

ESG RATINGS CONVERSATIONS: A CLOSER LOOK INTO MSCI

MORE MEANINGFUL & VALUABLE CONNECTIONS

4 FACTORS FOR INVESTORS: QUANT ANALYSES, PORTFOLIO & RISK MGMT, PROMOTION & THOUGHT LEADERSHIP, BENCH-MARKING

60% OF DATA USED IS NOT SPECIFIC TO SUSTAINABILITY

LARGEST GLOBAL PROVIDER OF ESG RESEARCH

WHICH ESG ISSUES ARE SIGNIFICANT?



MOST RATINGS ARE STABLE

INSTITUTIONAL INVESTORS ARE OUR CLIENTS

MSCI GLOBAL GREEN BUILDING INDEX: CONCENTRATED, 15% RESIDENTIAL, 40% EUROPE, 10% US

RISK VS. OPPORTUNITY SCORE

NOT ALL INVESTMENTS ARE CERTIFIED

DIFFERENTIATION IN REAL ESTATE

ANALYTICAL SET

HOME BUILDING REITs 37 FACTORS

GREEN BUILDING: WILLINGNESS TO FIND OPPORTUNITIES

STRATEGY GOVERNANCE, PROGRAMS & INITIATIVES, ESG PERF

SOCIAL WEIGHS INTO SCORE TOO!

LABOR SUPPLY... A CONSUMER ISSUE

DATA QUALITY?

SERVING INVESTORS AND YOU!

WE ARE PERCEIVED AS THE 2ND MOST CORRUPT INDUSTRY IN THE WORLD!

MSCI ESG RATING MODEL

RESEARCH-BASED, HOW IS IT WEIGHTED?

LEADERS VS. LAGGARDS

DIFFERENT KEY ISSUES PER INDUSTRY

AHEAD OF OIL & GAS AND MINING

CORRUPTION IS TRICKY TO MEASURE

TIMELINE VS. IMPACT

PENK TEAMS

ESG RATINGS CONVO

A CLOSER LOOK INTO MSCI

THIS IS THE 2ND MOST CORRUPT INDUSTRY IN THE WORLD

INSTITUTIONAL INVESTMENT PERSPECTIVE

MSCI



770 COMPANIES ACROSS THE WORLD



RATING DISTRIBUTION MSCI ESG - BELL CURVE

'BEST ESG RESEARCH PROVIDER'

CLIENTS = INSTITUTIONAL INVESTORS

SPECIALIZED REITS: BUSINESS ACTIVITY

DATA QUALITY: ACTIVELY REACHING OUT FOR THIS



CORPORATE GOVERNANCE ANALYSIS

WHAT IS ESG?

VALUES ALIGNMENT

INVESTMENT RETURNS: RISK-RETURN PROFILE

LONG TERM: BENCHMARKING

(40%+ INCREASE IN INTEREST)

SUPPLY CHAIN ISSUES

'KEY ISSUES' USED FOR INSURANCE PRIMARILY



ANALYZING ESG FACTORS

MSCI ESG RATING MODEL



COMBINATION OF KEY ISSUES

HOW TO PICK THE KEY ISSUES?

QUALITATIVE ANALYSIS

USING PUBLICLY AVAILABLE DATA SOURCES

(NOT SPECIFIC TO SUSTAINABILITY!)

the DATA

MSCI ESG ISSUERS COMMS TEAM

ESG RATINGS DATA VERIFICATION PROCESS

LEVEL OF EXPOSURE?

WHAT IS MANAGEMENT DOING ABOUT THIS?

the EXPOSURE

GREEN BUILDING SCORE

the MGMT.

WHAT COULD THE COMPANY BE DOING?



GREEN BUILDING: ESG FACTORS

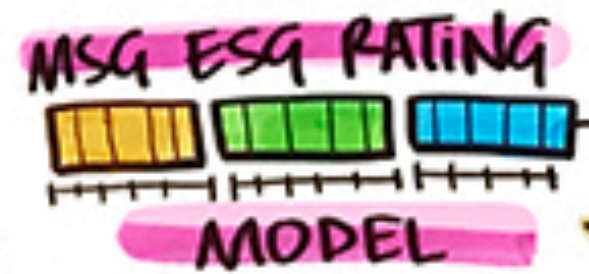


ENERGY



WATER

'GREEN BLDG' FOCUS AREAS



the RATING

USE OF MSCI ESG RATINGS

- 1. FUNDAMENTAL QUANT ANALYSIS
- 2. RISK MGMT
- 3. ANALOGIES
- 4. PASSIVE INVESTMENT

ASSET MGMT:

PEAK TEAMS