

# MSCI ESG Research Launches Tool for Companies to Analyze Their Sustainability Strategy Against Peers

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As new ESG and climate regulations move forward, MSCI Corporate Sustainability Insights gives listed companies access to metrics to set goals, track progress

NEW YORK--(BUSINESS WIRE)--Feb. 7, 2023-- MSCI Inc. (NYSE: MSCI), a leading provider of critical decision support tools and services for the global investment community, today announced the launch of MSCI Corporate Sustainability Insights – a solution designed to increase corporate sustainability executives' understanding of the ESG and climate challenges and opportunities facing their companies.

MSCI Corporate Sustainability Insights gives executives at companies tracked by MSCI ESG Research the ability to measure and compare their ESG and climate data versus peers, while also identifying potential disclosure gaps through intuitive charts, graphs, and maps.

Features of MSCI Corporate Sustainability Insights, managed by MSCI ESG Research LLC, are designed to give companies:

- Streamlined insights to support strategic planning and drive investor engagement through new visualizations of MSCI ESG Research risk and performance data, including a company's ESG Ratings, ESG Controversies, and Sustainable Development Goals Net Alignment profiles;
- Views into their risk exposure and alignment with global temperature goals through MSCI ESG Research's <u>Climate Value-at-Risk</u> and <u>Implied Temperature Rise</u> solutions;
- Help in identifying their potential disclosure gaps in carbon-related commitments through the MSCI Target Explorer tool;
- Views into climate-related risks and opportunities compared with industry peers, based on the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

MSCI ESG Research has measured and modeled the ESG performance of companies for over 40 years via extensive collection of publicly reported data and direct engagement with companies. The rising importance of ESG for investors and companies in recent years, as well as the higher level of regulatory reporting requirements, has led to greater data disclosure and dissemination from companies themselves to MSCI ESG Research. In 2022, 3,989 companies (43%) in the MSCI ACWI Investible Market Index interacted directly with MSCI ESG Research<sup>i</sup>.

As regulators have begun mandating TCFD-aligned rules, more companies are also making net-zero pledges. As of March 2022, 1,330 of the more than 2,900 constituents of the MSCI ACWI Index had set emission-reduction targetsii.

Companies are also increasing their climate-related data disclosures in lock step with institutional investors that are moving towards net-zero and other ESG and climate investing goals. The number of data points related to climate change that companies submitted to MSCI ESG Research rose from 9.914 to 14.648 between 2021and 2022<sup>iii</sup>.

Beth Byington, Global Head of Corporate ESG and Climate Solutions at MSCI, said: "The ESG and climate needs of companies have evolved dramatically as new reporting requirements from regulators and institutional investors have emerged in recent years. It is now more important than ever for listed companies to speak a common language with these audiences about financial opportunities and risks associated with subjects like climate change. MSCI Corporate Sustainability Insights was created to help corporate leaders, such as chief sustainability officers, gain further transparency into their ESG and climate profile. We hope these deeper insights will allow them to take quick, decisive action to meet their unique sustainability goals."

## **About MSCI Inc.**

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 50 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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- i Source: MSCI ESG Research LLC, as of December 31, 2022. Interaction rate is the % of companies in the relevant MSCI Index that have reached out in a given year. MSCI does not issue surveys or questionnaires.
- ii Data on companies in the MSCI ACWI Index, as of March 2022. When target announcement dates were not disclosed, we assumed the targets were set in 2021. Source: MSCI ESG Research LLC, published in "As TCFD Comes of Age, Regulators Take a Varied Approach," MSCI.com, April 21, 2022.
- iii Source: MSCI ESG Research LLC, as of December 31, 2022.

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