

Services for PRI Signatories

The United Nations-supported **Principles for Responsible Investment Initiative (PRI)** calls on investors to incorporate environmental, social and governance factors into their investment practices. Asset owners, managers and advisors can use MSCI ESG Research products and services to help implement each of the six Principles.

ESG Integration Tools

To include ESG factors into their investment analysis, investors need reliable, objective data on corporate ESG performance.

MSCI ESG Research provides in-depth research into the sustainability practices of thousands of companies worldwide, as well as advanced tools to help investment managers implement investor screening mandates on social and environmental issues.

MSCI ESG Intangible Value Assessment (IVA)—MSCI ESG IVA provides ratings and analysis of corporate management of environmental and social risk factors. Through an in-depth comparison against sector peers, MSCI ESG IVA can reveal ESG-driven investment risks or opportunities that may not be captured by conventional analyses.

MSCI ESG Impact Monitor—A screening tool to evaluate corporate compliance with international standards for Human Rights, Labor Rights, Anti-Corruption, and the Environment, as defined by the UN Global Compact.

MSCI ESG Indexes—With 40 years of expertise in index construction and maintenance, MSCI aims to set new standards for ESG indexes – allowing clients to more effectively benchmark ESG investment performance, issue index-based ESG investment products, as well as to manage, measure and report on their compliance with ESG mandates.

The MSCI ESG Indexes bring together the widely-accepted MSCI Global Investable Market Indexes Methodology with in-depth analysis and ratings from MSCI ESG Research¹. Today, MSCI is the only major index provider with a separate in-house ESG research business unit.

The MSCI ESG Indexes are grouped into the following main categories:

- » MSCI Global Sustainability Indexes
- » MSCI Emerging Markets ESG Index
- » MSCI SRI Indexes
- » MSCI 'Environmental' Indexes
- » Barclays MSCI ESG Fixed Income Indices

In addition, MSCI calculates Custom ESG Indexes using unique ESG requirements specified by clients.

**1100 + PRI Signatories represent
USD 34 trillion in assets.**

Source: PRI, April 2013; www.unpri.org/principles

The six Principles for Responsible Investment (PRI):

1. Signatories will incorporate ESG issues into investment analysis and decision-making processes.
2. Signatories will be active owners and incorporate ESG issues into our ownership policies and practices.
3. Signatories will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. Signatories will promote acceptance and implementation of the Principles within the investment industry.
5. Signatories will work together to enhance our effectiveness in implementing the Principles.
6. Signatories will each report on our activities and progress towards implementing the Principles

¹ MSCI ESG Research is the successor to ESG pioneers KLD, Innovest and IRRC, which were acquired through MSCI's acquisition of RiskMetrics. The MSCI ESG Indexes use ratings and other data, analysis and information supplied by MSCI ESG Research. MSCI ESG Research is produced by MSCI's subsidiary, MSCI ESG Research Inc.

Active Ownership and Engagement Services

The practice of “active ownership” requires investors to know more about the companies whose shares they own.

MSCI ESG Research products detail the what, where and how of a company’s operations. MSCI ESG Custom Research provides customized engagement products and services to align with investors’ particular strategies and objectives.

- » **MSCI ESG Company and Portfolio Reports**—Provide transparency about corporate activity, identify industry- and region-specific best practices, and can be used to engage with companies to improve corporate ESG performance and disclosure.
- » **MSCI ESG Portfolio Analytics**—Evaluate a portfolio’s ESG risk profile and measure its ESG characteristics relative to index benchmarks.
- » **MSCI ESG Manager and Data Feeds**—Filter out companies that do not meet client ESG standards. Using MSCI ESG Manager, clients can also benchmark corporate ESG performance against sector peers to identify leaders and laggards on critical ESG issues.

PRI Compliance Reporting

MSCI ESG Research directly engages with the companies that we evaluate to encourage them to improve their ESG reporting and sustainability efforts.

MSCI ESG Research analyses include:

- » Objective evaluation of corporate reporting, including goals and mechanisms to measure and track appropriate disclosure on ESG issues.
- » Tracking of corporate compliance with environmental, labor, and NGO codes, standards and initiatives.
- » Acknowledgement of third-party verification of corporate claims and participation with advocacy organizations, such as the Global Reporting Initiative (GRI), Ceres, and the Carbon Disclosure Project.

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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 Indexes. MSCI ESG Research is produced by MSCI’s indirect wholly-owned subsidiary MSCI ESG Research Inc., a Registered Investment Adviser under the Investment Advisers Act of 1940.

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