

Scorecard

# MSCI

## About MSCI

COVERAGE OF COMPANIES

**8,500**

LAUNCH DATE

**1972**

FOCUS

**Company ESG scores**

LINK:

[https://www.msci.com/our-solutions/  
esg-investing/esg-ratings](https://www.msci.com/our-solutions/esg-investing/esg-ratings)

# MSCI Score

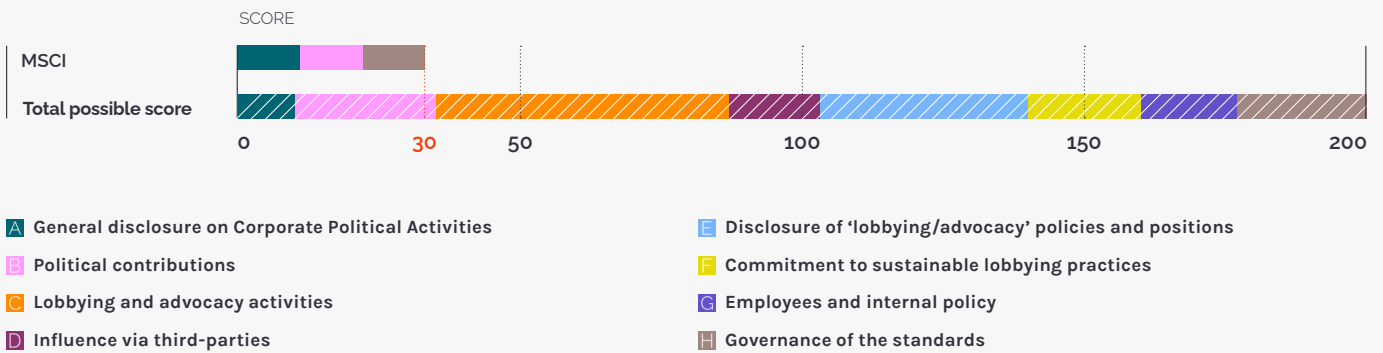
## Tracker Rank and Score for MSCI

The score is out of a total of 200 and the rank describes the standards position in the 26 standards assessed by the Tracker.



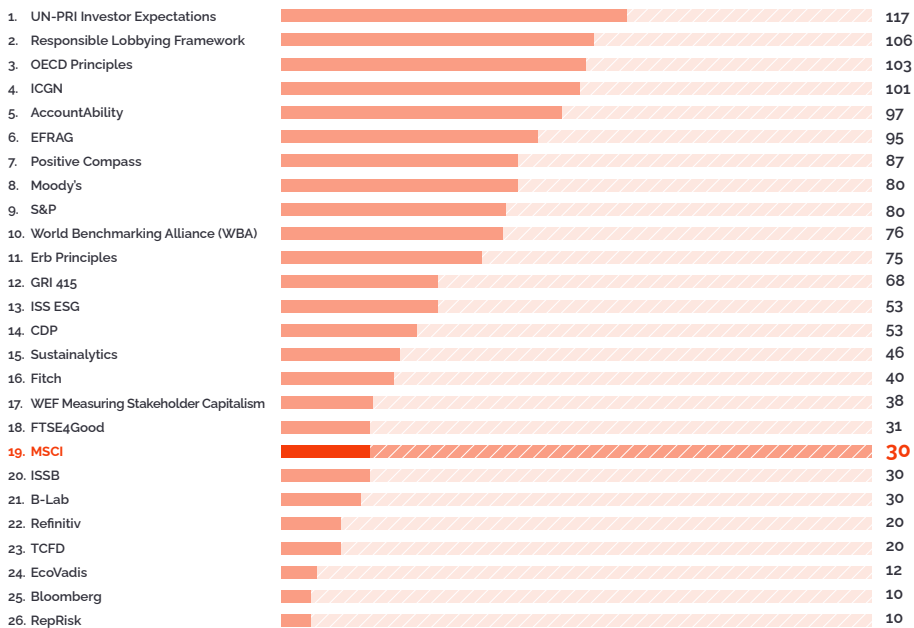
Rank 18 /26

## Category scores of MSCI



\*Categories where the standard received no points do not appear in the colour-coded graph

## Rank and scores for all standards



# Description

According to MSCI, their ESG Ratings aim to measure a company's resilience to long-term, financially relevant ESG risks, and to provide an assessment of company performance. Companies with the highest ratings are those assessed as best managing their exposures to those material ESG risks and opportunities.<sup>1</sup> MSCI ESG Ratings use a rules-based methodology designed to measure a company's resilience to long-term, industry material ESG risks. The ratings are generated using machine learning and natural language processing tools augmented with a team of over 200 human analysts. Companies are researched and then rated on a 'AAA' to 'CCC' scale according to their exposure to industry-material ESG risks and an assessment of their ability to manage those risks relative to peers.<sup>2</sup>

Within the wider ESG assessment framework, a Governance Pillar Score provides an absolute assessment of a company's overall governance that uses a universally applied 0-10 scale. Starting with a 10, the Governance Pillar Score is based on the sum of deductions derived from Key Metrics included in the Corporate Governance (including Ownership & Control, Board, Pay and Accounting) and Corporate Behavior (comprising Business Ethics and Tax Transparency) Themes. This is the area of the framework where The Good Lobby expected analysis of corporate political activities to be more complete.

## Summary

**MSCI's ESG ratings methodology received a Tracker score of 30 out of a possible total of 200.** This reflects the MSCI methodology's limited assessment of corporate political activities. The methodology receives basic points in Tracker Category A for assessing corporate political activities, but otherwise does not approach assessment of other areas of corporate lobbying conduct in a consistent or comprehensive manner.

## Opportunities for improvement

The MSCI ratings methodology would be enhanced with the addition of detailed questions on corporate political activities, across each of the 8 Tracker categories. Given the firm's globally influential role in capital allocation via its index families, and important leadership efforts in ESG ratings and systems, more progress in consistently assessing corporate political activities could help improve standards across the market, as well as supporting investors to make more informed decisions when allocating capital to optimise risk adjusted returns over time.

### Endnotes

- 1 MSCI (2023) 'ESG Ratings Methodology:' <https://www.msci.com/documents/1296102/34424357/MSCI+ESG+Ratings+Methodology+%28002%29.pdf>
- 2 'MSCI ESG Ratings:' <https://www.msci.com/documents/1296102/15233886/MSCI-ESG-Ratings-Brochure-cbr-en.pdf/7fb1ae78-6825-63cd-5b84-f4a411171d34?t=1572865945980>

[www.thegoodlobby.eu/initiatives/tracker](http://www.thegoodlobby.eu/initiatives/tracker)  
[info@thegoodlobby.eu](mailto:info@thegoodlobby.eu)

Avenue des Arts 44,  
1000 Bruxelles

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