COMPLIANCE

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MSCI – Sustainability & Climate Glossary of Defined Terms

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This document contains the defined terms used throughout the MSCI Code of Conduct for S&C Personnel and S&C Policies and Procedures. It is organized into two sections: the first section contains the S&C Compliance defined terms, which are primarily related to the regulatory and compliance framework governing S&C activities; the second section contains the Research & Development (R&D) defined terms, which are specific to S&C Methodologies. The defined terms in both sections are complementary and should be read together. S&C Methodologies refer to the defined terms contained in both sections of this Glossary. MSCI Code of Conduct for S&C Personnel and S&C Policies and Procedures refer to the first section of this document related to the S&C Compliance glossary of defined terms.

S&C Compliance glossary of defined terms

Analytical Tasks

Analytical Tasks include development of S&C Models/Methodologies (starting from the technical launch), as well as their review, approval and application and do not include any form of data collection.

Data

Data refers to both Raw Data and Derived Data.

Data Correction

A Data Correction is a remediation of a Data Error through the distribution of the corrected Raw Data, or Derived Data.

Data Error

A Data Error is incorrect Raw Data (including historical going back up to 3 years for all Data, except for EU Taxonomy Data going back 5 years), and /or incorrect Derived Data (including only Derived Data based on the current version of Methodologies and Models) distributed by MSCI S&C.

Data Update

A Data Update is a revision of underlying data of an S&C Rating or an S&C Data Product. A Data Update is processed according to the relevant Methodology.

Defined Ranking System

A Defined Ranking System reflects MSCI S&C's value judgment in an ordinal structure and comprises two or more pre-determined rating categories, including the minimum and maximum levels, enabling consistent comparison across Rated Items. The rating categories can be represented by numbers, letters, colours or other symbols.

Derived Data

Derived Data refer to the data that result from applying Methodologies, Models, calculations, or estimations to Raw Data and to data that are themselves the result of calculations.

Downgrade

A Downgrade means a negative change in a new discrete classification such as AAA to AA, a green flag to a yellow flag. A negative change in a MSCI S&C Score or a score from 1 to 2 does not constitute a Downgrade.

ESG Access Person

An ESG Access Person is a person who has access to S&C Non-Public Research Information and/or S&C Confidential Information before it is distributed to Users, Rated Items or Issuers. ESG Access Persons do not include S&C Analytical Personnel or S&C Senior Management of MSCI Solutions (Deutschland) GmbH who are ESG Restricted Persons.

ESG Codes of Conduct

ESG Codes of Conduct refer to the Singapore, Japan, Hong Kong and United Kingdom ESG codes of conduct.

ESG Restricted Persons
ESG Restricted Persons are S&C Analytical Personnel and S&C Senior Management of MSCI Solutions GmbH.

EU Regulation on ESG Rating Activities
EU Regulation on ESG Rating Activities means The European Union Regulation 2024/3005 of 27th November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities.

Formal S&C Ratings Complaint
A written communication made by a User of MSCI S&C Ratings that is submitted through the channel and process specified in the MSCI S&C Ratings Complaints Handling Policy and Procedures.

Intern
A current or newly graduated student undertaking tasks for MSCI for a specific duration of time (usually 6-12 months).

Issuer of a Rated Item
A legal entity that issues a Rated Item. This can include (but is not limited to) a corporate issuer, sovereign issuer, fund manager or carbon project developer.

Major New Information
Major New Information means a development relating to a Rated Item that is both (i) material to that Rated Item’s S&C Rating and (ii) of a nature or magnitude that cannot be adequately addressed through the standard application of the Methodology. This includes situations that invalidate a key assumption on which the Methodology relies, where a reliable assessment can no longer be maintained, or the outcome would be misleading or inconsistent with the Methodology's intent.

Material Change
A material change is a change to a Methodology, Model architecture, key assumptions, scope or core inputs that significantly alters the design of an S&C Evaluation, regardless of whether it produces a change in S&C Evaluation outcomes.

Methodology
A Methodology is a rule-based framework using qualitative inputs and/or quantitative Models for determining the outputs of S&C Ratings or S&C Data Products.

Model
A Model is a pre-established statistical or algorithmic system using a set of criteria, weights and/or assumptions applied to qualitative and/or quantitative data inputs.

MSCI S&C Score
An MSCI S&C Score is a unit-less numeral within a predefined range that indicates a relative judgement within a ranking system of rating categories as part of an S&C Rating.

MSCI Sustainability & Climate
MSCI Sustainability & Climate refers to the products and services that are provided by MSCI Solutions LLC in the United States, MSCI Solutions (UK) Limited in the United Kingdom, MSCI Solutions (Deutschland) GmbH (Germany) and certain other related entities.

Outsourcing

Outsourcing means a business practice where a Regulated ESG Rating Provider engages a service provider (including third-party and affiliate service providers) to perform functions that are relevant for the provision of S&C Ratings and that would otherwise be undertaken by the regulated entity itself.

Point-In-Time Evaluation
A Point-In-Time Evaluation is an evaluation which is not monitored on an ongoing basis and does not change to reflect updates in underlying data, except at the time of assessment.

Private S&C Rating
A Private S&C Rating is issued pursuant to an individual order and provided exclusively to a distinct number of persons or entities who placed the order and is not intended for public disclosure or for public distribution. A list of Private S&C Ratings (as of June 2026) is provided in Appendix 3.

Rated Item
A Rated Item is a legal person, a financial instrument, a financial product or a public authority or a body governed by public law which is explicitly or implicitly rated in a S&C Rating, irrespective of whether such rating has been requested for and irrespective of whether the legal person has provided information for that S&C Rating. This can include a corporate issuer, sovereign issuer, fund or carbon project.

Raw Data
Raw Data refers to data collected directly from original sources without modification, estimation, modelling or calculation.

Reasoned Concern
A Reasoned Concern is a written communication in relation to an S&C Rating, containing sufficient information and rationale to enable MSCI S&C to assess the matter.

Regulated ESG Rating Provider
A Regulated ESG Rating Provider is an MSCI legal entity that is registered and authorized by a competent authority to provide ESG Ratings.

Regulatory Disclosure
Regulatory Disclosure includes disclosures at the methodology level, S&C Rating product level, or at an individual rating level as provided under Annex III of the EU Regulation.

S&C
S&C means Sustainability & Climate

S&C Analytical Personnel
S&C Analytical Personnel are individuals who perform Analytical Tasks, excluding Interns.

S&C Code of Conduct Data Products
S&C Code of Conduct Data Products are S&C Data Products that are in scope of the ESG Codes of Conduct (as determined from time to time by MSCI S&C). The list as of June 2026 is in Appendix 2.

S&C Confidential Information
S&C Confidential Information means any non-public information that is entrusted to MSCI S&C by a Rated Item or an Issuer of a Rated Item, whether through a confidentiality agreement or otherwise and that is used or intended to be used for the purpose of determining its individual S&C Ratings or S&C Data Products.

S&C Data Product

S&C Data Product is a data product that provides a specific environmental, social, human rights or governance focus or holistic sustainability and /or climate focus on an entity, financial instrument, asset, product or company's environmental, social, human rights or governance profile or characteristics or exposure to risks or impact on society and the environment. S&C Data Products include S&C Code of Conduct Data Products.

S&C Evaluations
S&C Evaluations include S&C Ratings and S&C Data Products.

S&C Non-Analytical Personnel
S&C Non-Analytical Personnel include S&C personnel who are not S&C Analytical Personnel.

S&C Non-Public Research Information
S&C Non-Public Research Information includes unpublished or not broadly disclosed information about S&C Ratings, S&C Data Products, and related methodologies.

S&C Personnel
S&C Personnel means all employees, contractors and any other person under the control and at the disposal of MSCI S&C.

S&C Rating
An MSCI S&C Rating is an ESG Rating as defined by the EU Regulation: "ESG Rating means an opinion or a score, or a combination of both, regarding a Rated Item's profile or characteristics with regard to environmental, social and human rights, or governance factors, or regarding a Rated Item's exposure to risks or impact on environmental, social and human rights, or governance factors, that is based on both an established methodology and a defined ranking system of rating categories." The List of S&C Ratings is provided in Appendix 1.

S&C Rating Analysts
S&C Rating Analysts are employees who perform Analytical Tasks for the purpose of issuing S&C Ratings.

S&C Records
S&C Records are records produced by MSCI S&C in relation to the issuance and distribution of S&C Ratings and S&C Data Products.

Senior Management of MSCI Solutions GmbH
Senior Management of MSCI Solutions GmbH are the person(s) who effectively direct(s) the business of MSCI Solutions GmbH and the member(s) of MSCI Solutions (Deutschland) GmbH's administrative or supervisory board.

Senior S&C Analytical Personnel
Senior S&C Analytical Personnel refers to any S&C Analytical Personnel at a Managing Director level.

Solicited S&C Rating
A Solicited S&C Rating means an S&C Rating produced by MSCI S&C that is requested by, commissioned by or paid for by the Rated Item or the Issuer of the Rated Item.

Systems
Systems include the systems comprising hardware, software, data platforms, networks and applications that are used in the development, review, approval and validation of S&C Models or Methodologies as well as their application and the distribution of S&C Ratings and S&C Data Products to Users and Rated Items

Unsolicited S&C Rating
An Unsolicited S&C Rating means an S&C Rating produced by MSCI S&C that is not requested by, commissioned or paid for by the Rated Item or the Issuer of the Rated Item.

Upgrade
An Upgrade means a positive change in a new discrete classification such as AA to AAA, a yellow flag to a green flag. A positive change in a MSCI S&C Score or a score from 2 to 1 does not constitute an Upgrade.

User
A User means a natural or legal person, a public authority, or an agency or other body governed by public law, to which an S&C Rating and/or S&C Data Product is distributed by subscription or other contractual relationships. These can often be referred to by S&C Personnel as “clients.”

Appendix 1

S&C Ratings in scope for EU Regulation and ESG Codes of Conduct (as of June 2026)

No.	Name	Level	In scope for EU Regulation	Applicable ESG Codes of Conduct
1	MSCI ESG Ratings (including ESG Provisional Ratings and ESG Solicited Ratings)	Issuer Level	EU	Japan, Hong Kong, Singapore & UK
2	MSCI ESG Indicative Scores	Issuer Level	EU	
3	MSCI ESG Government Ratings	Issuer Level	EU	Japan, Hong Kong, Singapore & UK
4	MSCI Global Norms	Issuer Level	EU	
5	MSCI SDG Alignment Assessment	Issuer Level	EU	Japan, Hong Kong, Singapore & UK
6	MSCI Controversies	Issuer Level	EU	
7	MSCI ESG Fund Ratings	Funds Level	EU	Japan, Hong Kong, Singapore & UK
8	Implied Temperature Rise (ITR)	Issuer Level	EU	Japan, Hong Kong, Singapore & UK
9	Country Scope 1 Emissions ITR (Sovereign ITR)	Issuer Level	EU	
10	Low Carbon Transition (LCT)	Issuer Level	EU	Japan, Hong Kong, Singapore & UK
11	Energy Transition Framework	Issuer Level	EU	
12	Carbon Project Ratings	Issuer Level	EU	Japan, Hong Kong & UK
13	Carbon Markets - Country Scores	Issuer Level	EU	
14	MSCI Funds ITR	Funds Level	EU	
15	MSCI Funds LCT	Funds Level	EU	
16	MSCI Funds Energy Transition Score	Funds Level	EU	
17	Governance Metrics	Issuer Level	EU	
18	MSCI Austrian Eco Label Alignment Metrics	Issuer Level	EU	

Appendix 2

S&C Data Products in scope for ESG Codes of Conduct (as of June 2026) But not EU Regulation

No.	Name	Level	Applicable ESG Code of Conduct
1	MSCI Labelled Bond & Loan Assessment	Issuer Level	Japan, Hong Kong, Singapore & UK
2	MSCI EU Taxonomy	Issuer Level	Japan, Hong Kong, Singapore & UK
3	MSCI Climate Value at Risk	Issuer Level	Japan, Hong Kong, Singapore & UK
4	MSCI Greenhouse Gas Emissions	Issuer Level	Japan, Hong Kong, Singapore & UK
5	MSCI Fossil Fuel and Power Generation Metrics	Issuer Level	Japan, Hong Kong, Singapore & UK

6	MSCI Climate Targets and Commitments	Issuer Level	Japan, Hong Kong, Singapore & UK
7	MSCI Business Involvement Screening Research	Issuer Level	Singapore
8	MSCI Sustainable Impacts Metrics	Issuer Level	Singapore

Appendix 3

Private S&C Ratings (as of June 2026)

No.	Name	Level
1	MSCI On Demand Indicative ESG Scores	Issuer Level
2	MSCI On Demand Energy Transition Scores	Issuer Level

S&C Research & Development glossary of defined terms

Estimated or indicative (scores)
An estimated score for an entity is a value calculated based on known information about similar entities.

Indicative scores follow the same approach as estimated scores but reflect a more limited comparable data set resulting in a wider range of uncertainty around the output.

Model Updates

- **Major Model Update**
  A Major Model Update is an update to a Model that constitutes a Material Change and is reflected through an increase in the major version number (e.g. v1.0 to v2.0).

- **Minor Model Update**
  A Minor Model Update is a modification to a Model that preserves the existing S&C Methodology and Model architecture and does not constitute a Material Change. This includes additive enhancements, such as new features or additional output data or expanded scope and coverage that do not alter or impact any existing Model outputs, scores or ratings. Minor Model Updates are reflected through an increase in the minor version number (e.g. v1.0 to v1.1)

Primary Data Sources
Primary Data Sources are information sources that MSCI S&C typically monitors on an ongoing basis. For corporate S&C Evaluations, these typically include the most recent versions of company annual reports, sustainability reports and regulatory filings, unless otherwise specified in the relevant S&C Methodology documentation. MSCI S&C monitors Primary Data Sources at the company level; Group or parent company reports and policies are not monitored on an ongoing basis.

Pro forma (scores)
Pro forma scores are values calculated by applying, to existing data, a forthcoming new or updated model as it is planned to be in effect for a future period.

Proxy
A proxy is a substitute that serves as an approximate representation of a variable, model, asset or other item of interest.

Publicly available disclosures
Publicly available disclosures are company documents or data sources that are accessible without restriction. Company disclosures are considered publicly available disclosures if the following criteria are met:

- Unrestricted access: The content must be accessible to external parties and technology tools without the need for prior approval, payment or conditional permissions.
- Direct web access: A stable and functional hyperlink to the disclosure must be available from an official company website, or from a recognized public repository linked from the company’s site. The content should ideally be indexed by search engines for ease of discovery.
- Open login requirements (if any): If login is required to access the document, it must be free of charge, available to the public and require only basic personal information for access.
- Download capacity: The document must be downloadable to allow for record retention.

Simulated (scores)
Simulated scores are values calculated by imitating a model evaluation or a future version of a model.