

# **MSCI Green Bond and Green Loan Assessment: Frequently Asked Questions**

MSCI ESG Research

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## 1. Introduction

This document addresses some of the most frequently asked questions (FAQs) from self-labeled green bond issuers, clients of MSCI's Green Bond Data Feed, and other stakeholders interested in MSCI's green bond-related offerings. The FAQs cover the following topics:

- i. the [MSCI Green Bond and Green Loan Assessment Methodology](#) ("methodology"),
- ii. queries pertaining to MSCI Green Bond Standard Delivery Feed, a flagship MSCI product catering to the growing interest in green bonds data captured by MSCI ESG Research,
- iii. the Bloomberg MSCI Green Bond Index, a global investment grade benchmark index tracking the green bond market, and
- iv. our standard processes for interacting with issuers.

As with all queries pertaining to an issuer's own data or evaluations made by MSCI ESG Research, the global MSCI Issuer Communications team addresses any questions which issuers may have on MSCI ESG Research's green bond assessments and oversees the review of issuer feedback. MSCI Issuer Communications is available to address issuers' queries at any time via [esgissuercomm@msci.com](mailto:esgissuercomm@msci.com).

To maintain the independence of the methodology and the integrity of our assessments, MSCI ESG Research does not host phone calls with issuers (or their underwriters) to discuss the assessment of their bonds. MSCI ESG Research communicates with issuers only by email and retains records per MSCI's document retention policies.

For any client questions related to green bond assessments or to learn more about MSCI's green bond offerings such as the Green Bond Standard Delivery Feed, please reach out to [ClientService@msci.com](mailto:ClientService@msci.com).

### 1.1. The Role of MSCI in the Bloomberg MSCI Green Bond Index

The key design features of the Bloomberg MSCI Green Bond Index are listed below:

- MSCI ESG Research evaluates the "green" eligibility criteria along four dimensions:
  - i. use of proceeds ("UoP"),
  - ii. project evaluation,
  - iii. management of proceeds, and
  - iv. reporting.

These eligibility criteria reflect the four core elements of the Green Bond Principles ("GBP") administered by the International Capital Markets Association ("ICMA"). While MSCI ESG Research produces assessments on self-labeled green bonds regardless of inclusion in any index, the methodology also informs the potential inclusion in the Bloomberg MSCI Green Bond Index.

- Fixed-income eligibility criteria are chosen by Bloomberg so that the final index is both transparent and representative of the market. Bloomberg performs the index calculation



and is the index administrator. In all cases, index criteria are determined separately by the index administrator and not by MSCI ESG Research.

Thus, for a bond to be eligible for the index, it must meet the methodology requirements and must also satisfy the set of inclusion criteria defined by Bloomberg in the [Bloomberg MSCI Green Bond Index Primer](#).

## 1.2. The role of MSCI ESG Research in green bond assessments

Green bonds are fixed-income securities issued by corporates, government agencies and other entities in which the proceeds are formally applied to projects or activities that promote climate or other environmentally sustainable purposes and initiatives.

To address concerns around transparency in the green bond market, MSCI ESG Research has established clearly defined set of rules for classifying green bonds. Our methodology is designed to provide investors with visibility into the UoP for eligible securities, and to present investors with an investment universe that is regarded as green against a methodology.

## 2. Green bond eligibility rules and evaluation process

### 2.1. Classification and terminology of self-labeled green bonds

MSCI ESG Research assesses self-labeled green bonds – bonds explicitly marketed as green, climate, blue, transitional or environmental bonds, or similar designations by the issuer in publicly available documents such as prospectuses, final terms, or press releases.

MSCI ESG Research also assesses self-labeled sustainable bonds only if 100% of its proceeds support projects with environmental benefits or both environmental and social co-benefits. If any portion of the total proceeds is exclusively allocated to projects with purely social benefits (without environmental co-benefits), the self-labeled bond is deemed ineligible to the methodology.

### 2.2. Bond size and currencies coverage

The coverage universe of the methodology includes:

- 2.2.1. all bonds that are part of the Bloomberg MSCI Green Bond Index and,
- 2.2.2. all bonds that meet MSCI ESG Research's minimum size criteria, for the currencies detailed below:
  - 300 million: USD, EUR, CHF, AUD
  - 150 million: CAD
  - 200 million: GBP
  - 35 billion: JPY
  - 1 billion: RON, PEN
  - 2 billion: DKK, NOK, PLN, ILS, HKD, MYR
  - 2.5 billion: SEK
  - 5 billion: CNY
  - 10 billion: MXN, CZK, THB
  - 20 billion: RUB



- 500 million: NZD, SGD
- 100 billion: CLP
- 200 billion: HUF
- 500 billion: KRW
- 1 trillion: COP
- 2 trillion: IDR

For point 2.2.2 above, note that –

Asset Backed Securities (ABS), Collateralized Debt Obligation (CDO), Commercial Mortgage-Backed Securities (CMBS), Collateralized Mortgage Obligation (CMO), Mortgage-Backed Securities (MBS) and US Municipal bonds (Munis) are **excluded** from the coverage universe.

Bonds with fixed-income characteristics, such as the ones listed below, rendering the bond status to be inactive, are **not** in the coverage universe:

- Matured
- Called
- Converted or Exchanged
- Funged
- Cancelled
- Repaid Before Maturity
- Repurchased
- Tendered
- Bonds without an ISIN or Committee on Uniform Securities Identification Procedures (CUSIP) number as an identifier

- 2.2.3. The coverage universe also includes bonds and loans for which MSCI ESG Research is contractually bound to provide a Second Party Opinion on annual labeled bond or labeled loan reporting.

## 2.3. What is the basis for considering a bond as “green”?

MSCI ESG Research independently evaluates self-labeled green bonds according to four dimensions to determine whether such fixed-income securities meet the requirements to be classified as “green.” The evaluation criteria reflect themes articulated in principles administered by ICMA.

For each such bond to be considered “green” as per our methodology, MSCI ESG Research requires publicly available information about the securities’ adherence to the below outlined principles:

- 2.3.1. Stated UoP in at least one of seven eligible environmental categories defined by MSCI ESG Research:
- a. Alternative Energy
  - b. Energy Efficiency
  - c. Pollution Prevention and Control
  - d. Sustainable Water
  - e. Green Building



- f. Climate Adaptation
- g. Other Environmental<sup>1</sup>

- 2.3.2. Process for green project evaluation and selection;
- 2.3.3. Process for management of proceeds; and
- 2.3.4. Commitment to ongoing reporting on the allocation of proceeds.

More information on the seven eligible UoP categories is provided in MSCI Labeled Bond and Loan Assessment Methodology (see “Green” section of Appendix I: Use of proceeds categories)

## 2.4. What happens if the UoP does not fall within the seven eligible UoP categories?

For a self-labeled green bond, MSCI ESG Research’s criteria for eligibility are that 100% of the projected UoP are allocated to projects with a positive environmental benefit, of which at least 90% are allocated to eligible UoP categories and 0% allocated to certain ineligible UoP categories (as defined by MSCI ESG Research).

**Table 1: Use of proceeds requirements (all three must be met)**

Use of Proceeds (%)	Description
100%	Should have positive environmental benefits, i.e., intended to facilitate sustainable economic growth with more efficient resource management and reduced greenhouse gas (“GHG”) and toxic emissions.
>90%	Allocated to one or more of the seven eligible <b>green</b> categories defined by MSCI ESG Research (alternative energy, energy efficiency, pollution prevention and control, sustainable water, green building, climate adaptation, and other environmental)
0%	Funding to: <ul style="list-style-type: none"><li>• Manufacturing of controversial weapons (including cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments), or</li><li>• Agriculture for tobacco or manufacturing of tobacco-based products, or</li><li>• Coal exploration, mining, extraction, distribution or refining or coal-based energy generation</li></ul>

<sup>1</sup> Other Environmental includes environmental activities and projects that are not covered in the six categories described above. These activities and projects include, but are not limited to, the protection and conservation of biodiversity, sustainable forestry and afforestation projects, and sustainable agricultural projects.



In May 2024, the European Securities and Markets Authority (“ESMA”) introduced guidelines for funds using ESG or sustainability-related terms to protect investors from exaggerated claims and provide asset managers with clear criteria. In December 2024, ESMA clarified that European Green Bonds (“EUGB”) are exempt from EU Paris Aligned Benchmark (“PAB”) exclusion criteria, while other self-labeled green bonds must apply these exclusions on a look-through basis.

MSCI ESG Research’s approach to applying the EU PAB exclusion criteria to other self-labeled green bonds can be found in MSCI Labeled Bond and Loan Assessment Methodology (see Appendix II: Relationship between the use of proceeds categories to the EU Paris Aligned Benchmark exclusion criteria).

Before the end of 2025, MSCI ESG Research intends to provide a factor (GB\_EU\_PAB\_EXCLUSION\_ALIGNED) indicating whether a green bond<sup>2</sup> is aligned with the EU PAB exclusion criteria. MSCI ESG Research will provide data for this factor for historical bonds that are benchmark sized and for newly issued bonds.

This factor takes into consideration the requirement that “companies that benchmark administrators find in violation of the United Nations Global Compact (UNGC) principles or the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises” are in violation of the EU PAB exclusion criteria. The factor considers green bonds to be aligned with the EU PAB exclusion criteria if either of the following are true:

- a) The green bond is aligned with the EU Green Bond Standard as verified by a third-party ESMA-registered verifier; or
- b) The green bond is issued by a sovereign or government issuer and meets the requirements of the MSCI Green Bond and Green Loan Assessment Methodology; or
- c) The green bond is issued by a company, the bond meets the requirements of the MSCI Green Bond and Green Loan Assessment Methodology, and the green bond issuer does not have a “Fail” signal under the OECD Alignment factor. This factor is assessed under the MSCI ESG Controversies and Global Norms Methodology<sup>3</sup>

## 2.5. When does the methodology define a self-labeled green bond as ineligible?

### 2.5.1. At Issuance

On assessing a self-labeled green bond, if MSCI ESG Research estimates (based on the bond-related documents and/or upon interaction with issuers, [Section 3.1]) that more than 10% of the projected UoP fall outside the eligible categories, or include ineligible UoP categories identified by MSCI ESG Research, the bond is considered ineligible.

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<sup>2</sup> This also includes green bonds by sovereigns

<sup>3</sup> For more information on the mapping of MSCI ESG Controversies categories with these global norms and thresholds applied, please refer to the MSCI ESG Controversies and Global Norms methodology



### 2.5.2. Ad-hoc

MSCI ESG Research may re-assess eligible bonds on an ad-hoc basis if it comes to MSCI's notice that the allocation of proceeds from such security are not in-line with what the issuer had communicated at the time of initial assessment.

### 2.5.3. Upon annual review

Securities which are considered eligible by MSCI ESG Research at the time of issuance may become ineligible, if the issuer fails to meet the commitment to ongoing reporting on the allocation of proceeds (Table 2, Section 3.1.3).

Additionally, in cases where bonds considered eligible by MSCI ESG Research at the time of issuance do report on the UoP, but upon annual review, it is evident to MSCI ESG Research that over 10% of the total proceeds have been allocated to categories outside the eligible categories (Table 1, Section 2.4), such bonds will cease to be eligible.

## 2.6. How does MSCI ESG Research estimate the projected UoP at the time of issuance?

In cases where there is insufficient data on funding allocated to each category in the self-labeled green bond framework, making it difficult to confirm whether 90% of the proceeds are allocated to eligible green categories as per the methodology, MSCI ESG Research contacts the issuer through MSCI Issuer Communications to get the clarification needed. Where such communication fails (e.g. the issuer does not respond), MSCI ESG Research makes the following assumptions:

- Bond proceeds are assumed to be allocated as per the issuer's existing relevant project pool (e.g., for a self-labeled green bond, MSCI ESG Research considers the green project pool) if such data is publicly available. MSCI ESG Research assumes that proceeds are allocated to a relevant project pool, and not as per the issuer's previous similarly labeled bond, if any.
- If the above is not available, MSCI ESG Research assumes that proceeds are allocated in equal proportion among each of the funded categories, as mentioned in the issuer's self-labeled green bond framework.

## 3. Interaction with issuers

Bond assessments by MSCI ESG Research are based solely on information in publicly available documents including, but not limited to, bond frameworks, prospectuses and bond allocation reports. When necessary, MSCI Issuer Communications reaches out to issuers for additional clarity about what is provided in the public domain and an estimated or approximated assessments of possible proceeds allocation.

As a required part of this assessment, MSCI ESG Research provides clients with information related to the approximate proceeds allocation to categories that will be funded by this/these bond(s). Hence, issuers should provide only the information that they are comfortable sharing with MSCI ESG Research's clients.

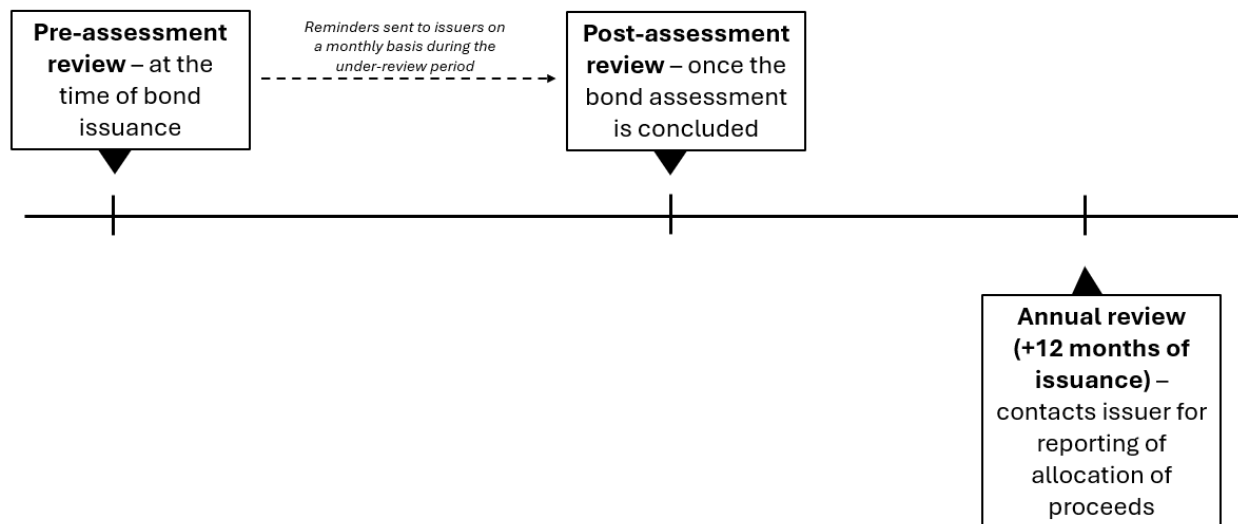




Please note that the questions which MSCI Issuer Communications provides for issuers via email would vary depending on the category(ies) funded by the issuer and/or availability of documents.

### 3.1. What are the ways in which MSCI ESG Research contacts self-labeled green bond issuers?

#### Exhibit 1: Issuer Communications timelines



#### 3.1.1. Pre-assessment review

At the time of issuance, MSCI Issuer Communications team reaches out to the issuer in case the information publicly available is insufficient to assess the securities' green criteria along the four principles outlined above via an email from [esgissuercomm@msci.com](mailto:esgissuercomm@msci.com). MSCI Issuer Communications team makes reasonable efforts to source issuer contact information from publicly available sources. In case the issuer contacts are not available publicly or the issuer remains unresponsive, MSCI Issuer Communications team may also contact the parties associated with the issuance (Underwriters, Joint Bookrunners, Global Coordinators, Guarantors of the bond, amongst others), provided contacts of these associated parties are accessible through public sources.

#### 3.1.2. Post-assessment review

Once such a security is assessed and concluded to either be eligible or ineligible as per the methodology, MSCI Issuer Communications team reaches out to the issuer via an email from [esgissuercomm@msci.com](mailto:esgissuercomm@msci.com) to convey whether such security is ALIGNED or NOT ALIGNED to the methodology.

Kindly note that MSCI Issuer Communications only reaches out to the issuer where the contact information is publicly available.



### 3.1.3. Annual review

For securities which are considered eligible by MSCI ESG Research at the time of issuance, the methodology requires the issuer of such security to either report on projects or state its commitment to report within one year of issuance. Furthermore, the methodology requires such issuers to report on a systematic, regular basis in case of any material developments that impact funding to eligible projects.

If such reporting is not available three months after the reporting due date, the security is assessed as “On Watch,” and if the required reporting is not available six months after the reporting due date, the security will be considered to not meet the methodology.

**Table 2: Availability of reporting**

Months since issuance of the bond or since the previous annual reporting date*	Reporting status
12	Annual Report due for publication
15 <sup>4</sup>	If reporting not available, assessed as “On Watch” by MSCI ESG Research
18 <sup>5</sup>	If reporting still not available, labeled Bond/Loan no longer considered to meet the labeled bond or loan criteria due to lack of transparency, as per MSCI ESG Research’s assessment.

Note: \* Since issuance of the bond or since the previous annual reporting date.

MSCI ESG Research reaches out to the issuers via an email from [esgissuercomm@msci.com](mailto:esgissuercomm@msci.com) during the annual review process to confirm whether the UoP continues to meet the eligibility criteria and to share the green bond allocation report.

To maintain the independence of the methodology and the integrity of our assessments, MSCI ESG Research does not host phone calls with bond issuers (or their underwriters) to discuss the assessment of their bonds. All communications with issuers are conducted via email, with records preserved as per our document retention policies.

<sup>4</sup> This allows time for contact with the issuer or borrower in case any questions or issues are raised. This is necessary since labeled bond and labeled loan reporting is not yet standardized, and reports are not always available through standard financial reporting channels.

<sup>5</sup> In a few cases, bond issuers reach out to MSCI ESG Research stating that they need a little more time than 18 months to release an annual green bond report. In such cases, if the reason for delay is reasonable, we typically accept a delay provided the issuer provides a committed timeline for its green bond reporting and follows through with the publication of its report within the time frame committed. Note that this timeframe should not be beyond six months of the 18-month period



### 3.2. Where can issuers direct questions about a security's eligibility to the Bloomberg MSCI Green Bond Index or specific fixed income characteristics for its eligibility?

Bloomberg maintains responsibility for assessing a security's eligibility to the Bloomberg MSCI Green Bond Index based on its fixed income characteristics (such as rating/coupon type of a bond etc.). For such queries, Bloomberg can be contacted via email at [indexhelp@bloomberg.net](mailto:indexhelp@bloomberg.net)

## 4. Eligibility determination process

### 4.1. What is the 'Under Review' process?

Inadequate information about an issuer's self-labeled green bond may result in the security being considered "Under Review"<sup>6</sup>. If, after three months of being "Under Review," MSCI ESG Research still lacks sufficient information to determine its eligibility as per our methodology, the security would be considered permanently ineligible.

MSCI Issuer Communications reaches out to the issuers on a monthly basis via an email from [esgissuercomm@msci.com](mailto:esgissuercomm@msci.com) during the "Under Review" period asking them to share relevant information to determine its eligibility of the security as per our methodology.

Kindly note, an extension of one month maybe provided in cases where the issuer needs some time and commits to MSCI ESG Research that it will respond within the extended timeframe.

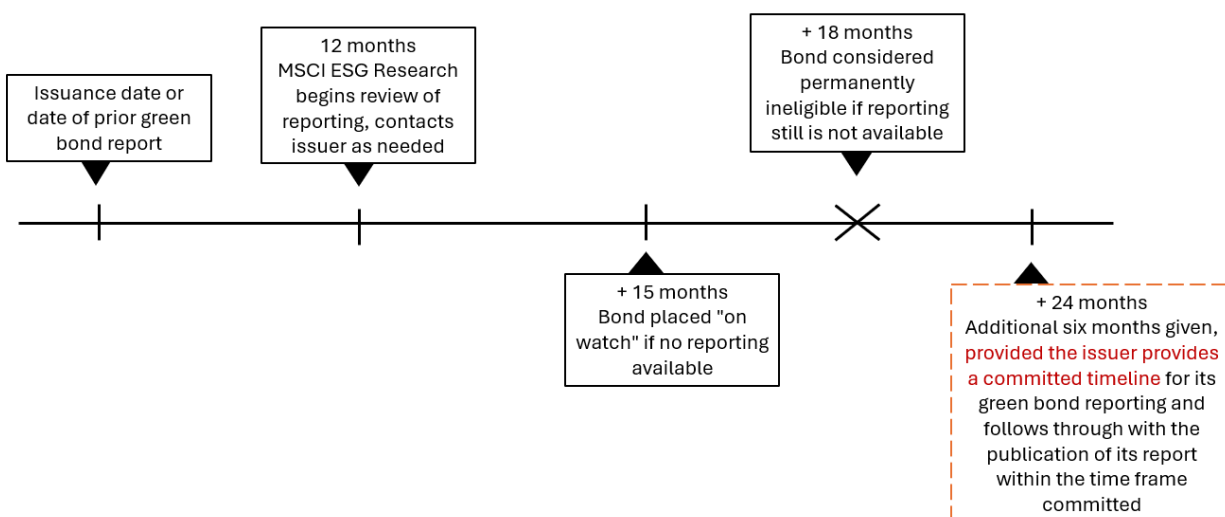
### 4.2. What are the reporting obligations required of an issuer?

In the event a bond is considered eligible as per the methodology, MSCI ESG Research expects the issuer to publicly report on the actual UoP within 12 months of issuance (with an additional grace period of six months), then subsequently within 12 months from the prior UoP report (see Table 2). This obligation is required until maturity of the bond or until the proceeds from such a bond have been fully disbursed, whichever is earlier.

#### Exhibit 2: Annual review timelines

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<sup>6</sup> Note that the "under review" period was historically six months but was reduced to three months from October 1, 2024, onwards. An extension of one month may be provided in cases where the issuer needs some time and commits to MSCI ESG Research to providing the information required within the extended time frame. If and when this methodology is undergoing a client consultation for an update, MSCI ESG Research will provide an extension beyond the three-month period so that bonds can be assessed as per the updated methodology, once the consultation is concluded and results are announced.



## 5. Second Party Opinions

MSCI ESG Research also offers second-party opinions for green bonds. These are available for both corporate and non-corporate issuers. Please visit [Second-Party Opinions – MSCI](#) or contact [ESG\\_Corporate\\_Sales@msci.com](mailto:ESG_Corporate_Sales@msci.com) for additional information.

Please note that the publication of a favorable second-party opinion by MSCI ESG Research has no bearing on the MSCI ESG Rating for the issuer (if one exists) and does not guarantee inclusion in any index maintained or advised by MSCI or MSCI ESG Research, including Bloomberg MSCI Green Bond Indices, due to additional fixed income eligibility criteria.

## 6. Green Bond Standard Delivery Feed file

The Green Bond Standard Delivery Feed file is a flagship MSCI product catering to the growing interest in green bond data captured by MSCI ESG Research, in addition to MSCI's Green Bond Assessment.

The following are the key flags/factors present in the Green Bond Standard Delivery Feed file:

**Table 3: Factors used in Green Bond Standard Delivery Feed<sup>7</sup>**

Factor name	Explanation
GB_SELF_LABELLED	MSCI ESG Research receives data from third-party vendors regarding self-labeled green bonds i.e., labels used by issuers for marketing those bonds. Certain flagging rules have been developed internally where bonds marketed as green (or

<sup>7</sup> Instrument-level factors



	<p>synonymous) are identified as “self-labeled green” and are flagged in the GB_SELF_LABELLED factor. Refer Appendix I below for understanding the rules used for identifying self-labeled green bonds.</p> <p>MSCI ESG Research does not take a view on the validity of these labels, and they might not be aligned with the methodology.</p>
<b>GB_MSCI_VERIFIED</b>	<p>This factor indicates whether the bond has (or not) been verified to meet the criteria specified by the methodology. Please see Table 5 for a detailed interpretation of the values for this factor.</p>
<p><b>UoPs:</b></p> <p><b>Use of proceeds categories and sub-categories, namely:</b></p> <ul style="list-style-type: none"> <li>• UOP_ALT_ENERGY</li> <li>• UOP_ENERGY_EFFIC</li> <li>• UOP_HEATING_COOLING_RELATED_ENERGY_EFFICIENCY</li> <li>• UOP_BUILDING_RENOVATION_RELATED_ENERGY_EFFICIENCY</li> <li>• UOP_TRANSPORT_RELATED_ENERGY_EFFICIENCY</li> <li>• UOP_ENERGY_STORAGE</li> <li>• UOP_SMART_GRIDS</li> <li>• UOP_POLL_PREV</li> <li>• UOP_SUST_WATER</li> <li>• UOP_GREEN_BLDG</li> <li>• UOP_ADAPT and</li> <li>• UOP_GREEN_OTHER</li> </ul>	<p>These factors capture details on whether (or not) the bond proceeds are expected to be applied to the respective eligible category. This information is only available for bonds for which GB_MSCI_VERIFIED = TRUE, while the values are blank for other bonds. Please see below Table 6 on interpretation of values specific to UoP category for a detailed interpretation of this factor.</p>
<ul style="list-style-type: none"> <li>• <b>GB_PRINCIPLE_1_USE_OF_PROCEEDS</b></li> </ul>	<p>Data for these factors are only available for bonds assessed by MSCI ESG Research.</p>



<ul style="list-style-type: none"> <li>• <b>GB_PRINCIPLE_2_PROJECT_EVALUATION_AND_SELECTION_PROCESS</b></li> <li>• <b>GB_PRINCIPLE_3_FORMAL_PROCESS_FOR_TRACKING_NET_PROCEEDS</b></li> <li>• <b>GB_PRINCIPLE_4_REPORTING_ON_USE_OF_PROCEEDS</b></li> </ul>	<p>If a bond does not meet the requirements of Principle 1, it will be marked as “No. Principles 2 through 4 will be marked as “TBD” since no further evaluation is conducted. The evaluation of Principles 2 to 4 is only carried out if the bond meets the criteria under Principle 1.</p> <p>For the other bonds not in coverage, these datapoints will be “TBD”</p>
<b>ANALYSIS_SUMMARY_EXTERNAL</b>	<p>This factor summarizes the rationale as to whether the bond meets the methodology or not. If a bond meets the methodology, then this summary captures the UoP categories that are expected to be funded by the bond. This factor will be available only for bonds issued post January 1, 2022. For bonds issued prior to this date, the data will not be available as a part of this standard feed and would have ‘Not Available’ values. This summary can be provided to issuers upon request, where the ISINs of the bonds are provided to MSCI ESG Research.</p>

**Table 4: Issuer-level factors available in ESG manager<sup>8</sup>**

<b>Factor</b>	<b>Explanation</b>
<b>HAS_GB_SELF_LABELLED</b>	This factor is used to identify whether the issuer has a minimum of one self-labeled green bond.
<b>HAS_GB_MSCI_VERIFIED</b>	This factor is used to identify whether the issuer has a minimum of one green bond verified by MSCI ESG Research to meet the criteria in the methodology i.e. whether at least one bond of the issuer has GB_MSCI_VERIFIED = TRUE

## 6.1. What are the values for these factors?

**Table 5: Interpretation of factor values for GB\_MSCI\_VERIFIED used in Green Bond Standard Delivery Feed**

<b>Values</b>	<b>Interpretation</b>
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<sup>8</sup> Issuer-level factors



TRUE	Bond assessment has been concluded and the bond <b>meets</b> the MSCI Green Bond and Green Loan Assessment Methodology.
FALSE	Bond assessment has been concluded and the bond <b>does not meet</b> the MSCI Green Bond and Green Loan Assessment Methodology.
Not Assessed	Bond assessment has not yet started. This could be for various reasons such as the bond is not yet a part of the coverage universe.
TBD	<p>Bond assessment is in progress or under review. Assessment is not concluded yet, e.g. the bond's eligibility is being reviewed internally or awaiting the issuer's response.</p> <p>The TBD flag may also include historical bonds where an assessment was initiated at issuance but later discontinued due to bonds not adhering to Bloomberg's fixed income criteria, prior to MSCI ESG Research becoming index agnostic in June 2023. These bonds remain tagged as "TBD" and will not be reassessed by MSCI ESG Research.</p>

Table 6: Interpretation of values specific to UoP factors

Values for UOP Category*	Interpretation
TRUE	There <u>is evidence</u> that the bond <u>is expected</u> to fund the specific UoP category.
FALSE	There <u>is evidence</u> that the bond is not expected to fund the specific UoP category.
<b>*This interpretation will hold true for all the UOP categories and sub-categories, namely: UOP_ALT_ENERGY, UOP_ENERGY_EFFIC, UOP_HEATING_COOLING_RELATED_ENERGY_EFFICIENCY, UOP_BUILDING_RENOVATION_RELATED_ENERGY_EFFICIENCY, UOP_TRANSPORT_RELATED_ENERGY_EFFICIENCY, UOP_ENERGY_STORAGE, UOP_SMART_GRIDS, UOP_POLL_PREV, UOP_SUST_WATER, UOP_GREEN_BLDG, UOP_ADAPT and UOP_GREEN_OTHER</b>	

## 7. EU Green Bond Standard (EU GBS)

MSCI ESG Research has been providing values for the GB\_EU\_STANDARD\_ALIGNED factor since February 2025. This factor provides information on the alignment of self-labeled green bonds with the EU Green Bond Standard (EU GBS) based on the external third-party verification report published by the green bond issuer. We provide data for this factor only when the external third-party verification report confirming alignment of a bond to the EU GBS is publicly available.



Please note that values for GB\_EU\_STANDARD\_ALIGNED factor will be available only for bonds that meet the minimum size and currency criteria as specified in Section 2.2.2 above.

**Table 7: Factor pertaining to EU GBS used in Green Bond Standard Delivery Feed**

Factor name	Interpretation
<b>GB_EU_STANDARD_ALIGNED</b>	This factor indicates whether the bond is aligned to the EU Green Bond Standard (EUGBS), subject to a third-party verification provided by European Securities and Markets Authority (ESMA) approved external reviewer.

**Table 8: Interpretation of factor values for GB\_EU\_STANDARD\_ALIGNED**

Values	Interpretation
<b>TRUE</b>	There <u>is evidence</u> that the bond <u>is aligned</u> to EUGBS based on an external third-party verification report.
<b>FALSE</b>	<u>No evidence</u> has been gathered regarding the bond being aligned to EUGBS.

*Note: By Q3 2025, MSCI ESG Research plans to introduce values assessing the overall alignment of UoP with the EU Taxonomy.*

## 8. Green Bonds - Total Portfolio Footprinting

As part of MSCI's broader suite of climate-focused solutions, MSCI ESG Research offers financed emissions<sup>9</sup> estimates for Scope 1 and Scope 2 emissions specifically for green bonds, based on the UoP. This helps investors and lenders quantify the climate impact of their portfolios, providing a critical baseline to support net-zero strategy development. The solution is built to align with key frameworks and regulatory expectations, including those set by PCAF, NAIC, TCFD, GFANZ, and EIOPA. In particular, it reflects methodologies from the Partnership for Carbon Accounting Financials (PCAF), which developed the Global GHG Accounting and Reporting Standard which provides detailed methodological approaches across asset classes. Please contact [ESG\\_Corporate\\_Sales@msci.com](mailto:ESG_Corporate_Sales@msci.com) for additional information.

<sup>9</sup> For more information on how the Total Portfolio Footprinting works, please refer to the MSCI ESG Total Portfolio Footprinting Methodology





## Appendix I: Rules for identifying self-labeled green bonds

- MSCI ESG Research receives labeled bonds data from third-party vendors, which includes various sustainability labels used by the issuers to market their bonds.
- MSCI ESG Research has identified the following labels as green or synonymous to green. Wherever a bond is labeled as any of the following labels (as per CBI or Refinitiv) the bond is considered self-labeled green (**GB\_SELF\_LABELLED**).
- Climate Bond Initiative (CBI) Labels (also called Original Labels):
  - Green
  - Climate Awareness (CAB)
  - Green Innovation
  - Blue
  - Transition
  - Low Carbon Transition
  - Green and sustainability linked
  - Green, Sustainability linked
  - Climate Awareness
  - Positive impact
  - Environmental
  - Climate
  - Climate Resilience
  - Water
  - Green Transition
- Refinitiv Labels (also called SRIBND Flags)
  - FRSB i.e., Forest Bond
  - SLCB i.e., Self-Labeled Green Bond

*Note: This list will be updated based on client/internal feedback.*

It is important to note that for certain bonds in the Green Bond Standard Delivery Feed, the GB\_SELF\_LABELLED flag might be FALSE. However, the same bond may have GB\_MSCI\_VERIFIED = TRUE (meaning it meets the methodology). This is because the GB\_SELF\_LABELLED flag is completely based on bond labels used by issuers to market these bonds and are provided to MSCI ESG Research by third-party vendors. MSCI ESG Research does not take opinion on validity of these labels.



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