Holding long term investments typically requires understanding, identifying and managing long term financial risks and opportunities. For some investment institutions, their investment horizons are often indefinite. Therefore, their asset allocation, portfolio construction and risk management processes and decisions must regularly and rigorously assess whether their investments are resilient and can be sustained indefinitely. We understand today, better than ever before, how Environmental, Social and Governance (ESG) considerations can impact long term risks and opportunities in financial markets.

\[1\] The MSCI Principles of Sustainable Investing

Learn more at msci.com/esg-investing

**Align investor objectives with investment design**

Incorporating ESG into investment strategy or creating products typically starts with understanding client objectives, which may combine elements of managing long-term risk, reflecting values and positive impact.
ESG Ratings

MSCI ESG Ratings may help investors identify environmental, social and governance (ESG) risks and opportunities within their portfolio.

- Leveraging Artificial Intelligence (AI), machine learning and natural language processing augmented with
- our 200+ strong team of analysts, we research and
- rate companies on a ‘AAA’ to ‘CCC’ scale according to their exposure to industry-specific ESG risks and
- their ability to manage those risks relative to peers.

ESG Government Ratings

MSCI ESG Government Ratings identify a country’s exposure to and management of environmental, social, and governance (ESG) risk factors and 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 government debt analysis for analyzing a country’s credit worthiness.

ESG Controversies

MSCI ESG Controversies allows institutional investors to analyze a company’s significant social, environmental, and governance impacts.

- Identify company involvement in major ESG controversies
- Analyse adherence to international norms and principles
- Assess company performance with respect to these norms and principles

BISR

MSCI ESG Business Involvement Screening Research is a screening service that enables institutional investors to manage ESG standards and restrictions reliably and efficiently.

- Comply with Risk Management Standards
- Manage legislative requirements
- Available on multiple platforms
- Reduce costs with automated integration
- Broad coverage universe
- Experienced global team
MSCI ESG Research has enabled institutional investors to incorporate climate change considerations in their investment process by providing an extensive view of climate change risks and opportunities across multiple dimensions: emissions data, fossil fuel exposure, management assessment and clean technology exposure.

**Climate Change Solutions**

MSCI ESG Sustainable Impact Metrics aims to measure revenue exposure to sustainable impact solutions and support actionable thematic allocations line with the SDGs.

**Climate Data & Metrics**
Including Climate Value-at-Risk, carbon management assessment, carbon and clean tech metrics and fossil fuel screens.

**Climate Risk Reporting**
Scalable client reporting and automated report generation on the climate risk and opportunities exposure of your portfolio.

**Scenario Analysis**
Assess portfolio vulnerability to scenarios and the potential financial sensitivity to these risks and opportunities.

**Climate Indices**
Indexes for institutional investors who seek to incorporate climate risks and opportunities into their investment process.

1 Climate Data and Metrics, Climate Risk Reporting and Scenario Analysis are provided by MSCI ESG Research LLC. MSCI ESG Indexes and Analytics utilize information from, but are not provided by, MSCI ESG Research LLC. MSCI Equity Indexes are products of MSCI Inc. and are administered by MSCI UK Limited.

**Sustainable Impact Metrics**

MSCI ESG Sustainable Impact Metrics aims to measure revenue exposure to sustainable impact solutions and support actionable thematic allocations line with the SDGs.

MSCI ESG research taxonomy of sustainable impact solutions

<table>
<thead>
<tr>
<th>Overall</th>
<th>Basic needs</th>
<th>Empowerment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social impact</td>
<td>Nutrition</td>
<td>Affordable real estate</td>
</tr>
<tr>
<td>Major diseases treatment</td>
<td>Sanitation</td>
<td>SME finance</td>
</tr>
<tr>
<td>Sanitation</td>
<td>Affordable real estate</td>
<td>Education</td>
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<tr>
<td>Affordable real estate</td>
<td>SME finance</td>
<td>Connectivity - Digital Divide</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Overall</th>
<th>Climate change</th>
<th>Natural capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental impact</td>
<td>Alternative energy</td>
<td>Sustainable water</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>Green building</td>
<td>Pollution prevention</td>
</tr>
<tr>
<td>Green building</td>
<td>Sustainable Agriculture</td>
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</tr>
</tbody>
</table>

**Identify companies exposed to sustainable impact themes**
Predefined screens are designed to help clients easily identify sustainable impact companies that also meet minimum ESG standards.

**Granular revenue data**
Create revenue thresholds to customize screens using granular revenue data on thousands of companies to support sustainable investing strategies.

**Portfolio reporting on sustainable impact**
Measure revenue exposure of a portfolio (per $M invested) to sustainable impact themes and compare it to a benchmark.
MSCI urges all investors globally to integrate ESG considerations into their investment processes.

There should not be specialized “ESG Investing” on one side and “Non-ESG Investing” everywhere else. ESG integration is a transitional step to full incorporation of ESG considerations embedded as a core component of standard security selection, portfolio construction and risk management practices. We believe this is a permanent change to how investment strategies will be constructed and how investments will be allocated and managed. To that end, we are calling on all investors to embrace fully and rapidly accelerate this evolution. It is the right thing to do, it is the smart thing to do, and it is the right time to do it.

The MSCI Principles of Sustainable Investing
Learn more at msci.com/esg-investing

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.

For enquiries, contact ESG Client Service esgclientservice@msci.com.

About MSCI
MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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.