

HOW MSCI ESG RESEARCH MANAGES CONFLICTS OF INTEREST RELATED TO ESG RATINGS

MSCI ESG Research

June 2023

Purpose

MSCI ESG Research is committed to high standards in providing ESG ratings and to conducting its business with the highest degree of ethics and integrity. Among other things, conflicts of interest could arise from conflicts between MSCI ESG Research and its clients, directors, staff, investors, suppliers. MSCI ESG Research has policies and procedures in place for the management of potential conflicts of interest, including for their identification, disclosure, mitigation or avoidance, as described below.

Independence

MSCI ESG Research has taken a number of steps to mitigate potential conflicts of interest and safeguard the integrity and independence of its ESG ratings process. In this respect, MSCI ESG Research adheres to the following principles: use of consistent methodology and model, process and input data for each of its ESG ratings; reliance on publicly disclosed information for ESG ratings in its coverage universe; the application of a quality review process on issuer assessments; committee review and approval of company assessments in certain pre-defined cases; and availability of data review by companies through a dedicated online issuer communications portal to permit issuers to review data for accuracy without exposing analytical personnel to inappropriate influences.

MSCI ESG Research implements these principles through governance processes around its research activities, including the use of product-specific methodology committees and oversight committees that serve as escalation points to reasonably ensure the integrity and independence of its products.

The mechanical process by which ESG ratings are formulated is also designed to mitigate against the risk of improper influence. In this regard, no single analyst can dictate the rating of an issuer and multiple groups contribute to ESG ratings as well as the layers of review and committee approvals required to make a rating change.

MSCI ESG Research shall append a conflict legend to each ESG rating report indicating that the issuer who is being analyzed may be a client of or affiliated with a client of MSCI or its subsidiaries including MSCI ESG Research LLC. Additionally, MSCI ESG Research discloses potential conflicts of interest arising from its business on its website and its distribution platforms.

MSCI ESG Research has established a separation between its analytical personnel and commercial personnel with distinct reporting lines. Compensation of analytical personnel is independent of revenues generated by ESG Research activities.

MSCI ESG Research employees must carry out their duties free from all compromising influences and loyalties.

MSCI ESG Research employees must respect the integrity of MSCI ESG Research’s analysis and research process and may not take action that seeks to influence, impair or interfere with that process in a manner that might compromise its integrity.

Board of Directors of MSCI Inc. (ultimate parent company)

The MSCI Inc. Board of Directors has adopted a Conflicts of Interest Policy related to “Director Affiliated Companies” to address any potential conflicts of interest posed by other public company board seats held by any MSCI Inc. director. This policy requires that an explicit statement noting the Director Affiliated Company relationship shall be included in the body of any ESG Research regarding a Director Affiliated Company. Additionally, the policy prohibits non-executive directors from participating in the formulation, development, or preparation of ESG research as well as knowledge of the contents of such research prior to publication.

MSCI ESG Research Employees

MSCI ESG Research employees are subject to the following compliance policies addressing potential conflicts of interest:

- Code of Ethics and Business Conduct;
- Code of Conduct;
- ESG Code of Ethics;
- ESG Trading Policy;
- Directorships, Outside Activities and Private Securities Transactions;
- Gifts and Entertainment and Charitable Giving Policy;
- Related Party Transactions; and
- Global Anti-Money Laundering Policy.

The Code of Ethics and Business Conduct is reviewed and approved by the MSCI Inc. Board of Directors. MSCI’s ESG Research employees are trained on these and other compliance policies as well as the ESG Code of Ethics and other ESG dedicated policies and procedures upon joining and annually thereafter. They certify that they will comply with these policies annually.

MSCI ESG Research’s employee compensation policies, its restrictions on the receipt of gifts or entertainment from third parties, its personal trading restrictions and its

ongoing employee training program further serve to mitigate potential conflicts of interest.

The fundamental standard to be followed in personal trading transactions is that MSCI ESG Research's employees may not take inappropriate advantage of their position at MSCI ESG Research. All trading activity is subject to the restrictions and requirements outlined in the ESG Employee Trading Policy. MSCI ESG Research has also adopted restrictions on personal trading designed to prevent employees from improperly trading on, or benefiting from, inside information, client information and/or MSCI ESG Research's reports and research. In this last regard, MSCI ESG Research maintains a restricted list of issuers who are currently being analyzed by the MSCI ESG Research and prohibits ESG employees from buying or selling the securities of any issuer on that list. In addition to the above, MSCI ESG Research employees are subject to MSCI's Employee Trading Policies, including the Supplement for Transactions in MSCI Inc. Securities. These policies, among other things, require employees to adhere to mandatory blackout periods in trading in MSCI's publicly traded common stock.

All MSCI ESG Research employees are required to obtain pre-approval for all outside business activities as well as all board, committee or other positions in industry associations or groups where they serve as representatives of MSCI.

MSCI ESG Research employees may not serve as a director or officer or hold a control position, whether through security ownership or otherwise, in any publicly traded company without the prior written approval of the Chief Compliance Officer.

Communication of MSCI ESG Research Decisions

Announcements with respect to an MSCI ESG rating or ESG rating methodology are communicated to clients at the same time. This aims to ensure that one client does not have an information advantage over another.

Whistleblowing

MSCI has a specific whistleblowing policy and procedure for reporting any potential misconduct. Staff are made aware of this policy through MSCI's intranet and compliance training, and instructions for reporting an issue are provided on MSCI's intranet.

Contact us

clientservice@msci.com

AMERICAS

Americas 1 888 588 4567 *
 Atlanta + 1 404 551 3212
 Boston + 1 617 532 0920
 Chicago + 1 312 675 0545
 Monterrey + 52 81 1253 4020
 New York + 1 212 804 3901
 San Francisco + 1 415 836 8800
 São Paulo + 55 11 3706 1360
 Toronto + 1 416 628 1007

EUROPE, MIDDLE EAST & AFRICA

Cape Town + 27 21 673 0100
 Frankfurt + 49 69 133 859 00
 Geneva + 41 22 817 9777
 London + 44 20 7618 2222
 Milan + 39 02 5849 0415
 Paris 0800 91 59 17 *

ASIA PACIFIC

China North 10800 852 1032 *
 China South 10800 152 1032 *
 Hong Kong + 852 2844 9333
 Mumbai + 91 22 6784 9160
 Seoul 00798 8521 3392 *
 Singapore 800 852 3749 *
 Sydney + 61 2 9033 9333
 Taipei 008 0112 7513 *
 Thailand 0018 0015 6207 7181 *
 Tokyo + 81 3 5290 1555

* = toll free

ABOUT MSCI

MSCI is a leader 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.

The process for submitting a formal index complaint can be found on the index regulation page of MSCI's website at: <https://www.msci.com/index-regulation>.

To learn more, please visit www.msci.com.

Notice and disclaimer

This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), or MSCI's licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI. All rights in the Information are reserved by MSCI and/or its Information Providers.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investible assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. The calculation of indexes and index returns may deviate from the stated methodology. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on www.msci.com.

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.'s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of msci.com.

MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such, provided that applicable products or services from MSCI ESG Research may constitute investment advice. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. MSCI ESG and climate ratings, research and data are produced by MSCI ESG Research LLC, a subsidiary of MSCI Inc. MSCI ESG Indexes, Analytics and Real Estate are products of MSCI Inc. that utilize information from MSCI ESG Research LLC. MSCI Indexes are administered by MSCI Limited (UK).



Please note that the issuers mentioned in MSCI ESG Research materials sometimes have commercial relationships with MSCI ESG Research and/or MSCI Inc. (collectively, "MSCI") and that these relationships create potential conflicts of interest. In some cases, the issuers or their affiliates purchase research or other products or services from one or more MSCI affiliates. In other cases, MSCI ESG Research rates financial products such as mutual funds or ETFs that are managed by MSCI's clients or their affiliates, or are based on MSCI Inc. Indexes. In addition, constituents in MSCI Inc. equity indexes include companies that subscribe to MSCI products or services. In some cases, MSCI clients pay fees based in whole or part on the assets they manage. MSCI ESG Research has taken a number of steps to mitigate potential conflicts of interest and safeguard the integrity and independence of its research and ratings. More information about these conflict mitigation measures is available in our Form ADV, available at <https://adviserinfo.sec.gov/firm/summary/169222>.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and S&P Global Market Intelligence. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and S&P Global Market Intelligence.

MIFID2/MIFIR notice: MSCI ESG Research LLC does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI ESG Research product or service supports, promotes or is intended to support or promote any such activity. MSCI ESG Research is an independent provider of ESG data.

Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.