

The world is rapidly changing and its interdependency and interconnectivity are accelerating at an exponential pace. These significant changes may require new approaches to investing that seriously take into account notions of sustainable finance.

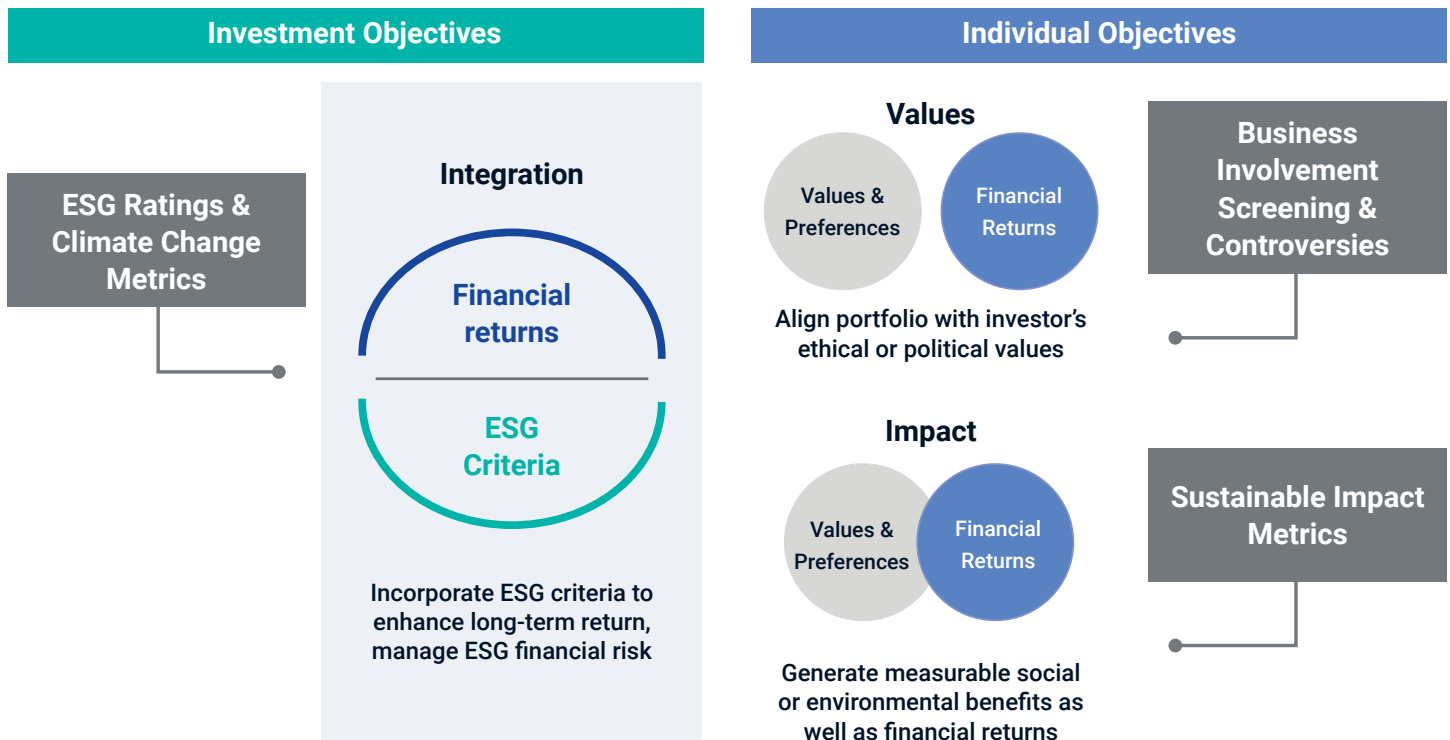
Holding long term investments typically requires understanding, identifying and managing long term financial risks and opportunities. For some investment institutions, their investment horizons are often indefinite. Therefore, their asset allocation, portfolio construction and risk management processes and decisions must regularly and rigorously assess whether their investments are resilient and can be sustained indefinitely¹. We understand today, better than ever before, how Environmental, Social and Governance (ESG) considerations can impact long term risks and opportunities in financial markets.

¹ The MSCI Principles of Sustainable Investing

[Learn more at msci.com/esg-investing](https://www.msci.com/esg-investing)

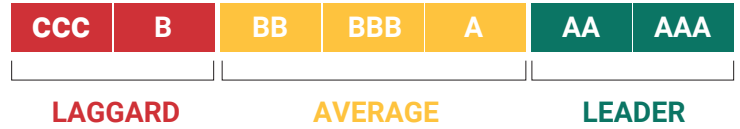
Align investor objectives with investment design

Incorporating ESG into investment strategy or creating products typically starts with understanding client objectives, which may combine elements of managing long-term risk, reflecting values and positive impact.



ESG Ratings

MSCI ESG Ratings may help investors identify environmental, social and governance (ESG) risks and opportunities within their portfolio.



- Leveraging **Artificial Intelligence (AI)**, machine learning and natural language processing augmented with
- our **200+ strong team** of analysts, we research and
- rate companies on a **'AAA' to 'CCC' scale** according to their exposure to industry-specific ESG risks and
- their ability to manage those **risks relative to peers**.

ESG Government Ratings

MSCI ESG Government Ratings identify a country's exposure to and management of environmental, social, and governance (ESG) risk factors and explain how these factors might impact the long-term sustainability of its economy. By providing a long-term view on sustainability the ratings aim to complement traditional government debt analysis for analyzing a country's credit worthiness.

ESG Controversies

MSCI ESG Controversies allows institutional investors to analyze a company's significant social, environmental, and governance impacts.

- Identify company **involvement in major ESG controversies**
- Analyse adherence to **international norms and principles**
- Assess **company performance** with respect to these norms and principles



BISR

MSCI ESG Business Involvement Screening Research is a screening service that enables institutional investors to manage ESG standards and restrictions reliably and efficiently.

Business Involvement	Global Sanctions	Controversies and Global Norms	Fossil Fuel	Sustainable Impact (Positive Screening)

- Comply with Risk Management Standards
- Manage legislative requirements
- Available on multiple platforms
- Reduce costs with automated integration
- Broad coverage universe
- Experienced global team

Climate Change Solutions

MSCI ESG Research has enabled with institutional investors to incorporate climate change considerations in their investment process by providing an extensive view of climate change risks and opportunities across multiple dimensions: emissions data, fossil fuel exposure, management assessment and clean technology exposure.



Climate Data & Metrics¹

Including Climate Value-at-Risk, carbon management assessment, carbon and clean tech metrics and fossil fuel screens.



Climate Risk Reporting¹

Scalable client reporting and automated report generation on the climate risk and opportunities exposure of your portfolio.



Scenario Analysis¹

Assess portfolio vulnerability to scenarios and the potential financial sensitivity to these risks and opportunities.



Climate Indexes¹

Indexes for institutional investors who seek to incorporate climate risks and opportunities into their investment process.

¹ Climate Data and Metrics, Climate Risk Reporting and Scenario Analysis are provided by MSCI ESG Research LLC. MSCI ESG Indexes and Analytics utilize information from, but are not provided by, MSCI ESG Research LLC. MSCI Equity Indexes are products of MSCI Inc. and are administered by MSCI UK Limited.

Sustainable Impact Metrics

MSCI ESG Sustainable Impact Metrics aims to measure revenue exposure to sustainable impact solutions and support actionable thematic allocations line with the SDGs.

MSCI ESG research taxonomy of sustainable impact solutions

Overall	Basic needs				Empowerment		
<p>Social impact</p>	<p>Nutrition</p>	<p>Major diseases treatment</p>	<p>Sanitation</p>	<p>Affordable real estate</p>	<p>SME finance</p>	<p>Education</p>	<p>Connectivity - Digital Divide</p>
Overall	Climate change			Natural capital			
<p>Environmental impact</p>	<p>Alternative energy</p>	<p>Energy efficiency</p>	<p>Green building</p>	<p>Sustainable water</p>	<p>Pollution prevention</p>	<p>Sustainable Agriculture</p>	

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.

MSCI urges all investors globally to integrate ESG considerations into their investment processes.

There should not be specialized “ESG Investing” on one side and “Non-ESG Investing” everywhere else. ESG integration is a transitional step to full incorporation of ESG considerations embedded as a core component of standard security selection, portfolio construction and risk management practices. We believe this is a permanent change to how investment strategies will be constructed and how investments will be allocated and managed. To that end, we are calling on all investors to embrace fully and rapidly accelerate this evolution. It is the right thing to do, it is the smart thing to do, and it is the right time to do it.

The MSCI Principles of Sustainable Investing
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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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About MSCI

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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