

The MSCI ESG AGR model is designed to help institutional investors, insurers and other financial institutions understand and manage accounting risk. With coverage for over 35,000 companies worldwide, AGR ratings help identify potential accounting irregularities that may go undetected by traditional research methods.

## Key features and benefits

### Identify and quantify risks around financial disclosures

AGR is designed to identify extreme values in accounting and non-accounting metrics that may be indicators of opaque and potentially misleading financial reporting. Updated quarterly, AGR scores range in percentile from 1-100, with lower values representing greater risks.

### Assess specific risks with customized applications

Identify companies at risk for securities class action litigation with AGR's Litigation Risk Model and companies in severe financial distress with AGR's Financial Distress Model. Both models are updated monthly.

### Identify targets for engagement

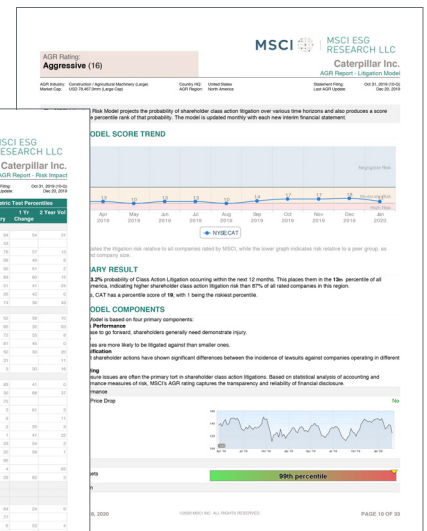
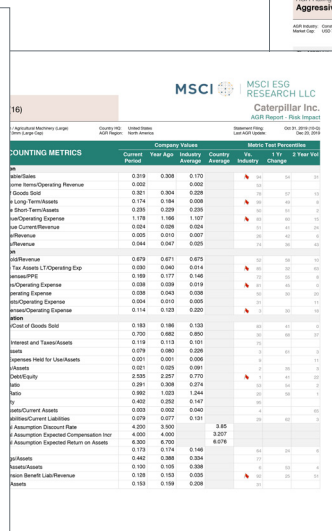
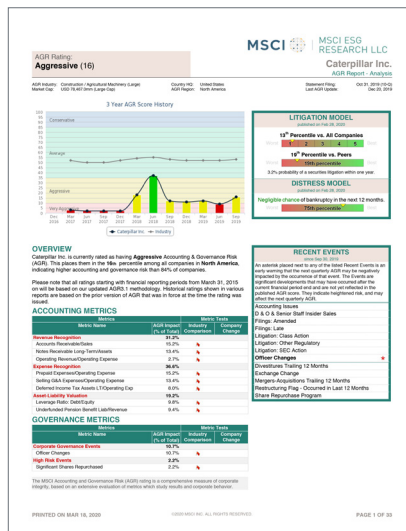
AGR supports investors with engagement strategies by providing in-depth details of each metric that contributes to the overall score. Reports include an overview, risk impact summary, metric definitions, and a history of contributing events in order to help investors understand the issues.

### Screen on ratings and metrics

AGR Ratings are available online through the MSCI ESG Manager platform, allowing clients to screen for a desired range of ratings or specific metrics of interest.

### Breadth and depth of coverage

AGR evaluates approximately 35,000 companies in North America, Asia Pacific, Japan, Western Europe and Emerging Markets. Primarily based on accounting and expense recognition and asset-liability valuation, the addition of events like officer changes, late or amended filings, add a lense on management behavior.



## Product overview

MSCI ESG AGR uses a quantitative approach to identify risks in the financial reporting practices and accounting governance of publicly listed companies. Metrics that are outliers relative to peers or whose change over time is extreme are flagged as concerns. Metrics contributing to the score include traditional

fundamental ratios used to evaluate corporate strength and profitability, as well as forensic ratios. Updated quarterly, the AGR score ranges in percentiles from 1-100, with lower values representing greater risks.

**Within each geographical region (North America, Western Europe, Japan, Asia-Pacific, and Emerging Markets) we report the AGR in percentiles from 1 to 100, worst to best and also classify them as:**



**High Variance**  
comprising 10%  
of the total universe



**Above-Average Variance**  
comprising 25%  
of the total universe



**Average Variance**  
comprising 50%  
of the total universe



**Low Variance**  
comprising 15%  
of the total universe

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## 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

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To learn more, please visit [www.msci.com](http://www.msci.com).

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