



MSCI Sustainability Solutions

Manage sustainability risks and opportunities, align to guidelines and frameworks, measure sustainable impact.



This is an **interactive brochure**



CLARITY DRIVES ACTION



Introduction: MSCI sustainability solutions

The investment landscape is rapidly evolving, presenting new and emergent risks such as climate change, regulatory pressures, social and demographic shifts, and privacy and data security concerns. These factors represent a new frontier of challenges for investors.

However, the advent of advanced technology and innovative data extraction methods are empowering more meaningful insights. Artificial Intelligence (AI) and alternative data extraction techniques are reducing our dependence on voluntary disclosures from companies. Through machine learning and natural language processing, we are enhancing the timeliness and precision of data collection, validation, and analysis, enabling us to deliver dynamic content and financial insights.

At MSCI, we are proud to offer a comprehensive suite of data, metrics, and tools tailored to assist you in integrating sustainability considerations into your investment strategies. These resources are designed to help you seize opportunities, manage risks, align with regulatory mandates, and fulfill sustainability commitments, ensuring that you are well-equipped to navigate the complexities of the modern financial landscape.



Supporting every step of the investment process

MSCI ESG Ratings

MSCI ESG Ratings measures a company's resilience to long-term, industry-specific ESG risks using a rules-based methodology. Our team of over 600 analysts and data specialists, supported by AI, machine learning, and natural language processing, research and rate companies on a 'AAA' to 'CCC' scale based on their exposure to and management of these risks relative to peers.

MSCI ESG Controversies

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

MSCI Sustainable Impact Metrics and SDG Alignment Tool

MSCI Sustainable Impact Metrics and SDG Alignment is a framework designed to help clients identify listed companies with revenue exposure to products and services addressing at least one of the world's social and environmental challenges, as defined by the United Nations Sustainable Development Goals (SDGs). The product framework maps the 17 SDGs to five Actionable Impact Themes: basic needs, empowerment, climate change, natural capital and governance.

Supporting every step of the investment process

MSCI EU Sustainable Finance Module

MSCI's EU Sustainable Finance Module, launched in February 2021, was one of the first solutions to take into consideration investors' SFDR needs. Our robust solutions are designed to save our clients significant time and resources and help them prepare for the upcoming disclosure deadlines. It includes both mandatory and optional Principal Adverse Impact indicators (PAIs) at the issuer and fund level as well as a self-service SFDR reporting solution called the PASI Statement.

MSCI's EU Sustainable Finance Module also includes the EU Taxonomy Dataset which is designed to help financial market participants identify and measure companies' involvement in taxonomy-aligned activities. To be taxonomy-aligned, an activity must contribute substantially to at least one of six environmental objectives, must do no significant harm to any of the other objectives, and must meet minimum social safeguards.

MSCI's EU Sustainable Finance solutions module also includes our MiFID II / IDD solutions which are designed to support financial market participants in aligning with their Markets in Financial Instruments Directive (MiFID II) or Insurance Distribution Directive (IDD) reporting requirements, as well as their needs to report using the European ESG Template (EET).

MSCI Business Involvement Screening Research

MSCI Business Involvement Screening Research allows investors to identify companies involved in activities such as the production of controversial weapons, tobacco products, or those that violate religious screening mandates such as Catholic or Islamic Values. We cover a large range of activities, including Abortion & contraceptives, Adult entertainment, Alcohol, Animal welfare, Biocides, Breastmilk substitutes, Cannabis, Defense & weapons, For-profit prisons, Fur, Gambling, Genetic engineering, Nuclear power, Predatory lending, Stem cell research, and Tobacco.

How we can support you

Assess Performance:

Use ESG Ratings to evaluate companies' environmental, social, and governance practices. Understand their sustainability performance and identify leaders and laggards.



Risk Management:

Integrate sustainability considerations into risk management. Analyze how sustainable investment factors impact investment risk and identify potential risks related to controversies or non-compliance.



Impact Measurement:

Leverage Sustainable Impact Metrics aligned with the United Nations Sustainable Development Goals (SDGs). Measure the positive impact of investments on social and environmental outcomes.



Regulatory Disclosure and Reporting:

Report on sustainability performance and alignment with regulatory requirements. Develop sustainability reporting KPIs and communicate progress transparently.



Engagement and Advocacy:

Track engagement progress with companies. Encourage sustainability leadership and advocate for positive change within investment firms.



Internal Asset Management:

Support sustainability integration within your organization. Provide training sessions, sector calls, and webinars to promote awareness and adoption.



Deep Governance Analysis:

Flag potential governance concerns using a model that assesses 96 key governance metrics.



Fundamental Valuation:

Incorporate sustainability risk and opportunity assessments into fundamental analysis of investment holdings.



Portfolio Evaluation & Manager Due Diligence:

Use ESG Ratings to assess the range, average, and variance of asset manager portfolios in terms of sustainability integration.



Active Portfolio Management:

Define eligibility criteria for investment universes or apply ESG Ratings into proprietary quantitative or fundamental models.



Engagement & Stewardship:

Utilize ESG Ratings as an independent and objective measure to identify companies for engagement and track progress.



What's included in MSCI's sustainability offering?

	MSCI ESG Ratings	MSCI ESG Controversies	MSCI Sustainable Impact Metrics and SDG Alignment Tool	MSCI Sustainability Solution	MSCI EU Sustainable Finance	MSCI CSRD Aligned Dataset (The Corporate Sustainability Reporting Directive)	MSCI Business Involvement Screening Research
ESG Ratings & Sustainability Data	✓			✓			
Corporate Governance Metrics	✓			✓			
ESG Ratings Issuer reports	✓			✓			
Industry reports	✓			✓			
Global Norms screens		✓		✓			
Controversies flags, scores and case level data set		✓		✓			
Controversies issuer reports		✓		✓			
Environmental Impact Metrics			✓	✓			
Social Impact Metrics			✓	✓			
SDG Alignment data set			✓	✓			
SFDR metrics					✓		
EU Taxonomy metrics					✓		
MiFID II and IDD solutions					✓		
Double Materiality Assessment						✓	
ESRS-aligned metrics						✓	
Revenue-based activity business involvement							✓

As of June 2024

Robust data sets and tried & tested metrics



MSCI sustainability and climate products are based on **4,000 raw data points collected on average per issuer.**



17,000 companies that are researched from **300 public sources**, representing **2 million news articles** and **1 million documents per year** (filings, AGM, etc.).



17,000 derived and factors on average for each issuer.



The output includes **135,000 company reports and 80 million data points per year.**

We help you seamlessly embed sustainability & climate data across your organization

Ingest content into data lake to feed into internal systems & dashboard	Ad-hoc data queries to support research and modelling needs	Incorporate sustainability and climate parameters into portfolio construction	Access issuer level insights & data to support fundamental research, engagement, etc.	Monitor portfolio risk exposures	Report to internal stakeholders, clients and regulators
Technology & Data teams	Data Scientists and Quant teams, Product teams	Portfolio managers	Analysts, PM, Stewardship, Sustainability teams	Risk Team	Compliance team, Investment teams
Data Feeds & Snowflake	APIs	Platforms	Platforms	API, Data Feed, Platforms	Reporting Tools

With over 50 years of expertise in research, data and technology, we aim to improve transparency across the investment process to enable better decisions.

Contact us to learn more about how we can support you.



Contact us

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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.

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