

MSCI Sustainability & Climate Endorsement Statement of Principles and Guidelines of the Japan Code of Conduct

January 2026

MSCI Sustainability & Climate's statement and endorsement of Principles and Guidelines of the Japan Code of Conduct

As an ESG Evaluation and ESG Data Products Provider, MSCI Sustainability & Climate ("MSCI S&C")¹ endorses the Code of Conduct ("the Code") published by the Japan Financial Services Authority. MSCI S&C has addressed the Principles and Guidelines stated in the Code for ESG Evaluations and ESG Data Products² ("MSCI ESG Evaluations and ESG Data Products") as follows:

Principle 1: Securing Quality

Guideline 1: MSCI S&C has formalised a set of procedures to provide MSCI ESG Evaluations and ESG Data Products based on a thorough analysis of relevant information.

Guideline 2: MSCI S&C applies rules-based methodologies to assign MSCI ESG Evaluations and ESG Data Products. These methodologies are publicly available free of charge on MSCI's website (www.msci.com).

Guideline 3: Where ESG Evaluations and ESG Data Products are not fully model driven, MSCI S&C has implemented a set of procedures designed to ensure its methodologies are applied consistently. These include committee oversight of issues related to consistent application of methodologies and additional methodology-specific processes.

Guideline 4: Where relevant, MSCI S&C has developed and implemented criteria and a process to validate its ESG Evaluations and ESG Data Products methodologies on a regular basis.

Guideline 5: MSCI S&C has formalized a range of procedures to adopt new methodologies or update its existing ESG methodologies, as well as to review its ESG methodologies on a regular basis. Publicly available MSCI ESG Evaluations and ESG Data Products methodologies provide information related to when input data is obtained and updated.

Guideline 6: MSCI S&C does not outsource its ESG Evaluations and ESG Data Products.

Principle 2: Analytical Resourcing (Human Resources Development)

Guideline 1: MSCI S&C collects and analyses relevant information on an ongoing basis to maintain necessary professional Sustainability & Climate analytical resources.

Guideline 2: Sustainability & Climate analytical staff receive onboarding training when they join MSCI S&C as well as technical development opportunities during their tenure with MSCI S&C.

¹ MSCI Sustainability & Climate products and services are provided by MSCI Solutions LLC in the United States, MSCI Solutions (UK) Limited in the United Kingdom and certain other related entities.

² Based on the definition of ESG Evaluations and ESG Data Products under the Code, the present Statement of Application applies to the following offerings: MSCI ESG Ratings, MSCI ESG Government Ratings, MSCI ESG Fund Ratings, MSCI SDG Alignment, MSCI Implied Temperature Rise, MSCI Low Carbon Transition Risk Assessment, MSCI Carbon Projects Ratings, MSCI Labelled Bond & Loan Assessment, MSCI EU Taxonomy, MSCI Climate Value at Risk, MSCI Greenhouse Gas Emissions, MSCI Fossil Fuel and Power Generation Metrics, MSCI Climate Targets and Commitments as defined in MSCI S&C Symbols and Definitions available on msci.com.



Compliance undertakes annual compliance certification and training and implements a surveillance program designed to ensure its Sustainability & Climate analytical staff carries out their duties in good faith.

Guideline 3: MSCI S&C has annual processes to evaluate its Sustainability & Climate analytical staff.

Guideline 4: HR participates in various senior management meetings where key HR topics can be discussed and HR issues raised and properly addressed.

Principle 3: Ensuring Independence and Managing Conflicts of Interest

Guideline 1: MSCI S&C has identified potential conflicts of interest related to ESG Evaluations and ESG Data Products and has implemented measures to avoid, or appropriately manage and reduce the risk of conflicts of interest. These are described in the publicly available publication: *How MSCI S&C Research Manages Conflicts of Interest Related to ESG Ratings and ESG Data Products*.

Guideline 2: MSCI S&C takes appropriate measures to prevent business relationships from affecting its ESG Evaluations and ESG Data Products. These measures include separate reporting lines between sales and analytical personnel.

Guideline 3: MSCI S&C does not use questionnaires or surveys in its ESG Evaluations or ESG Data Products.

Guideline 4: MSCI S&C has Securities Trading Procedures designed to prevent employees from engaging in securities or derivatives transactions that could create conflicts of interest with the provision of ESG Evaluations and ESG Data Products.

Guideline 5: MSCI S&C has appropriate work and compensation structures to avoid conflicts of interest or appropriately manage and reduce risks of potential conflicts of interest.

Guideline 6: MSCI S&C has established policies, procedures and measures designed to ensure that existing business relationships with companies do not affect the evaluation of the companies for ESG Ratings and ESG Data Products.

Guidelines 7 & 8: MSCI S&C does not follow an issuer-pay model for MSCI ESG Evaluations and ESG Data Products, except in very limited cases including Second Party Opinions, solicited Carbon Projects Ratings and Provisional ESG Ratings. MSCI Provisional ESG Rating Methodology is publicly available.

Principle 4: Ensuring Transparency

Guideline 1: In recognition of the importance of transparency, MSCI S&C makes its ESG Evaluations and ESG Data Products methodologies publicly available on its website free of charge.

Guideline 2: MSCI S&C has disclosed its approach for providing ESG Evaluations and ESG Data Products, including their purpose and description in *MSCI Sustainability & Climate Symbols and Definitions* which are publicly available on its website.

Guideline 3: In addition to publishing its ESG Evaluations and ESG Data Products methodologies, MSCI S&C also publishes information about its process regarding MSCI ESG Evaluations and ESG Data Products.

Guideline 4: MSCI S&C discloses the sources of information that are used in the development of its ESG Evaluations and ESG Data Products in its publicly available methodologies, including information about the use of estimated data and the basic methodology of estimation.



Guideline 5: Publicly available MSCI ESG Evaluations and ESG Data Products methodologies provide essential information to enable users of ESG Evaluations and ESG Data Products to understand how MSCI ESG Evaluations and ESG Data Products are determined.

Principle 5: Confidentiality

Guidelines 1 and 2: MSCI S&C's procedure on handling S&C Non-Public Research Information addresses proper treatment of such information.

Principle 6: Communication with Companies

Guideline 1: MSCI S&C does not use surveys in its ESG Evaluations or ESG Data Products. MSCI S&C only accepts publicly available information³ through its online issuer portal.

Guideline 2: MSCI S&C has a dedicated email address: issuercomm@msci.com where companies can send questions and raise issues regarding ESG Evaluations and ESG Data Products.

Guideline 3: In its ESG Evaluations methodologies, MSCI S&C discloses sources of information and data it uses to provide MSCI ESG Evaluations and ESG Data Products. In addition, through its online issuer portal, MSCI S&C also provides companies with the verifiable data including component scores and weightings used in MSCI ESG ratings. Companies may review this data on an ongoing basis and provide feedback at any time throughout the year.

Guideline 4: Where a company raises an issue, MSCI S&C Issuer Communications team take appropriate measures to respond to this query.

Guideline 5: MSCI S&C has established *Procedures of Engagement with Rated Entities* which are available on its website. The Procedures state out how MSCI S&C normally interacts with companies, how they could raise issues and how MSCI S&C would generally respond.

Guideline 6: Through its online issuer portal, MSCI S&C is developing a constructive dialogue with rated entities.

Contact us

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To learn more, please visit www.msci.com/msci.com/contact-us

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>.

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