

# MSCI ESG CONTROVERSIES

FROM MSCI ESG RESEARCH INC.

MSCI ESG Controversies allows institutional investors to analyze a company's significant social, environmental, and governance impacts by identifying company involvement in major ESG controversies, adherence to international norms and principles, and assessing company performance with respect to these norms and principles.

## KEY FEATURES AND BENEFITS

### Comply with International Standards

MSCI ESG Controversies can assist investors in determining how well companies adhere to international norms and principles such as the UN Global Compact and ILO Core Conventions.

### Manage Reputational Risk with Timely Alerts

MSCI ESG Controversies's scoring and flagging system alerts investors to potential reputational risks. Clients can set customized email alerts in order to remain informed of significant ESG changes to their portfolios.

### Identify Targets for Engagement

MSCI ESG Controversies helps clients identify companies for further stakeholder engagement. Clients can use controversy details as well as severity assessments to determine a course of engagement with a company in their portfolio.

### Availability on Multiple Platforms

MSCI ESG Controversies is available on our proprietary online platform, MSCI ESG Manager, as well as through direct data feeds. It is also integrated within MSCI's BarraOne and Barra Portfolio Manager platforms, as well as in FactSet and StyleResearch.

### Broad and in-depth Coverage

Coverage extends to approximately 8,800 companies covering the MSCI ACWI IMI Index, in addition to the 95% by market value of the Barclays Global Aggregate – Corporate Index. Additional bespoke coverage beyond the standard coverage universe is available through the Custom Research team.

The screenshot displays the MSCI ESG Manager interface. On the left, a detailed view for 'WAL-MART STORES, INC.' is shown, including its performance indicators (Lowest Score: 0, Lowest Flag: R) and a list of significant controversies by indicator. The main area features a search bar and a table of companies. The table includes columns for Company, Country, GICS Sub-Industry, Overall Company, Last Update, and various controversy categories (Environment, Customers, Governance, Labor Rights, Human Rights). A list of companies is visible, including Aercultural Bank of China Limited, Aetrium Inc., Aequas Airlines S.A., Air Group Limited, Air China Limited, AIR PRODUCTS AND CHEMICALS, INC., AIR WATER INC., AIRSIA BERHAD, AIRBUS GROUP SE, AIRBUS, INC., Airports of Thailand Public Company L., AISIN SEIKI CO., LTD., Ailimotom Co., Inc., AKAI BROS. P&O, AK TRANSHEET OAO, and AKAMAI TECHNOLOGIES, INC.

## PRODUCT OVERVIEW

### MSCI ESG Controversies analyses and monitors company management strategies and their actual performance:

MSCI ESG Controversies is designed to provide timely and consistent assessments of ESG controversies involving publicly traded companies and fixed income issuers.

The evaluation framework is designed to be consistent with international norms represented in numerous widely accepted global conventions.

Our global research analysts assess performance, looking for instances where companies are involved in major controversies or have breached the standards set by international bodies.

**RED:** Indicates that a company is involved in one or more very severe controversies.

**ORANGE:** Indicates that a company has been involved in one or more recent severe structural controversies that are ongoing.

**YELLOW:** Indicates that the company is involved in severe-to-moderate level controversies.

**GREEN:** Indicates that the company is not involved in any major controversies.

The MSCI ESG Controversies approach is stakeholder driven and covers the following five categories of stakeholder impact, organized against 28 indicators:

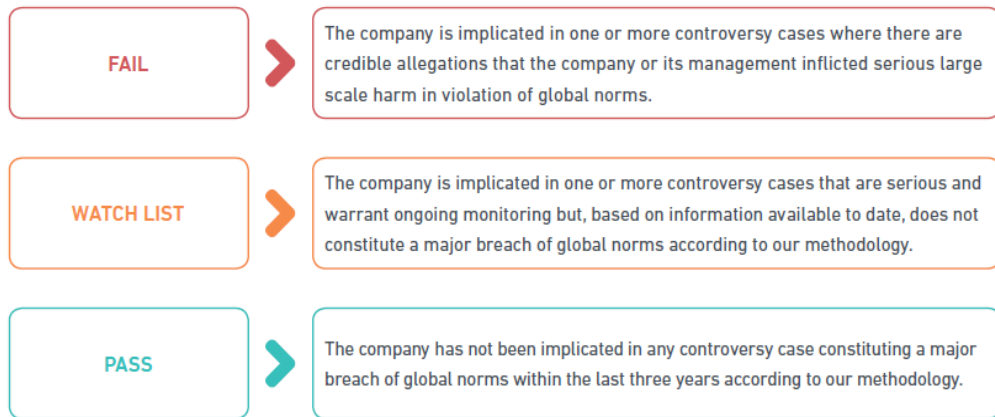
### MSCI ESG Controversies Coverage - Stakeholder 'Pillars' and 'Indicators'

ENVIRONMENT	CUSTOMERS	HUMAN RIGHTS & COMMUNITY	LABOR RIGHTS & SUPPLY CHAIN	GOVERNANCE
<ul style="list-style-type: none"> <li>• Biodiversity &amp; Land Use</li> <li>• Toxic Emissions &amp; Waste</li> <li>• Energy &amp; Climate Change</li> <li>• Water Stress</li> <li>• Operational Waste (Non-Hazardous)</li> <li>• Supply Chain Management</li> <li>• Other</li> </ul>	<ul style="list-style-type: none"> <li>• Anticompetitive Practices</li> <li>• Customer Relations</li> <li>• Privacy &amp; Data Security</li> <li>• Marketing &amp; Advertising</li> <li>• Product Safety &amp; Quality</li> <li>• Other</li> </ul>	<ul style="list-style-type: none"> <li>• Impact on Local Communities</li> <li>• Human Rights Concerns</li> <li>• Civil Liberties</li> <li>• Other</li> </ul>	<ul style="list-style-type: none"> <li>• Labor Management Relations</li> <li>• Health &amp; Safety</li> <li>• Collective Bargaining &amp; Union</li> <li>• Discrimination &amp; Workforce Diversity</li> <li>• Child Labor</li> <li>• Supply Chain Labor Standards</li> <li>• Other</li> </ul>	<ul style="list-style-type: none"> <li>• Bribery &amp; Fraud</li> <li>• Governance Structures</li> <li>• Controversial Investments</li> <li>• Other</li> </ul>

## MONITOR COMPLIANCE WITH GLOBAL NORMS



- Identify news-based controversies linked to specific global norms and conventions
- Identify companies which fail a specific set of global norms
- Identify Watchlist companies for monitoring purposes
- Use detailed reports to support engagement activities



## 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

For more than 40 years, MSCI's research-based indexes and analytics have helped the world's leading investors build and manage better portfolios. Clients rely on our offerings for deeper insights into the drivers of performance and risk in their portfolios, broad asset class coverage and innovative research. Our line of products and services includes indexes, analytical models, data, real estate benchmarks and ESG research. MSCI serves 99 of the top 100 largest money managers, according to the most recent P&I ranking. For more information, visit us at [www.msci.com](http://www.msci.com).

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