



# Get Ready for CSRD Reporting

MSCI CSRD Metrics, an off-the-shelf solution, designed to facilitate CSRD reporting.

This information is provided "as is" and does not constitute legal advice or any binding interpretation. Any approach to comply with regulatory or policy initiatives should be discussed with your own legal counsel and/or the relevant competent authority, as needed.



This is an  
**interactive brochure**

CLARITY DRIVES ACTION

# Overview

**The European Union (EU) is raising standards for mandatory ESG and climate reporting by corporates, including large companies, banks and insurers.**

- The Corporate Sustainability Reporting Directive (CSRD), which replaces and extends the scope of reporting requirements set by the EU's Non-Financial Reporting Directive (NFRD), is expected to require approximately 50,000<sup>1</sup> companies globally to report on sustainability issues annually.
- Organisations will be required to conduct a double materiality heatmap and to report on the most material issues in a dedicated section of their management reports using the European Sustainability reporting Standards (ESRS).
- The CSRD requires that reporting be audited and filed in the European Single Electronic Format (ESEF) for aggregation in EU databases of regulated securities.

## EU Corporate Sustainability Reporting Directive (CSRD)

### What

CSRD **extends** the scope and reporting requirements compared to the **NFRD**.

Reporting requirements through the European Sustainability Reporting Standards (**ESRS**), which **include 12 ESG topics**.

### Who

All **large companies** meeting **at least 2 out of 3 criteria**<sup>2</sup>:

- > 250 employees
- > €50M Turnover
- > €25M Total Assets

Listed companies, banks and insurance companies

Small and Medium sized Enterprises (SMEs)

**Non-European Companies** with net turnover<sup>3</sup> of €150 million in the EU and which have at least one large or listed subsidiary<sup>4</sup> or a branch in the EU

### When

Entered into force on January 05, 2023

#### Application

**2025**

Companies already falling in scope of NFRD to start with CSRD compliant reporting for FY 2024

**2026**

**Large Companies** to start with CSRD compliant reporting for FY 2025

**2027**

**SMEs** to start with CSRD compliant reporting for FY 2026

**2029**

**Non-EU Companies** to start with CSRD compliant reporting for FY 2028

### How

Comply with ESRS including cross-cutting, sector-agnostic, and sector-specific guidelines.

**Conduct a double materiality assessment** to determine which sustainability factors are material and reportable.

**Requires “limited assurance” of compliance.**

Reporting will be in a separate section within the management report and digitally tagged for certain sustainability information through ESAP.

1. Corporate Sustainability Reporting Directive (CSRD) | EU Commission

2. The thresholds are subject to change depending on the final adoption of the Amendments to the Accounting Directive.

3. Net Turnover in the Accounting Directive means the amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover.

4. Subsidiary undertaking means an undertaking controlled by a parent undertaking, including any subsidiary undertaking of an ultimate parent undertaking. NB: NFRD: Non-Financial Reporting Directive. Source: MSCI ESG Research, March 2024.

# How MSCI can help

MSCI's CSRD Metrics Solution cuts through the complexities of CSRD reporting for CSO offices at financial institutions, advisors, and corporates to help facilitate CSRD alignment:

- **Conduct a double materiality assessment to determine the sustainability factors that are material and reportable for your company** – leveraging MSCI's long-standing expertise in financial materiality.

*Financial and impact materiality assessment at the sub-industry level*

- **Use our extensive ESG and Climate dataset**, designed to evolve over time to capture additional CSRD aligned metrics to - Report alongside the European Sustainability Reporting Standards (ESRS), which include cross-cutting, sector-agnostic, and sector-specific guidelines.

*350+ metrics for 11,000 companies*

- **Allow for private data collection** through our newly launched Private Data Connect Platform.

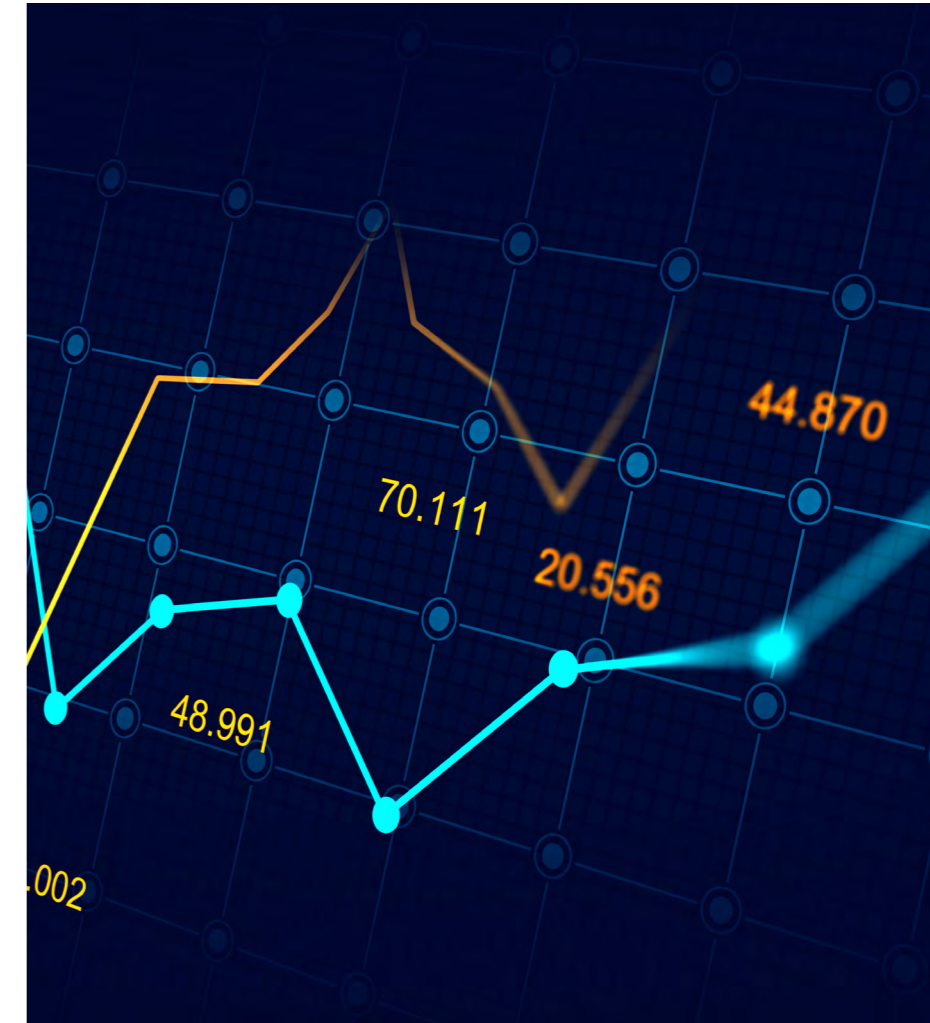
*Platform to collect data on private assets*

- **Conduct an asset-level assessment for nature relevant issues with our Geospatial database.**

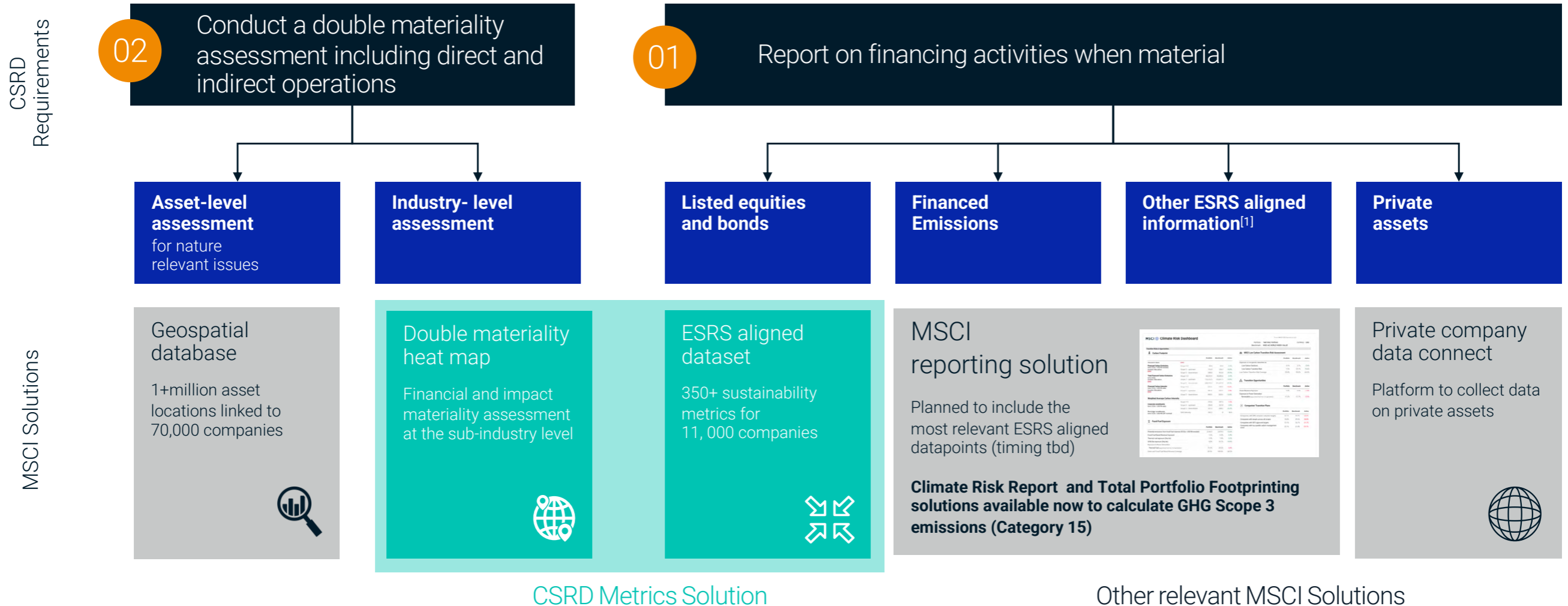
*1+million asset locations linked to 70,000 companies*

- Report on financing activities when material with our integrated reporting solutions platform - **Climate Risk Report** and **Total Portfolio Footprinting solutions available now to calculate GHG Scope 3 emissions**

*Report on financing activities when material*



# What is our proposed upcoming solution for financial institutions subject to CSRD?



1. Requirement to disclose policies, actions and targets related to their material impact, risks and opportunities in the value chain as part of the topical standards. More specific KPIS are expected to be required to disclose for downstream activities when sector specific standards are developed.  
 2. All data as of April, 2024

# Double Materiality Assessment

A cornerstone of CSRD compliance is the double materiality assessment, which evaluates the significance of sustainability factors. MSCI's framework is designed to assist companies in identifying what is material for reporting purposes.

- **Financial materiality:** MSCI ESG Industry Financial Materiality map provides an assessment of the long-term resilience of companies to ESG issues and is publicly available.
- **Impact materiality:** MSCI ESG Industry Impact Materiality map provides a heat map of the positive and negative impact of companies.

## Consumer Staples Sector

	Drug Retail	Tobacco	Soft Drinks & Non-alcoholic beverage	Agricultural Products <sup>1</sup>	Household Products	Personal Care Products
<b>ESRS E1 Climate Change</b>						
Climate change mitigation			Significant Negative Impact	Significant Negative Impact / Significant Positive Impact	Significant Negative Impact	Significant Negative Impact
<b>ESRS E3 Water and Marine Resources</b>						
Water withdrawal		Significant Negative Impact	Significant Negative Impact	Significant Negative Impact	Significant Negative Impact	
<b>ESRS E4 Biodiversity &amp; Ecosystems</b>						
Land-use change, fresh water use change		Significant Negative Impact	Significant Negative Impact	Significant Negative Impact	Significant Negative Impact	Significant Negative Impact
<b>ESRS S1 Own Workforce</b>						
Adequate Wages	Significant Negative Impact	Significant Negative Impact	Significant Negative Impact	Significant Negative Impact		
<b>ESRS S3 Affected Communities</b>						
Water and Sanitation					Significant Positive Impact	Significant Positive Impact
Rights of indigenous people				Significant Negative Impact		
<b>ESRS S4 Consumers and End-users</b>						
Privacy	Significant Negative Impact					

Legend:

- Significant Negative Impact
- Significant Positive Impact
- Significant Negative Impact / Significant Positive Impact

To gain insight into our impact materiality assessment framework please [download](#) a sample and get in touch with our team to explore how we can assist you in your CSRD reporting journey.

# Why MSCI

## Extensive Sustainability and Regulatory Expertise

Our organisation combines a large team of ESG analysts, a dedicated policy research team, a Global Regulatory Affairs team monitoring over 200 international regulations, and a consultant group providing localized regulatory guidance.

**MSCI is a member of several working groups** globally (e.g., ESMA, CCFD, ESRS DRCF etc.) and we regularly engage with regulators to better monitor trends and share expertise.

## Commitment to Quality

We capture new data sets, enhance existing models and develop new models to cover evolving ESG & Climate needs and regulatory requirements impacting our clients globally.

We are committed to transparency and make key ESG methodologies public (e.g., SFDR, ESG Ratings etc.)

We have developed a **robust and an extensive data collection and research process** with the aim to deliver high quality and transparent data to our clients including dual vendor validation **(3 million data points collected annually with data accuracy above 99.9%)**

## Full Portfolio Coverage

We provide the broadest coverage of asset classes and securities to enable a consistent approach across the full portfolio, with a focus on fixed income and private assets

Our coverage universe includes 17,000 issuers and 950,000 securities, 53,000 funds and 175 sovereigns.<sup>1</sup>

In addition, our **Taxonomy offering includes all companies subject to NFRD**

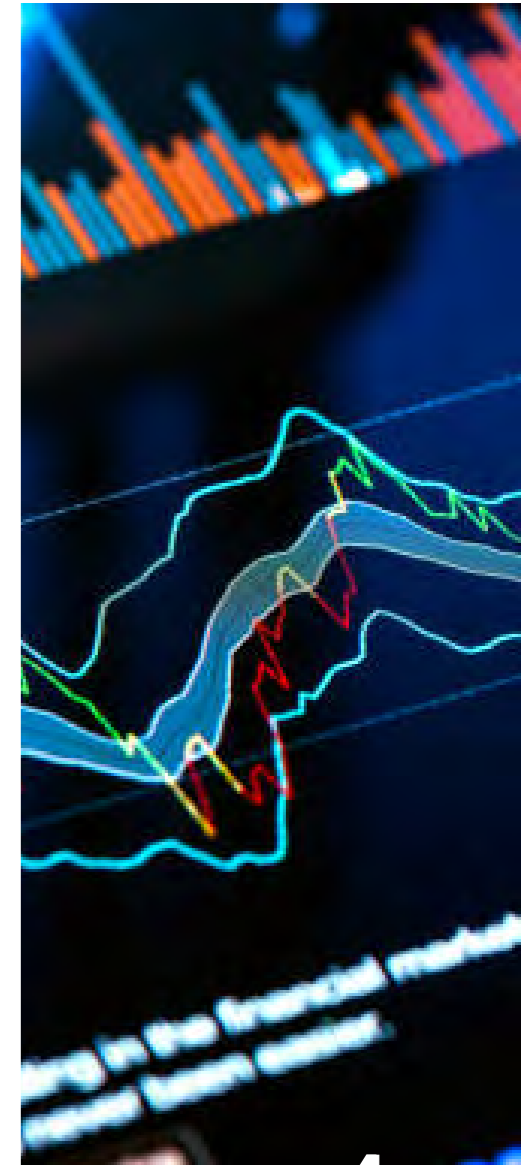
## Integrated Solutions

**Data & Analytics:** MSCI provides both reported and estimated metrics designed to align with all key ESG & Climate regulations impacting investors globally

**Reporting and Index solutions:** EU sustainable Finance metrics are available for more than 6,000 indexes. We have also developed thorough robust reporting solutions (e.g., SFDR PASI statement, periodic reporting)

# MSCI Sustainability & Climate Data – Quality Assurance

<b>Data Governance</b>	Thorough data methodology, cataloging, data structure, QA methodologies, data receipts <b>help maintain data consistency and quality.</b>
<b>Domain Expertise</b>	<b>Global Industry expertise</b> (11 Sectors), <b>deep and broad content knowledge</b> (10 differentiated domain expertise) coupled with <b>strong local market presence.</b>
<b>Data Quality</b>	Defined by <b>thoroughness, comprehensiveness, immediacy and exactness</b> as well as <b>traceability back to source</b> (evidences). Verification: <b>We include Issuers in our quality process</b> via a two ways open channels of communications.
<b>Technology Driven</b>	<b>We leverage technology in all steps of our data creation</b> , to provide scale, speed, and unique and differentiated data.
<b>AI Powered</b>	We are using various <b>AI technics</b> ranging from traditional <b>NLP and LLM</b> for document identification, classification and data extraction, to <b>ML models</b> to identify contextual anomalies.
<b>Transparency &amp; Documentation</b>	We focus on <b>clear, public methodologies, source disclosure, and data type transparency.</b> Rigorous <b>quality checks, dual vendor validation, and a correction policy</b> enhance data reliability.



# Standard and Regulatory Reporting Library

Our standard suite of reports are designed to help deliver on climate commitments and align with regulatory disclosures.

## Standard reports

### Climate Standard Reports

- MSCI Carbon Footprint Calculator Report
- MSCI Climate Risk Report
- MSCI Total Portfolio Footprinting

### ESG Standard Reports

- MSCI ESG Portfolio Summary Report
- MSCI ESG Portfolio Extended Summary Report

## Regulatory reports

### EU Sustainable Finance Regulatory

- MSCI EU Taxonomy Report
- MSCI SFDR Annual PASI Statement
- MSCI SFDR Point-in-Time PASI Statement
- MSCI SFDR Product Disclosures Report

### Climate Regulatory

- MSCI Swiss Climate Score Report







# Contact us

## AMERICAS

US	+1 888 588 4567 (toll free)
Canada	+1 416 628 1007
Brazil	+55 11 4040 7830
Mexico	+52 81 1253 4020

## ASIA PACIFIC

China	North: 10800 852 1032 (toll free) South: 10800 152 1032 (toll free)
Hong Kong	+852 2844 9333
India	+91 22 6784 9160
Malaysia	1800818185 (toll free)
South Korea	00798 8521 3392 (toll free)
Singapore	800 852 3749 (toll free)
Australia	+612 9033 9333
Taiwan	008 01 12 7513 (toll free)
Thailand	0018 0015 6207 7181 (toll free)
Japan	+81 3 4579 0333

## EUROPE, MIDDLE EAST & AFRICA

South Africa	+27 21 673 0103
Germany	+49 69 133 859 00
Switzerland	+41 22 817 9400
United Kingdom	+44 20 7618 2222
Italy	+39 025 849 0415
France	+33 17 6769 810

# 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.

# 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.

To learn more, please visit [www.msci.com](http://www.msci.com).

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI ESG Research. The Information may not be used to verify or correct other data, to create any derivative works, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. MSCI ESG Research is provided by MSCI Inc.'s subsidiary, MSCI ESG Research LLC, a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body.

None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information is intended to constitute a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. MSCI ESG and climate ratings, research and data are produced by MSCI ESG Research LLC, a subsidiary of MSCI Inc. MSCI ESG Indexes, Analytics and Real Estate are products of MSCI Inc. that utilize information from MSCI ESG Research LLC. MSCI Indexes are administered by MSCI Limited (UK). The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "INFORMATION PROVIDER") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH INFORMATION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE INFORMATION PROVIDERS HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited. Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.

Please note that the issuers mentioned in MSCI ESG Research materials sometimes have commercial relationships with MSCI ESG Research and/or MSCI Inc. (collectively, "MSCI") and that these relationships create potential conflicts of interest. In some cases, the issuers or their affiliates purchase research or other products or services from one or more MSCI affiliates. In other cases, MSCI ESG Research rates financial products such as mutual funds or ETFs that are managed by MSCI's clients or their affiliates, or are based on MSCI Inc. Indexes. In addition, constituents in MSCI Inc. equity indexes include companies that subscribe to MSCI products or services. In some cases, MSCI clients pay fees based in whole or part on the assets they manage. MSCI ESG Research has taken a number of steps to mitigate potential conflicts of interest and safeguard the integrity and independence of its research and ratings. More information about these conflict mitigation measures is available in our Form ADV, available at <https://adviserinfo.sec.gov/firm/summary/169222>.



This document and all of the information contained in it, including without limitation all text, data, graphs, charts (collectively, the "Information") is the property of MSCI Inc. or its subsidiaries (collectively, "MSCI"), or MSCI's licensors, direct or indirect suppliers or any third party involved in making or compiling any Information (collectively, with MSCI, the "Information Providers") and is provided for informational purposes only. The Information may not be modified, reverse-engineered, reproduced or disseminated in whole or in part without prior written permission from MSCI. All rights in the Information are reserved by MSCI and/or its Information Providers.

The Information may not be used to create derivative works or to verify or correct other data or information. For example (but without limitation), the Information may not be used to create indexes, databases, risk models, analytics, software, or in connection with the issuing, offering, sponsoring, managing or marketing of any securities, portfolios, financial products or other investment vehicles utilizing or based on, linked to, tracking or otherwise derived from the Information or any other MSCI data, information, products or services.

The user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF THE INFORMATION PROVIDERS MAKES ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS WITH RESPECT TO THE INFORMATION (OR THE RESULTS TO BE OBTAINED BY THE USE THEREOF), AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH INFORMATION PROVIDER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF ORIGINALITY, ACCURACY, TIMELINESS, NON-INFRINGEMENT, COMPLETENESS, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WITH RESPECT TO ANY OF THE INFORMATION.

Without limiting any of the foregoing and to the maximum extent permitted by applicable law, in no event shall any Information Provider have any liability regarding any of the Information for any direct, indirect, special, punitive, consequential (including lost profits) or any other damages even if notified of the possibility of such damages. The foregoing shall not exclude or limit any liability that may not be applicable law be excluded or limited, including without limitation (as applicable), any liability for death or personal injury to the extent that such injury results from the negligence or willful default of itself, its servants, agents or sub-contractors.

Information containing any historical information, data or analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. Past performance does not guarantee future results.

The Information may include "Signals," defined as quantitative attributes or the product of methods or formulas that describe or are derived from calculations using historical data. Neither these Signals nor any description of historical data are intended to provide investment advice or a recommendation to make (or refrain from making) any investment decision or asset allocation and should not be relied upon as such. Signals are inherently backward-looking because of their use of historical data, and they are not intended to predict the future. The relevance, correlations and accuracy of Signals frequently will change materially.

The Information should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. All Information is impersonal and not tailored to the needs of any person, entity or group of persons.

None of the Information constitutes an offer to sell (or a solicitation of an offer to buy), any security, financial product or other investment vehicle or any trading strategy.

It is not possible to invest directly in an index. Exposure to an asset class or trading strategy or other category represented by an index is only available through third party investable instruments (if any) based on that index. MSCI does not issue, sponsor, endorse, market, offer, review or otherwise express any opinion regarding any fund, ETF, derivative or other security, investment, financial product or trading strategy that is based on, linked to or seeks to provide an investment return related to the performance of any MSCI index (collectively, "Index Linked Investments"). MSCI makes no assurance that any Index Linked Investments will accurately track index performance or provide positive investment returns. MSCI Inc. is not an investment adviser or fiduciary and MSCI makes no representation regarding the advisability of investing in any Index Linked Investments.

Index returns do not represent the results of actual trading of investible assets/securities. MSCI maintains and calculates indexes, but does not manage actual assets. The calculation of indexes and index returns may deviate from the stated methodology. Index returns do not reflect payment of any sales charges or fees an investor may pay to purchase the securities underlying the index or Index Linked Investments. The imposition of these fees and charges would cause the performance of an Index Linked Investment to be different than the MSCI index performance.

The Information may contain back tested data. Back-tested performance is not actual performance, but is hypothetical. There are frequently material differences between back tested performance results and actual results subsequently achieved by any investment strategy.

Constituents of MSCI equity indexes are listed companies, which are included in or excluded from the indexes according to the application of the relevant index methodologies. Accordingly, constituents in MSCI equity indexes may include MSCI Inc., clients of MSCI or suppliers to MSCI. Inclusion of a security within an MSCI index is not a recommendation by MSCI to buy, sell, or hold such security, nor is it considered to be investment advice.

Data and information produced by various affiliates of MSCI Inc., including MSCI ESG Research LLC and Barra LLC, may be used in calculating certain MSCI indexes. More information can be found in the relevant index methodologies on [www.msci.com](http://www.msci.com).

MSCI receives compensation in connection with licensing its indexes to third parties. MSCI Inc.'s revenue includes fees based on assets in Index Linked Investments. Information can be found in MSCI Inc.'s company filings on the Investor Relations section of [msci.com](http://msci.com).

MSCI ESG Research LLC is a Registered Investment Adviser under the Investment Advisers Act of 1940 and a subsidiary of MSCI Inc. Neither MSCI nor any of its products or services recommends, endorses, approves or otherwise expresses any opinion regarding any issuer, securities, financial products or instruments or trading strategies and MSCI's products or services are not a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such, provided that applicable products or services from MSCI ESG Research may constitute investment advice. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. MSCI ESG and climate ratings, research and data are produced by MSCI ESG Research LLC, a subsidiary of MSCI Inc. MSCI ESG Indexes, Analytics and Real Estate are products of MSCI Inc. that utilize information from MSCI ESG Research LLC. MSCI Indexes are administered by MSCI Limited (UK).

Please note that the issuers mentioned in MSCI ESG Research materials sometimes have commercial relationships with MSCI ESG Research and/or MSCI Inc. (collectively, "MSCI") and that these relationships create potential conflicts of interest. In some cases, the issuers or their affiliates purchase research or other products or services from one or more MSCI affiliates. In other cases, MSCI ESG Research rates financial products such as mutual funds or ETFs that are managed by MSCI's clients or their affiliates, or are based on MSCI Inc. Indexes. In addition, constituents in MSCI Inc. equity indexes include companies that subscribe to MSCI products or services. In some cases, MSCI clients pay fees based in whole or part on the assets they manage. MSCI ESG Research has taken a number of steps to mitigate potential conflicts of interest and safeguard the integrity and independence of its research and ratings. More information about these conflict mitigation measures is available in our Form ADV, available at <https://adviserinfo.sec.gov/firm/summary/169222>.

Any use of or access to products, services or information of MSCI requires a license from MSCI. MSCI, Barra, RiskMetrics, IPD and other MSCI brands and product names are the trademarks, service marks, or registered trademarks of MSCI or its subsidiaries in the United States and other jurisdictions. The Global Industry Classification Standard (GICS) was developed by and is the exclusive property of MSCI and S&P Global Market Intelligence. "Global Industry Classification Standard (GICS)" is a service mark of MSCI and S&P Global Market Intelligence.

MIFID2/MIFIR notice: MSCI ESG Research LLC does not distribute or act as an intermediary for financial instruments or structured deposits, nor does it deal on its own account, provide execution services for others or manage client accounts. No MSCI ESG Research product or service supports, promotes or is intended to support or promote any such activity. MSCI ESG Research is an independent provider of ESG data.

Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.