Country's Exposure to ESG Risk Factors

**London – 31 January 2012** – MSCI Inc. (NYSE: MSCI), a leading provider of investment decision support tools, announced today the launch of MSCI ESG Sovereign Ratings, designed to identify a country's exposure to, and management of, environmental, social, and governance (ESG) risk factors, and to explain how these factors might impact the long-term sustainability of its economy. By providing a long-term view on sustainability, the ratings aim to complement traditional sovereign debt analysis for analyzing a country's creditworthiness.

Remy Briand, Managing Director and Global Head of Index and ESG Research, said, "Integrating ESG into the investment process is the first principle for UN Principles for Responsible Investment (UN PRI) signatories and is increasingly being mandated and scrutinized by asset owners. Institutional investors require coverage of their core portfolios of equities and bonds and, hence, MSCI ESG Sovereign Ratings are a critical tool to integrate ESG research into their fixed income portfolios."

MSCI ESG Sovereign Ratings provide an overall sustainability assessment of 90 countries covering Developed, Emerging and Frontier Markets, and contain historical time series results for over 5 years. They offer unique matching capabilities with the introduction of a new file which matches more than 14,000 bond issues. Coverage is designed to provide ratings on 99% of sovereign bonds issued in the marketplace; countries that do not issue securities or whose debt is thinly traded are not rated. MSCI ESG Sovereign Ratings score and rate countries on a seven point scale from 'AAA' (best) to 'CCC' (worst). Ratings are derived from 0-10 scores on underlying factors in three pillars: Environmental, Social, and Governance.

In addition, MSCI provides a set of screening factors for each country which allows investors to assess the profile of a country's status with respect to various values- and mission-based issues and controversies, such as child or forced labor and armed conflicts, and whether the country is a party to international conventions related to endangered species, biological diversity, chemical and biological weapons.

MSCI ESG Sovereign Ratings also include a custom weighting feature to allow clients to incorporate their own views about the impact of different ESG risk factors on country ratings and rankings.

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### About MSCI ESG Research

MSCI ESG Research products and services are designed to provide in-depth research, ratings and analysis of environmental, social and governance-related business practices to companies worldwide. ESG ratings, data and analysis from MSCI ESG Research are also used in the construction of the MSCI ESG Indices.

To register for the MSCI ESG Sovereign Ratings Launch Webinar on 9 February 2012, [please visit our dedicated web site](#). For further information on MSCI ESG Research, contact [esgclientservice@msci.com](mailto:esgclientservice@msci.com), visit [www.msci.com/esg](http://www.msci.com/esg)

### About MSCI

MSCI Inc. is a leading provider of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI products and services include indices, portfolio risk and performance analytics, and governance tools.

The company's flagship product offerings are: the MSCI indices with approximately USD 7 trillion estimated to be benchmarked to them on a worldwide basis<sup>1</sup>; Barra multi-asset class factor models, portfolio risk and performance analytics; RiskMetrics multi-asset class market and credit risk analytics; MSCI ESG (environmental, social and governance) Research screening, analysis and ratings; ISS governance research and outsourced proxy voting and reporting services; FEA valuation models and risk management software for the energy and commodities markets; and CFRA forensic accounting risk research, legal/regulatory risk assessment, and due-diligence. MSCI is headquartered in New York, with research and commercial offices around the world.

<sup>1</sup>As of June 30, 2011, based on eVestment, Lipper and Bloomberg data.

For further information on MSCI, please visit our web site at [www.msci.com](http://www.msci.com)

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