

How to read your company's MSCI ESG Ratings report

ESG Issuer Communications

MSCI ESG Research LLC

February 2023

Agenda

1

Key insights for issuers

MSCI ESG Ratings

2

Interpreting your scores

3

Interpreting your assessment

4

Data sources

Driving your company's MSCI ESG rating assessment

5

Call to action

Issuer interaction with MSCI ESG
Issuer Communications

Key insights for issuers

MSCI ESG Ratings



What are ESG Ratings?

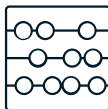
MSCI ESG Ratings aim to measure a **company's management of financially relevant ESG risks and opportunities**

To do this we measure:

Robustness of governance practices, the foundation of good risk management



BOARD



ACCOUNTING



OWNERSHIP
AND CONTROL



EXECUTIVE
PAY

Exposure to **risk** factors



CLIMATE
CHANGE



WATER
SCARCITY



DATA
SECURITY



DEMOGRAPHIC
SHIFTS

Management quality & ability to limit surprise and **event risks**



ACCIDENTS



FRAUD



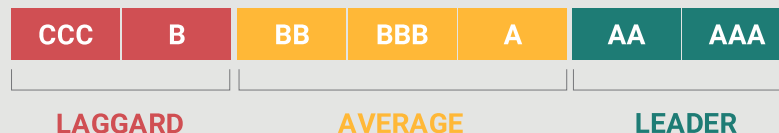
SHUTDOWNS



STRIKES

MSCI ESG Research's approach to ESG Ratings

MSCI ESG Ratings is designed to measure a company's **resilience to industry material ESG risks and opportunities**



- Financial materiality: We monitor emerging risks & opportunities and focus on the issues that are most relevant to a company's core business model.
- Industry relative: the final ESG rating compares a company to its industry peers



- Alternative data & models: Alternative data helps minimize reliance on voluntary disclosure to deliver key insights.
- Models transform unstructured data into meaningful metrics.



- Tech-enabled human insights: We use technology and artificial intelligence (AI) to increase the timeliness and precision of data collection and analysis, and to check and validate data.
- Our 400+ strong team of ESG analysts vet, validate and transform ESG related data into meaningful insights.

What key questions do MSCI ESG Ratings address?

Q: How is the company governed?

1

How do governance structures impede / enable it to be a long-term steward of capital?

A: Analyze ownership structure, board, incentives and behavior.

Q: What risks does the company face?

2

How exposed is its business model to relevant short-, medium- and long-term ESG risks?

A: Map company operations to an extensive proprietary database of ESG risk factors.

Q: What does the company say?

3

What is its strategy for managing these risks? What measures has it put in place?

A: Benchmark company disclosures and policies vs. industry peers.

Q: What does the company do?

4

What evidence do we see that these risks are being managed? What is its track record?

A: Evaluate alternative data from sources outside the company.

What is the process to rate a company?



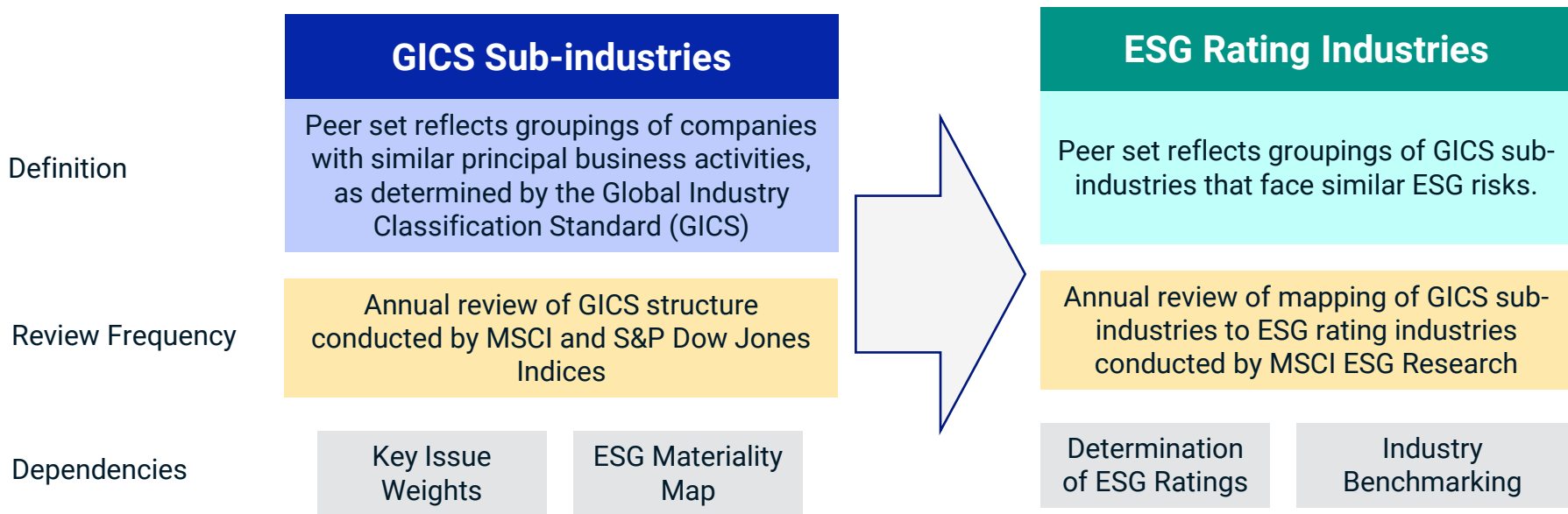
INDUSTRY LEVEL

COMPANY LEVEL



How are ESG peer sets constructed?

The ESG Ratings model relies on industry groupings from the Global Industry Classification Standard (GICS®)¹ to inform a range of ESG assessments.



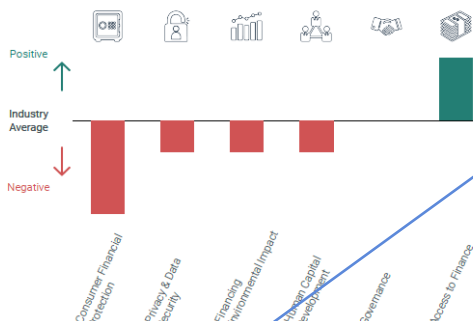
How to interpret key dates on my report

SAMPLE COMPANY

Increased focus on SME lending and talent management drive the upgrade; challenges in risk controls

Score attribution by key issue

This chart highlights the company's positioning relative to the industry average for each Key Issue that contributed to its ESG Rating as of December 22, 2021.



Last ESG Rating action

Rating action date: August 12, 2021
has been upgraded to 'BBB' from 'BB'.

Our research found evidence of strong talent management practices (World's Best Employers in 2020, ranked by Forbes), and sector-leading growth of small/micro-loans in FY 2020 (year-on-year increase of 58% in balance). This, combined with marginal improvement in corporate governance, drives the upgrade. However, the bank reported a total of RMB 202.7 billion in impairment losses on assets in FY 2020 (year-on-year increase of 13.2%); this may indicate challenges related to product risk control.

MSCI ESG RATINGS

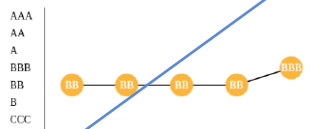
BBB

CCC B BB BBB A AA AAA

RATING ACTION DATE: August 12, 2021

LAST REPORT UPDATE: December 22, 2021

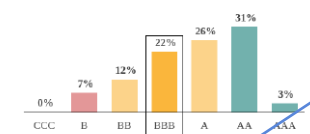
ESG Rating history



ESG Rating history shows five most recent rating actions

ESG Rating distribution

Universe: MSCI ACWI Index constituents, Banks, n=189



Key scores

| | Weight | Score (0-10) |
|--|--------|--------------|
| Industry-Adjusted Score (Last Updated: August 12, 2021) | | 5.1 |
| Weighted-Average Key Issue Score (Last Updated: December 22, 2021) | | 4.3 |
| Environmental Pillar Score | 13% | 4.3 |
| Social Pillar Score | 54% | 4.0 |
| Governance Pillar Score | 33% | 4.8 |

Company ESG data is updated on an ongoing basis. Updates yielding underlying score changes are reflected as of the "Last Update" date.

Companies' ESG Ratings are reviewed by industry analysts, typically annually, which is reflected as the "Rating action date." The timing of analyst reviews is determined solely by MSCI ESG Research. MSCI ESG Ratings aim to incorporate data from all corporate disclosures published up to three months prior to the ESG rating action date.

Weighted Average Key Issue score (WAKI) vs Industry Adjusted Score (IAS)

New information may be reflected in these reports as frequently as weekly. Where relevant, scoring changes may result in a **Weighted Average Key Issue score** change.

The **Industry Adjusted Score** is updated at the time of the ESG rating action date.



Source: MSCI ESG Research LLC

For more information, refer to <https://www.msci.com/esg-and-climate-methodologies>

Information Classification: GENERAL

How to interpret my ESG rating scorecard

SAMPLE COMPANY

ESG Rating scorecard

As of December 22, 2021

| KEY ISSUE | WEIGHT | INDUSTRY AVERAGE | SCORE (0-10) | CHANGE | EXPLANATION |
|----------------------------------|--------|------------------|--------------|--------|---|
| Weighted-Average Key Issue Score | | 4.7 | 4.3 | | |
| > ENVIRONMENT | 13% | 5.1 | 4.3 | | |
| Financing Environmental Impact | 13% | 5.1 | 4.3 | | <ul style="list-style-type: none"> Significant reliance on commercial or corporate financing activities with some exposure to environmentally-intensive sectors Management of environment risks (linked with its corporate financing activities) lag peers. |
| > SOCIAL | 54% | 4.5 | 4.0 | ▲0.2 | |

Company Key Issue score change, since the last rating action

Key Issue score explanation

Weight shows the most recent Key Issue weight for a company

Industry average is the average Key Issue score of the ESG Rating Industry

Key scores

| | Weight | Score (0-10) |
|---|--------|--------------|
| Industry-Adjusted Score (Last Updated: February 24, 2022) | | 8.7 |
| Weighted-Average Key Issue Score (Last updated: February 24, 2022) | | 6.1 |
| Environmental Pillar Score | 22% | 7.7 |
| Social Pillar Score | 45% | 5.3 |
| Governance Pillar Score | 33% | 6.2 |

Recent developments affecting ESG scores

Recent score changes that have an impact on the WAKIS are reflected in this section.

Certain ESG scores are updated on a weekly basis to reflect changes in underlying data. Some possible reasons for a data update include:

- New corporate governance data disclosed in a proxy filing
- Update to peer set data
- New controversy or change to the severity assessment of an existing controversy
- New business and geographic segment data
- Relevant data submitted by an issuer is published by MSCI ESG Research

SAMPLE COMPANY

Recent developments affecting ESG scores

This table shows the last 10 score changes* and rating actions that have occurred in the past 12 months.

| Date ▲ | Type | Score (0-10) | Change | Explanation |
|--------------|--|--------------|--------|---|
| | Current Weighted-Average Key Issue Score | 4.3 | | |
| Mar 16, 2022 | Data Update: Controversies | | ▼ 0.2 | Controversy case(s) upgraded or archived |
| Aug 12, 2021 | ESG Rating action | 4.2 | ▲ 0.1 | has been upgraded to 'BBB' from 'BB'. |
| Aug 12, 2021 | Data Update: Controversies | | | |
| Aug 10, 2021 | Data Update: Corporate Governance | | ▲ 0.1 | Flags Added: Risk Management Expertise Flags Removed: Executives on Pay Committee, CEO Pay NQDC, Business Combination Provision Governance Score changed based on the listed Key Metric(s): Related Party Transactions, Pay Committee Independence |

How ESG Ratings capture a company's unique business characteristics

Some companies may face a unique ESG risk or opportunity that is not shared by other companies in its industry.

This can arise from scenarios such as:

- Unique or diversified business models
- Subsets of companies within an industry that face a unique set of risks

In these cases, a company-specific Key Issue is added to the analysis and the weights on the remaining Key Issues are reduced proportionally.

For more information on rating model details and the ESG Risk Exposure model, refer to MSCI ESG Ratings Methodology.

Rating model details

If the sample company was rated based on a modified version of the **Textiles, Apparel & Luxury Goods** Industry ESG Rating model:

- ▶ Supply Chain Labor Standards has been added as a **company-specific Key Issue** for textile and apparel manufacturing companies that have outsourced significant manufacturing in developing countries¹.

Consumer Discretionary

Apparel, Accessories & Luxury Goods

Search for a sub-industry

Clear

Environmental

| Issue | Weight | Score | Rating |
|-----------------------------------|--------|-------|--------|
| Raw Material Sourcing | 13% | 4 | 4 |
| Product Carbon Footprint | 10% | 4 | 4 |
| Toxic Emissions & Waste | 10% | 4 | 4 |
| Packaging Material & Waste | 10% | 4 | 4 |
| Water Stress | 10% | 4 | 4 |
| Financing Environmental Impact | 10% | 4 | 4 |
| Biodiversity & Land Use | 10% | 4 | 4 |
| Opportunities in Renewable Energy | 10% | 4 | 4 |
| Climate Change Vulnerability | 10% | 4 | 4 |
| Opportunities in Clean Tech | 10% | 4 | 4 |
| Carbon Emissions | 10% | 4 | 4 |
| Opportunities in Green Building | 10% | 4 | 4 |
| Electronic Waste | 10% | 4 | 4 |

Social

| Issue | Weight | Score | Rating |
|-------------------------------------|--------|-------|--------|
| Labor Management | 17.1% | 4 | 4 |
| Chemical Safety | 13.2% | 4 | 4 |
| Supply Chain Labor Standards | 8.8% | 4 | 4 |
| Contaminant Sourcing | 2% | 4 | 4 |
| Privacy & Data Security | 0.5% | 4 | 4 |
| Consumer Financial Protection | 0.2% | 4 | 4 |
| Opportunities in Nutrition & Health | 0.2% | 4 | 4 |
| Product Safety & Quality | 0.2% | 4 | 4 |
| Insuring Health & Demographic Risk | 0.2% | 4 | 4 |
| Access to Finance | 0.2% | 4 | 4 |
| Community Relations | 0.2% | 4 | 4 |
| Access to Communications | 0.2% | 4 | 4 |
| Access to Health Care | 0.2% | 4 | 4 |
| Responsible Investment | 0.2% | 4 | 4 |
| Health & Safety | 0.2% | 4 | 4 |
| Human Capital Development | 0.2% | 4 | 4 |

Governance

| Issue | Weight | Score | Rating |
|---------------------|--------|-------|--------|
| Governance | 35.1% | 4 | 4 |
| Ownership & Control | 10% | 4 | 4 |
| Pay | 10% | 4 | 4 |
| Accounting | 10% | 4 | 4 |
| Business Ethics | 10% | 4 | 4 |
| Tax Transparency | 10% | 4 | 4 |

How to interpret controversies mentioned in my company's ESG Ratings report

- Controversy cases based on ESG risks are incorporated in company MSCI ESG Ratings assessments to provide an overview of all recorded controversies.
- However, only Moderate, Severe and Very Severe controversy cases result in scoring deductions (up to 5 points) in the relevant Key Issue's risk management sections.

SAMPLE COMPANY

Most recent controversies

| Last update | Headline | Assessment | Type |
|-------------|--|------------|-----------------------|
| Aug-22 | <u>California, US: Lawsuit over alleged processing advertising revenue transactions for a website that purportedly distributed child pornography</u> | Moderate | Human Rights Concerns |
| Mar-22 | <u>United States: Media criticism over potential unfair practices of Buy Now, Pay Later service affecting customers</u> | Minor | Customer Relations |

Interpreting my company's peers

- ESG Rating Industries are based on GICS Sub-Industries¹, which are grouped to form peer sets that have similar ESG Key Issues.
- The Industry Adjusted Score is an industry-relative assessment based on peers in the same ESG Rating Industry.
- The Peer Benchmarking table displays five industry peers selected based on their similarity to your company, considering factors such as ESG Key Issue weight, GICS industry classification, region and size.

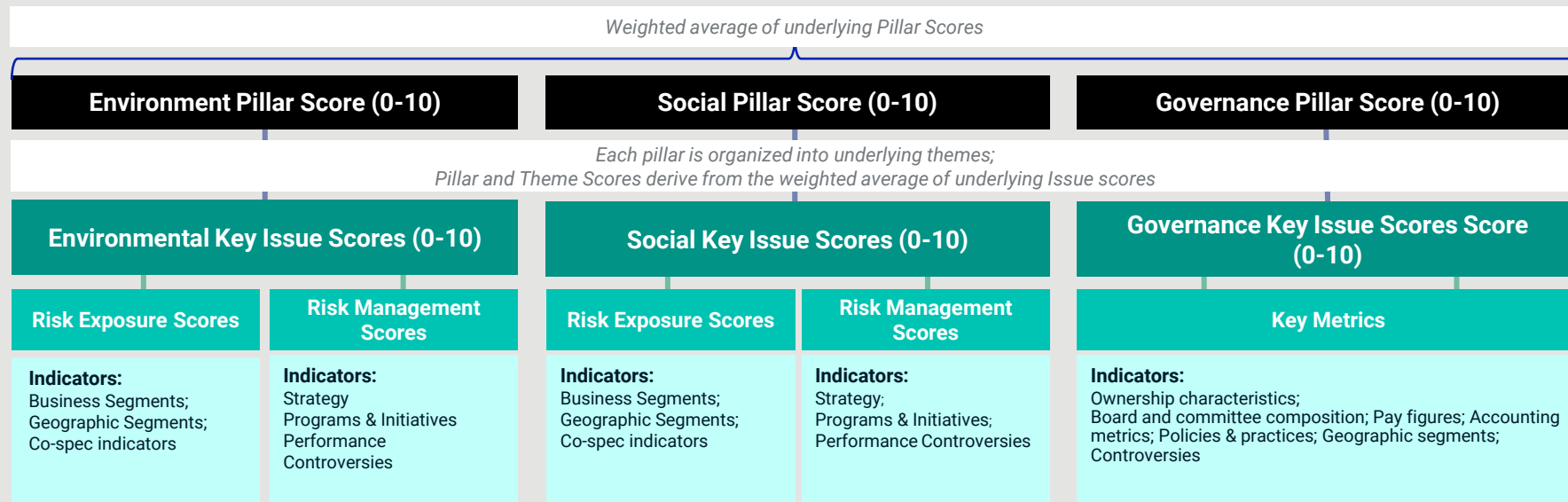
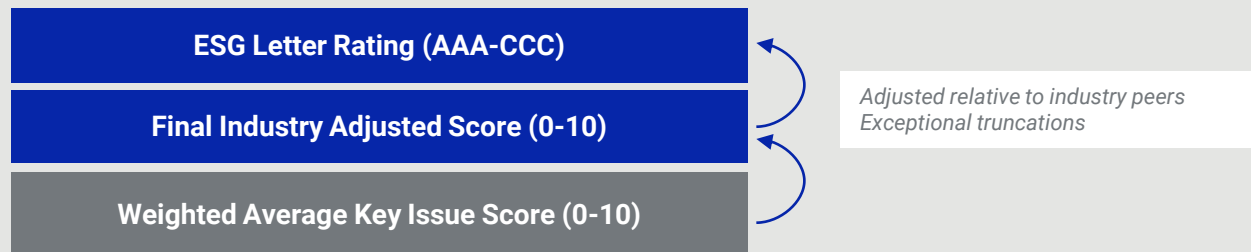
| | Financing Impact | Environmental | Access to Finance | Human Capital Development | Privacy & Data Security | Consumer Financial Protection | Corporate Governance | Corporate Behaviour | Rating & Trend |
|---|------------------|---------------|-------------------|---------------------------|-------------------------|-------------------------------|----------------------|---------------------|----------------|
| HSBC HOLDINGS PLC | ● ● ● | | ● ● ● | ● ● | ● ● ● ● | ● ● | ● ● ● ● | ● | AA ◀ ▶ |
| JPMORGAN CHASE & CO. | ● ● ● ● | | ● ● ● | ● ● | ● ● ● ● | ● | ● ● | ● | A ◀ ▶ |
| INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED | ● ● ● | | ● ● ● ● | ● ● ● ● | ● ● | ● | ● ● | ● ● ● | A ▲ |
| CHINA CONSTRUCTION BANK CORPORATION | ● ● ● | | ● ● ● ● | ● ● ● ● | ● | ● | ● ● | ● | A ◀ ▶ |
| WELLS FARGO & COMPANY | ● ● ● ● | | ● | ● | ● | ● | ● ● ● | ● | BB ◀ ▶ |

As of February 2023

Interpreting your scores



How scores roll up to the final ESG Rating



How to interpret your ESG Rating drill down

SAMPLE COMPANY

ESG Rating drill down

| Description | As of prior rating action date: May 27, 2020 | | As of last rating action date: Aug 12, 2021 | | As of last report update date: Dec 22, 2021 | | Difference | |
|--|---|--------|--|--------|--|--------|------------|--------|
| | Score | Weight | Score | Weight | Score | Weight | Score | Weight |
| ESG Rating Letter Grade | BB | | BBB | | BBB | | - | - |
| Industry Adjusted Score | 4.2 | | 5.1 | | 5.1 | | - | - |
| Industry Minimum Score | 3.6 | | 2.3 | | 2.3 | | - | - |
| Industry Maximum Score | 6.0 | | 6.0 | | 6.0 | | - | - |
| Weighted Average Key Issue Score | 4.6 | | 4.2 | | 4.3 | | 0.1 | - |
| Environmental Pillar Score | 5.8 | 9.0% | 4.3 | 13.0% | 4.3 | 13.0% | - | - |
| Financing Environmental Impact Key Issue Score | 5.8 | 9.0% | 4.3 | 13.0% | 4.3 | 13.0% | - | - |
| Exposure Score | 6.2 | | 6.2 | | 6.2 | | - | - |
| Business Segment Exposure Score | 7.0 | | 7.0 | | 7.0 | | - | - |
| Company-Specific Exposure Score | 5.3 | | 3.9 | | 3.9 | | - | - |
| Management Score | 5.0 | | 3.5 | | 3.5 | | - | - |
| Management Score - Excluding Controversies | 5.0 | | 3.5 | | 3.5 | | - | - |
| Practices Score | 5.0 | | 3.5 | | 3.5 | | - | - |
| Controversy Deduction | 0.0 | | 0.0 | | 0.0 | | - | - |

► **Step 1:** Check the different 3 columns to note score change:

- a) Prior Rating action
- b) The latest Rating action
- c) Last Report update date

► **Step 2:** Check respective Key Issues and components driving the change

► **Step 3:** Deep dive in the respective Key Issue sub-section of the report for more information on Key Issue performance

Interpreting your assessment

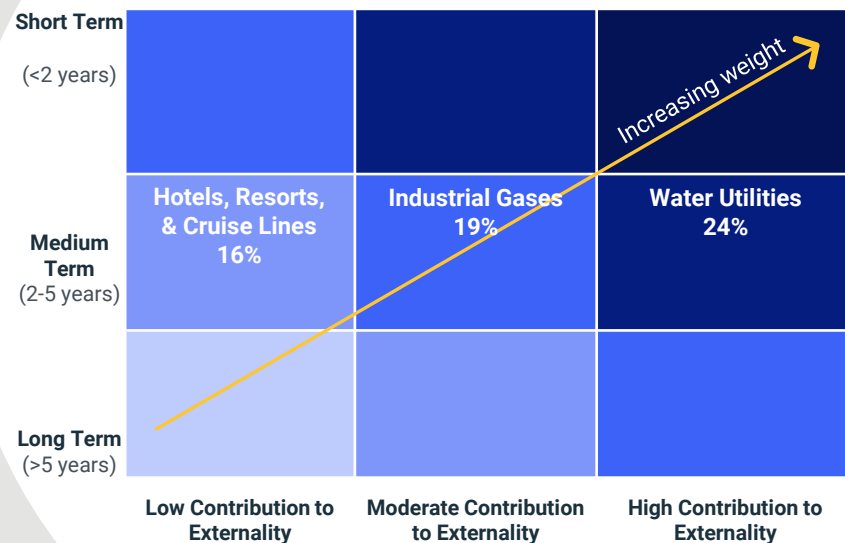


Setting Key Issue weights

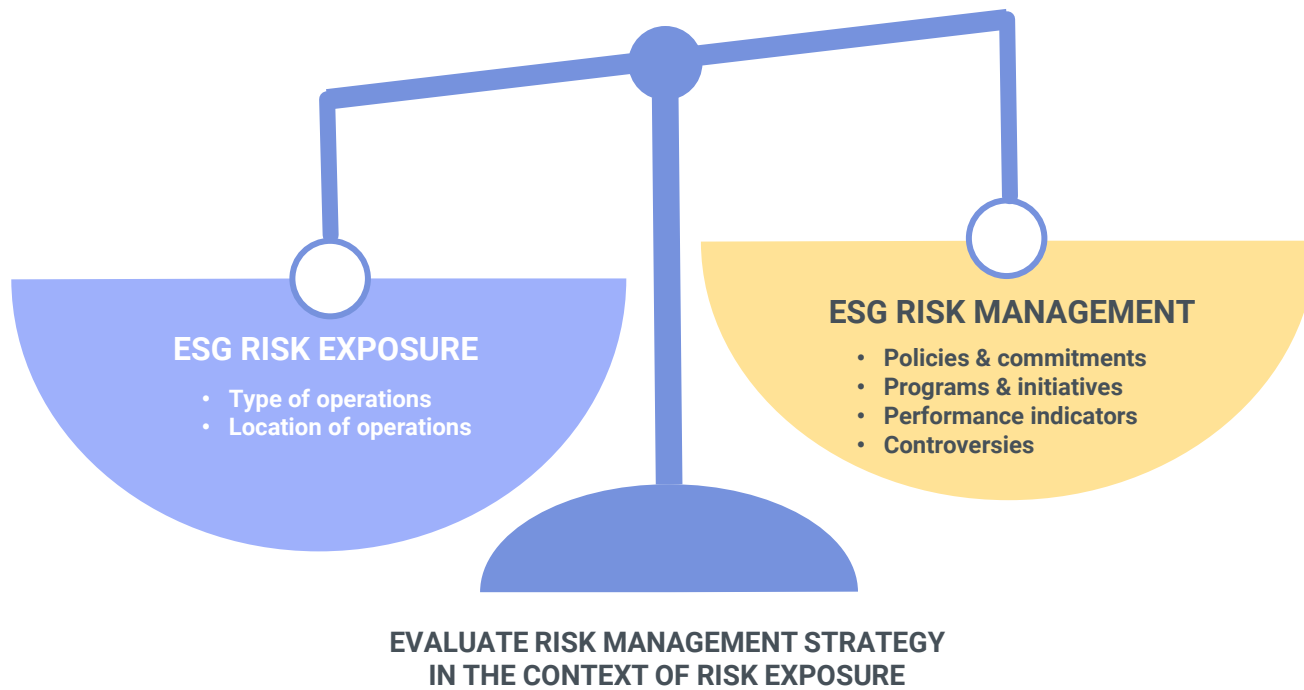
Key Issue weights are based on:

- Industry's contribution to externality vs. other industries
- Time horizon of risk factor for that industry
- Number and significance of other issues assessed
- Minimum 33% weight applied to the Governance Pillar, based on standard time horizon and impact for Corporate Behavior and Corporate Governance

Water Stress Key Issue Weights



Evaluating ESG risk management relative to risk exposure



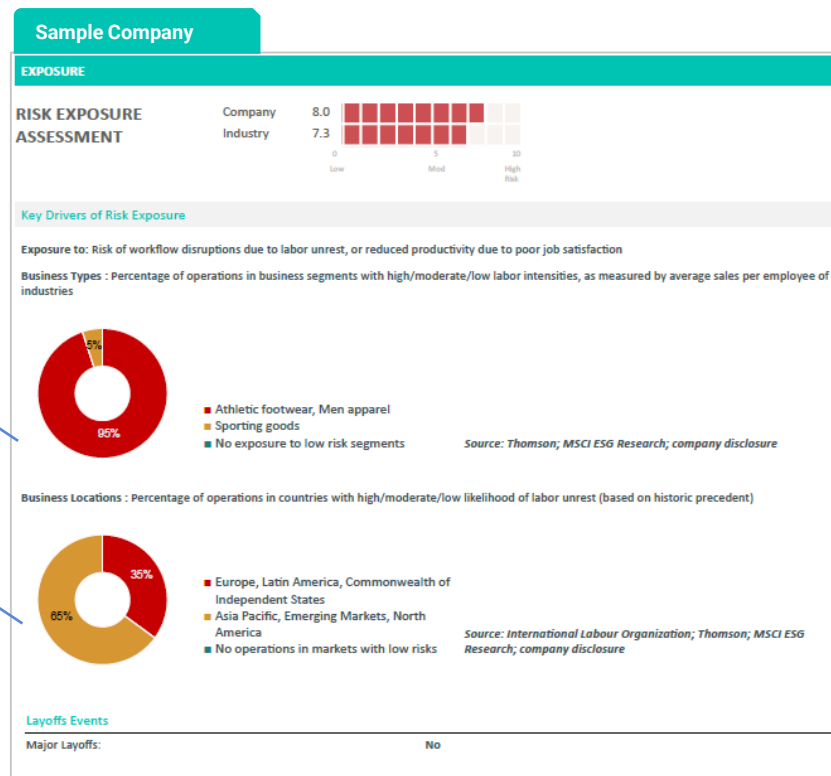
Exposure assessment

Risk exposure is assessed on the basis of three key factors:

Business Segment: Analyzes the breakdown of a company's business segments in terms of revenues, assets or operations

Geographic Segment: Analyzes the breakdown of a company's geographic segments in terms of revenues, assets or operations

Company-Level Factors: Number of employees, size, reliance on government contracts or reliance on outsourced production



Management assessment

Risk management is assessed on the basis of three key factors:

Strategy & Governance: Evaluates organizational capacity and company management's level of commitment to address the key risks and opportunities, such as executive body responsibilities, grievance escalation procedures, etc.

Initiatives and Programs: Evaluates the strength and scope of the initiatives, programs and targets in place to improve performance on the issue such as certifications, audits, etc.

Performance: Evaluates the company's track record on managing the specific risk or opportunity, such as emission intensity, product recalls, etc.

As part of the qualitative indication of a company's performance on an ESG Issue, we incorporate information on **controversies** in which a company has been implicated.

SAMPLE COMPANY

| Description | Company Practice | Best Practice | Practices Score ² | | | | | |
|--|---|---------------------|------------------------------|-----------------|---|-----|--|--|
| Supply chain and sourcing | | | | | | | | |
| Membership in recognized industry-wide partnership(s) on supply chain/contractor risk evaluation and mitigation | Formal participant | Formal participant | - | LOW | MID | TOP | | |
| Conducts supplier training on quality assurance | | | | | | | | |
| Frequency of supplier training | Periodic training but frequency is unknown | Annual training | - | LOW | MID | TOP | | |
| Scope of supplier training | Most suppliers, or all 'high risk suppliers' | All suppliers | - | LOW | MID | TOP | | |
| Certification program for suppliers | | | | | | | | |
| Tier 1 - Direct supplier facilities and processes certified by company employees or third-party auditors | Yes | Yes | - | LOW | | TOP | | |
| Tier 3 - Ingredients / raw materials checked for quality on a regular basis | Yes | Yes | - | LOW | | TOP | | |
| Manufacturing and handling | | | | | | | | |
| Product Recalls | | | | | | | | |
| Year | Severe (Class I) | Moderate (Class II) | Minor (Class III) | Number of units | Details | | | |
| 2020 | 1 | | | | Nestlé Recalls Drumstick Ice Cream Cones Due To Listeria Risk: Nestlé USA, Inc. issued a voluntary recall on two varieties of their Drumstick ice cream cones because of a positive test for listeria at a manufacturing facility. | | | |
| 2019 | 1 | | | | In October 2019, Nestlé USA issued a voluntary recall statement on ready-to-bake cookie dough products due to potential presence of food grade rubber pieces. | | | |
| 2019 | | | 2 | | 2 of the recalls were due to product being labeled incorrectly. | | | |
| 2018 | 1 | 2 | | | bottled water product recalled as a result of Jordan's Ministry of Health order amid concerns of Pseudomonas Bacteria contamination; In November 2018, Nestlé recalled La Laitière Clafoutis Aux Cerises due to undeclared allergens; In December 2018, Nestlé recalled defective Allamano infant formula in Germany. | | | |
| 2017 | 2 | | | | recalls due to undeclared allergens | | | |
| 2016 | 1 | 2 | | | Voluntary recall of ice cream due to threat of Listeria contamination; recall of infant formula products as a result of consumer complaints, recall of pizza and lasagna products due to glass fragments found by customers | | | |
| 2015 | | 1 | | | Maggi 2-minutes Noodles pulled out from stores in India amid allegations of high levels of lead. Nestlé reported recalling 27,420 tonnes of Maggi noodles. | | | |
| 2014 | 3 | | 2 | | Nestlé USA recalls 10,000 packages of ice cream due to mismatched packaging (undeclared peanuts); Nestlé recalls Hot Pockets after meat scare; Nestlé Canada is recalling one flavour of Stouffer's Bistro Panini because it contains mustard which is not declared on the label; Nestlé recalls Lean Cuisine Culinary Collection Chicken due to package mislabelling; Dead insect findings in cereal products prompt Nestlé recall | | | |
| CONTROVERSIES | | | | | | | | |
| All controversies are assessed as part of the annual review of a company's ESG rating. MSCI ESG Research tracks controversies for all companies on a regular basis. The Nestlé has been flagged for involvement in controversial events or alleged misconduct. | | | | | | | | |
| Controversy Cases | | | | | | | | |
| Assessment | Headline | | Status | | Last Updated | | | |
| Moderate | Alleged Breach of Marketing Standards on Infant Milk Promotion, IBFAN Boycott | | Ongoing | | June 2019 | | | |



Source: MSCI ESG Research LLC
For more information, refer to <https://www.msci.com/esg-and-climate-methodologies>

Information Classification: GENERAL

How is ESG risk exposure determined?

Sourced from company disclosures

Assessment by MSCI ESG Research

Business activities

% of revenue/assets



ESG risk of business activities

BUSINESS SEGMENT EXPOSURE

Example: water intensity of business activities

Sourced from company disclosures

Assessment by MSCI ESG Research

Geographic segments

% of revenue/assets



ESG risk of countries and regions

GEOGRAPHIC SEGMENT EXPOSURE

Example: water availability in countries of operation

Sourced from company disclosures

Assessment by MSCI ESG Research

Other company attributes







ESG risk associated with attribute

COMPANY SPECIFIC EXPOSURE

EXPOSURE SCORE

How are companies evaluated on ESG risk management?

| | EXAMPLE METRIC | COMPANY 1 | COMPANY 2 |
|------------------|---|--|---|
| PRACTICES | Oversight of Water Management | Board-level Committee BEST PRACTICE  | No evidence of oversight WORST PRACTICE  |
| | Water Reduction Target | 5% annual reduction in water intensity BEST PRACTICE  | No evidence of target WORST PRACTICE  |
| | Practices Score | 8.5/10 | 2.0/10 |
| PERFORMANCE | Water Intensity vs. Industry Peers | 21,450 m3/mil USD sales 2.1x industry average | 7,150 m3/mil USD sales 0.7x industry average |
| | Water Intensity Trend | +2.1% CAGR (2016-2019) | -7.8% CAGR (2016-2019) |
| | Performance Score | 3.5/10 | 8.0/10 |
| CONTROVERSIES | Severity of Ongoing Controversies | No ongoing controversies | One Severe Controversy |
| | Controversy Deduction | 0.0 | -2.5 |
| MANAGEMENT SCORE | Average (Practices, Performance) - Controversies | 6.0 / 10 | 2.5 / 10 |

How strong are the company's programs and policies?

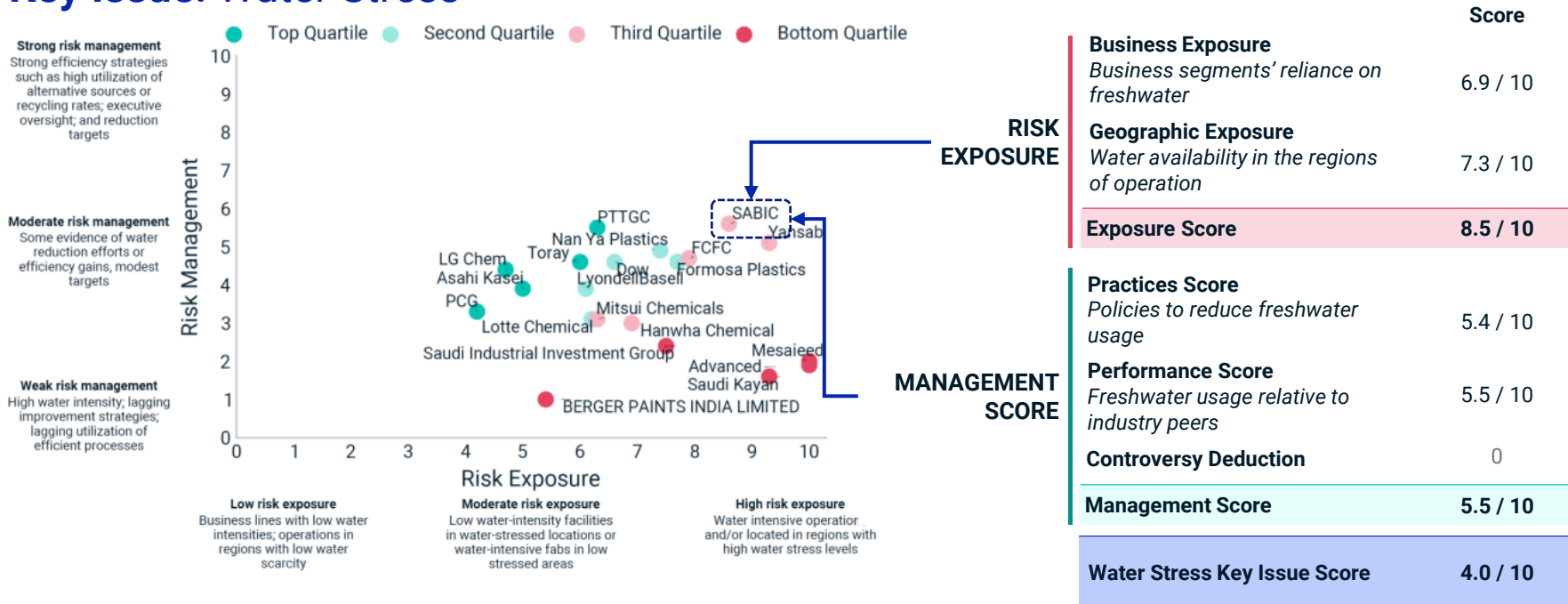
How effective are its programs and policies?

Do ongoing controversies indicate potential lapses in oversight?

Arriving at the final Key Issue score

Example: Water Stress

Industry: Commodity Chemicals
Key Issue: Water Stress

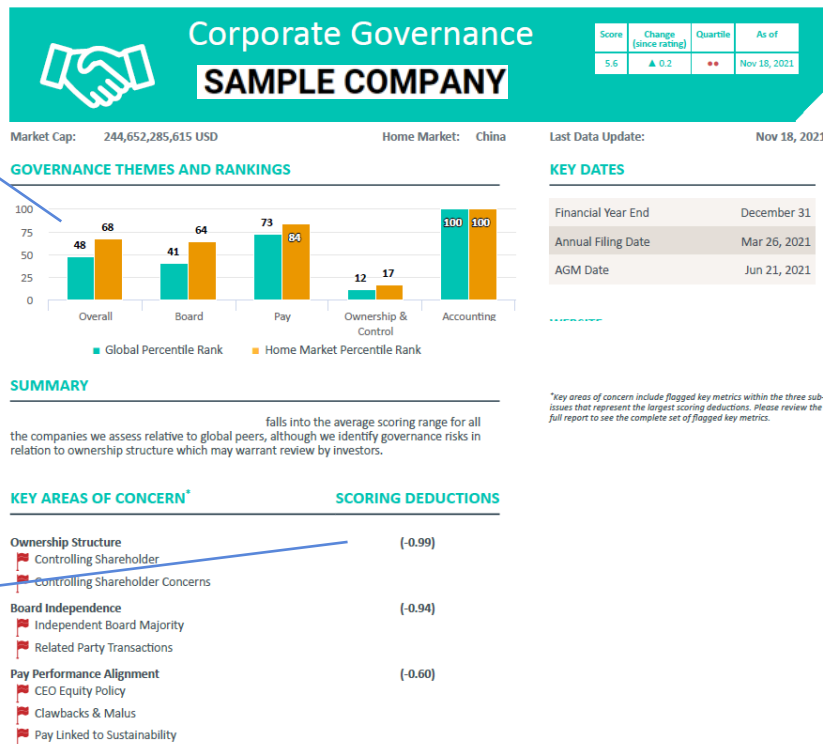


Corporate Governance assessment

The scores for the four underlying Key Issues (Ownership & Control, Board, Pay and Accounting) are an absolute assessment of these four aspects of a company's governance that use a universally applied 0-10 scale.

Each company starts with a “perfect 10” score and scoring deductions are applied based on the assessment of individual key metrics.

Go to the corporate governance section of the report for more details on the key metrics contributing to score deductions.



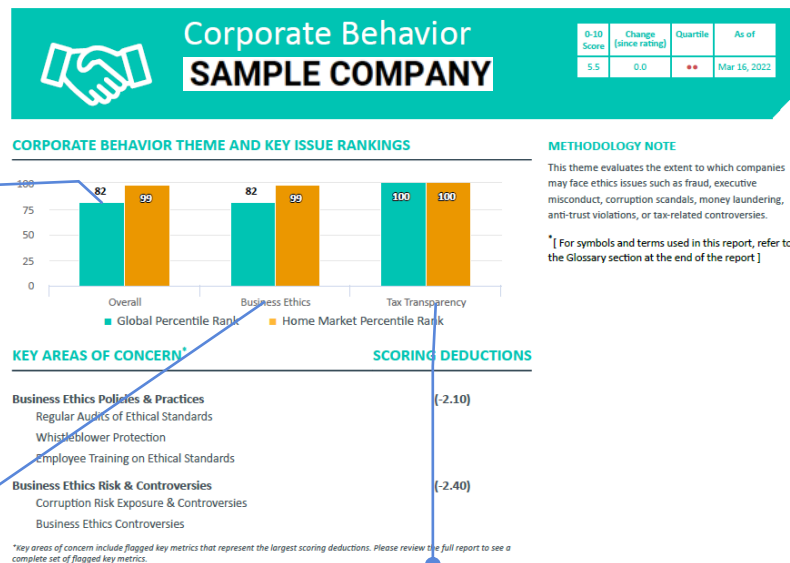
Corporate Behavior assessment

The scores for the two underlying Key Issues (Business Ethics & Tax Transparency) are an absolute assessment of these two aspects of a company's governance that use a universally applied 0-10 scale.

Each company starts with a “perfect 10” score and scoring deductions are applied based on the assessment of individual key metrics.

Business Ethics: Companies are evaluated on their oversight and management of business ethics issues such as fraud, executive misconduct, corrupt practices, money laundering or anti-trust violations.

Tax Transparency: Companies are evaluated on their estimated corporate tax gap (i.e., gap between estimated effective tax rate and estimated statutory tax rate), revenue reporting transparency and their involvement in tax-related controversies.



Data sources

Driving your company's MSCI ESG
rating assessment

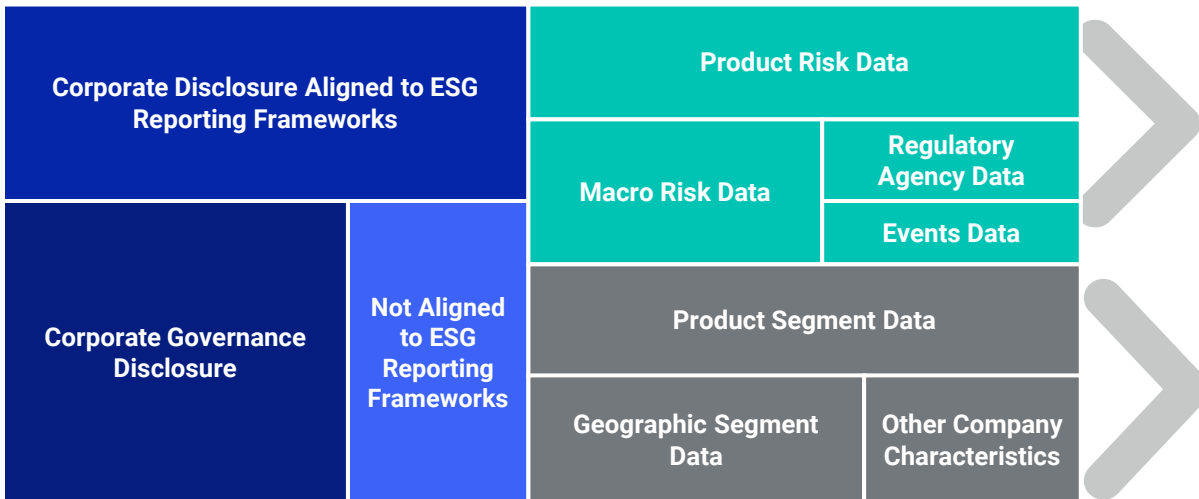


MSCI ESG Ratings utilize a diverse range of data sources

Source of Data Inputs into MSCI ESG Ratings, Sized by % of Contribution

● Company-reported ESG information ● Information from other sources ● Company characteristics

Most standardized Least standardized



Data Processing

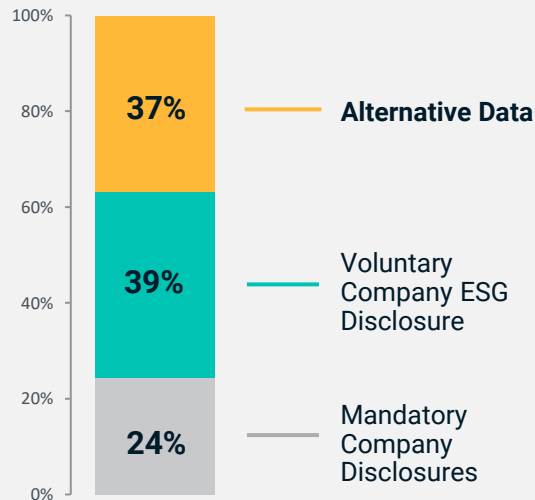
- ▶ Acquire data
- ▶ Fill data gaps with proxies and estimates
- ▶ Standardize data

Modelling

- ▶ Convert to quantifiable assessment
- ▶ Aggregate model components
- ▶ Apply weights

How different sources are incorporated into an MSCI ESG rating

Alternative data is a significant input to ESG Ratings model

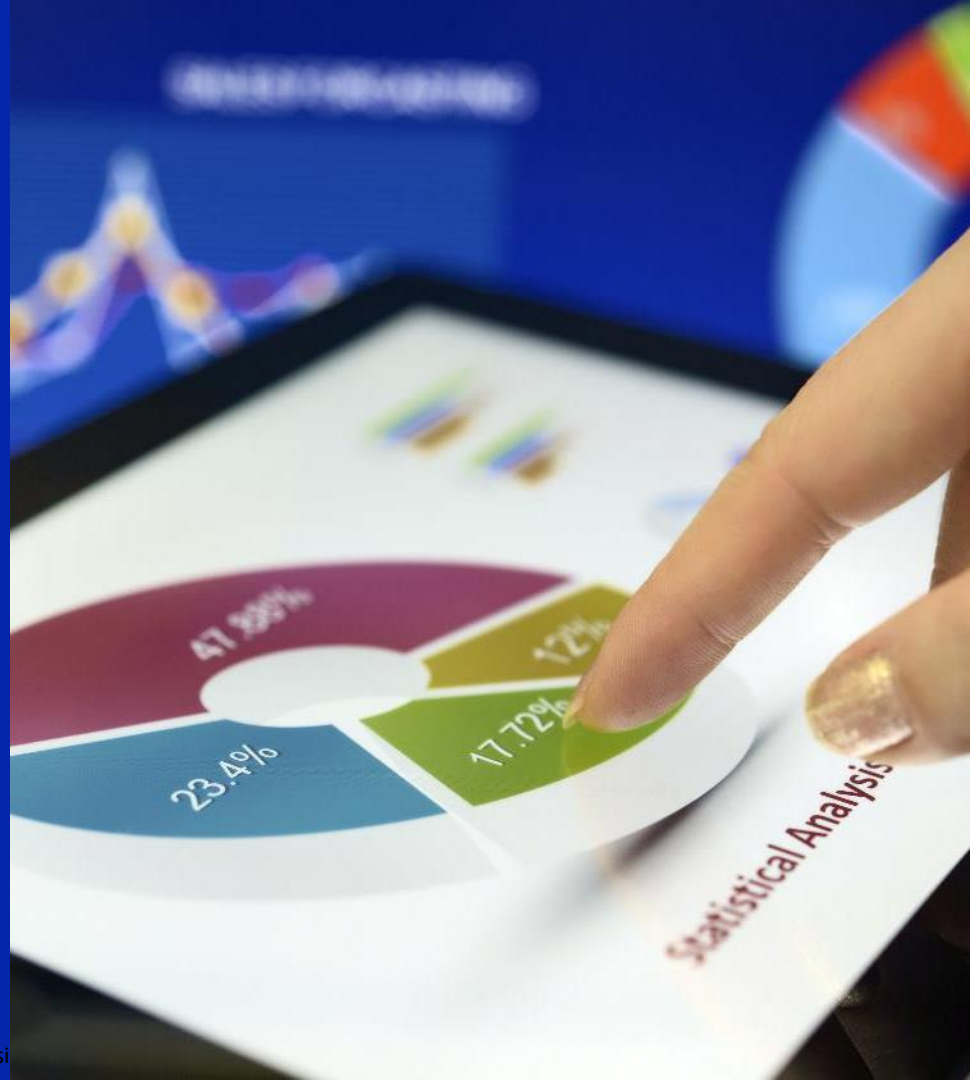


2,879 constituents of the MSCI ACWI Index as of January 18, 2021
Source: MSCI ESG Research

- ▶ **Company disclosures** (e.g., annual financial reports, sustainability reports, proxy reports, web information)
- ▶ **Alternative data sources**, including specialized regulatory, government, academic and NGO datasets, and over 3,000 global and local news sources, power into a company rating.
- ▶ **We do not use private or confidential information**, to maintain both transparency and traceability of sources.

Call to action

Issuer interaction with MSCI ESG
Issuer Communications



Participate in the data review process



Login to the Issuer Communications Portal & MSCI ONE

<https://esgicp.msci.com/> (all non-Climate data categories) | <https://one.msci.com> (for Climate data)

Data Review Efficiency

- Standardized and consistent feedback format
- Includes only company-verifiable data
- Data pre-filled; not a survey

Extent of certification to a widely accepted product safety / quality standard (e.g. HACCP, ISO 9001, or equivalent)

MSCI Value

Most (over 80%) owned facilities are certified to widely accepted standards

Issuer Value

- Most (over 80%) owned facilities are certified to widely accepted standards
- Some (over 20% and below 80%) owned facilities are certified to widely accepted standards**
- There is some evidence of certification
- Few (less than 20%) owned facilities are certified to widely accepted standards
- Company intends to pursue widely accepted certification of owned facilities
- No evidence

Practices

Supply chain and sourcing

Membership in recognized industry-wide partnership(s) on supply chain/contractor risk evaluation and mitigation: Not disclosed [edit]

Conducts supplier training on quality assurance

Frequency of supplier training: Training is on an ad hoc as-needed basis or [edit]

Scope of supplier training: Some suppliers [edit]

Metric Transparency

- Better understand MSCI ESG Research's assessment criteria
- All data must be publicly available

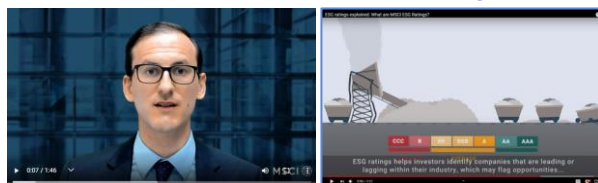
Additional resources available

Educational videos

ESG Issuer Academy



ESG Ratings video



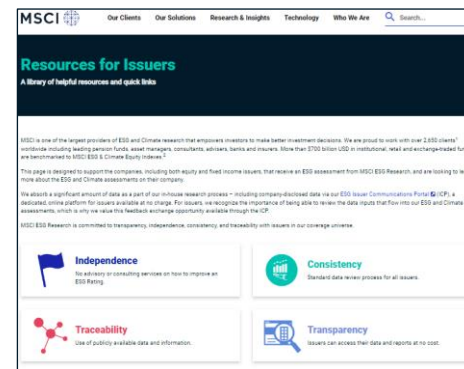
Methodology (publicly available)



FAQs and instructions



Dedicated webpage on MSCI.com



About MSCI: ESG

About MSCI ESG Research Products and Services

MSCI ESG Research products and services are provided by MSCI ESG Research LLC, and 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 LLC. are also used in the construction of the MSCI ESG Indexes. MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc.

About MSCI Inc.

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

To learn more, please visit www.msci.com.

Notice and Disclaimer: ESG

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), or MSCI's licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI. All rights in the Information are reserved by MSCI and/or its Information Providers.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not be by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investible assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.'s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of www.msci.com.

MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Except with respect to any applicable products or services from MSCI ESG Research, neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Issuers mentioned or included in any MSCI ESG Research materials may include MSCI Inc., clients of MSCI or suppliers to MSCI, and may also purchase research or other products or services from MSCI ESG Research. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, iPD and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and S&P Global Market Intelligence. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and S&P Global Market Intelligence.

MFID2/MIFIR notice: MSCI ESG Research LLC does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI ESG Research product or service supports, promotes or is intended to support or promote any such activity. MSCI ESG Research is an independent provider of ESG data, reports and ratings based on published methodologies and available to clients on a subscription basis. We do not provide custom or one-off ratings or recommendations of securities or other financial instruments upon request.

Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.

Contact Us

MSCI ESG Issuer Communications: esgissuercomm@msci.com