Institutional investors are increasingly looking for ways to steer capital towards companies that provide solutions to major social and environmental challenges, but achieving impact at scale has proven to be a challenging proposition. The U.N. Sustainable Development Goals (SDGs), representing a broad consensus of global stakeholders around 17 ambitious development goals, provide a useful foundation for a framework to apply the principles of impact investing to public equities. MSCI ESG Sustainable Impact Metrics aims to measure revenue exposure to sustainable impact solutions and support actionable thematic allocations in 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>Affordabile real estate</td>
</tr>
<tr>
<td>Empowerment</td>
<td>Major diseases treatment</td>
<td>SME finance</td>
</tr>
<tr>
<td>Social impact</td>
<td>Sanitation</td>
<td>Education</td>
</tr>
</tbody>
</table>

<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>Social impact</td>
<td>Energy efficiency</td>
<td>Pollution prevention</td>
</tr>
<tr>
<td>Environmental impact</td>
<td>Green building</td>
<td></td>
</tr>
</tbody>
</table>

### Social impact metrics

Detailed information on the percentage of revenue companies derive from six social themes, covering approximately 2,500 companies in the MSCI ACWI Index.

### Environmental impact metrics

Detailed information on the percentage of revenue companies derive from five environmental themes, covering 8,500 companies in the MSCI ACWI Investable Market Index.

### Key sustainable impact tool features

**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.
**Related tools and products**

**MSCI ACWI sustainable impact index**

Increase exposure to sustainable impact themes with this index, designed to select companies with a high net exposure to sustainable impact themes while maintaining minimum ESG standards.

**Barclays MSCI green bonds indices**

Identify sustainable impact companies in the fixed income space with these indices, designed to include securities with net proceeds tied to 'green' projects based on MSCI ESG research eligibility criteria.

**MSCI global environment index**

These indexes are designed to support various low carbon investment strategies and include the msci low carbon indexes, msci global fossil fuels exclusion indexes, and the msci thematic indexes.

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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.

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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.

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