MSCI A Clear View of Risk and Return

MSCI ESG Research

PRI in Person - Water Risks Panel

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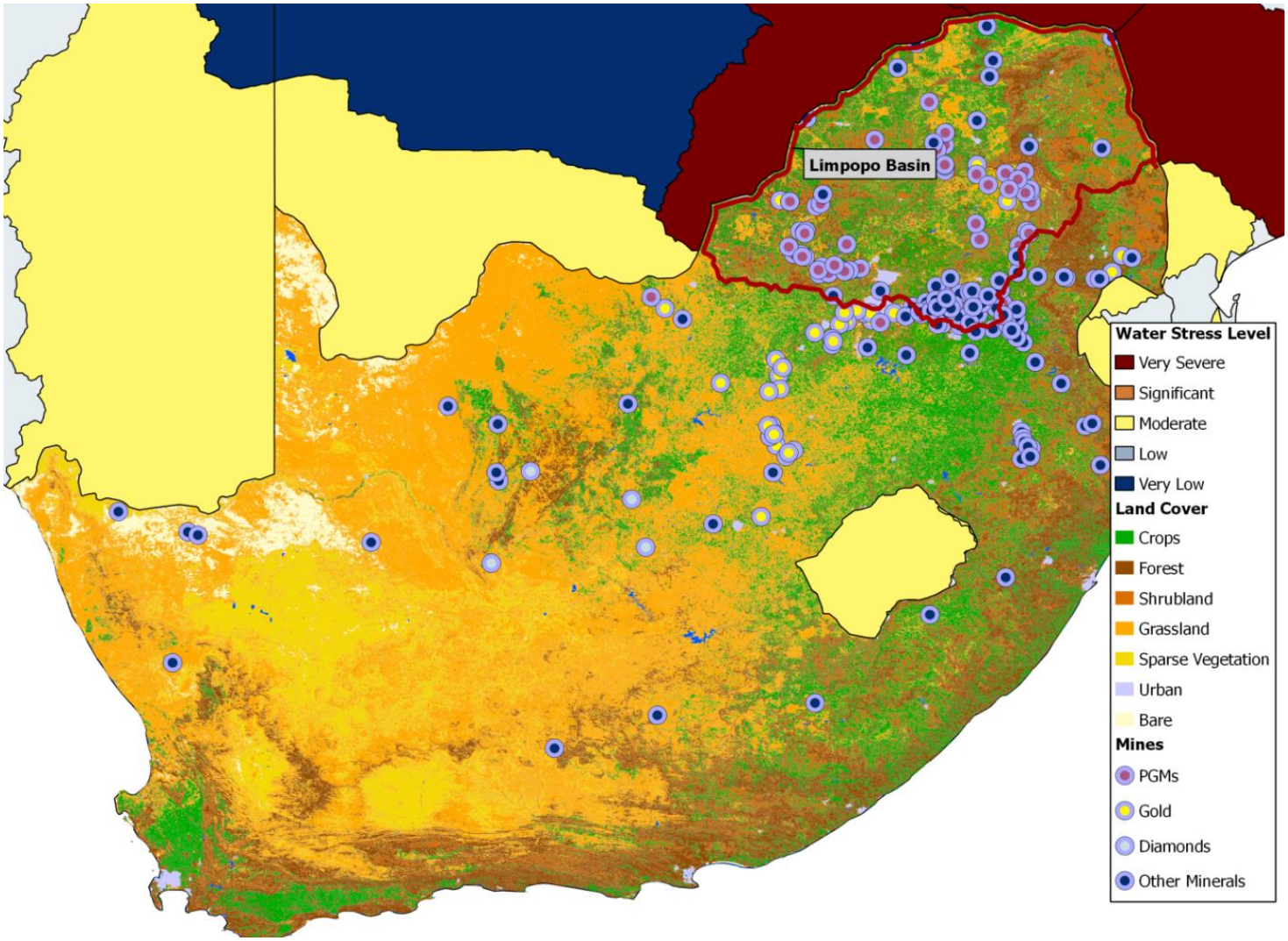
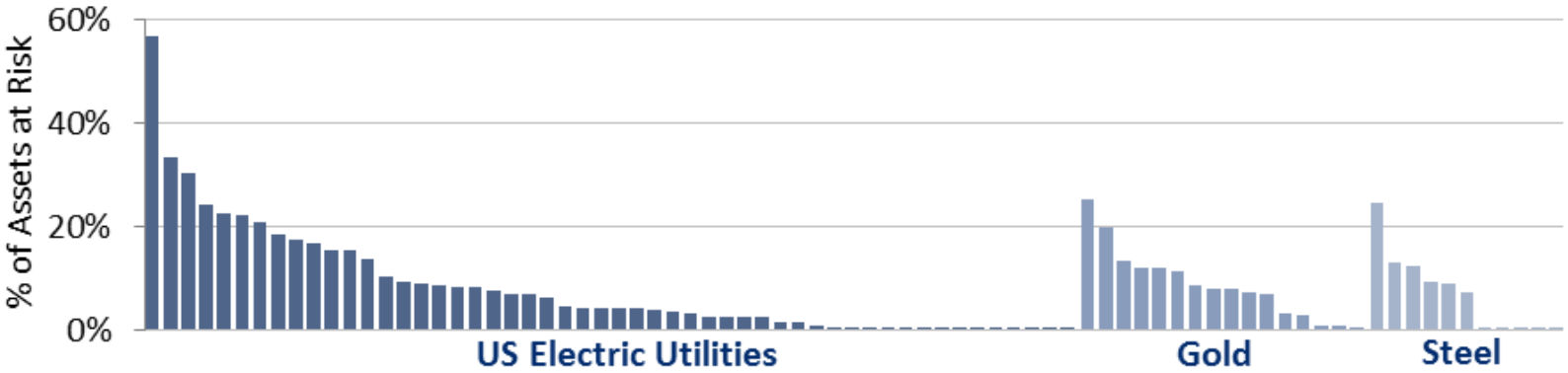
A Recipe for Conflict : Mining & Agriculture in South Africa



Source: GLOBCOVER by ESA/UNEP/FAO/JRC/IGBP/GOFC-GOLD; SNL Metal Economics Group; Hoekstra, A.Y. and Mekonnen, M.M. (2011); MSCI ESG Research

Quantifying Water Risks

Asset at Risk by industry



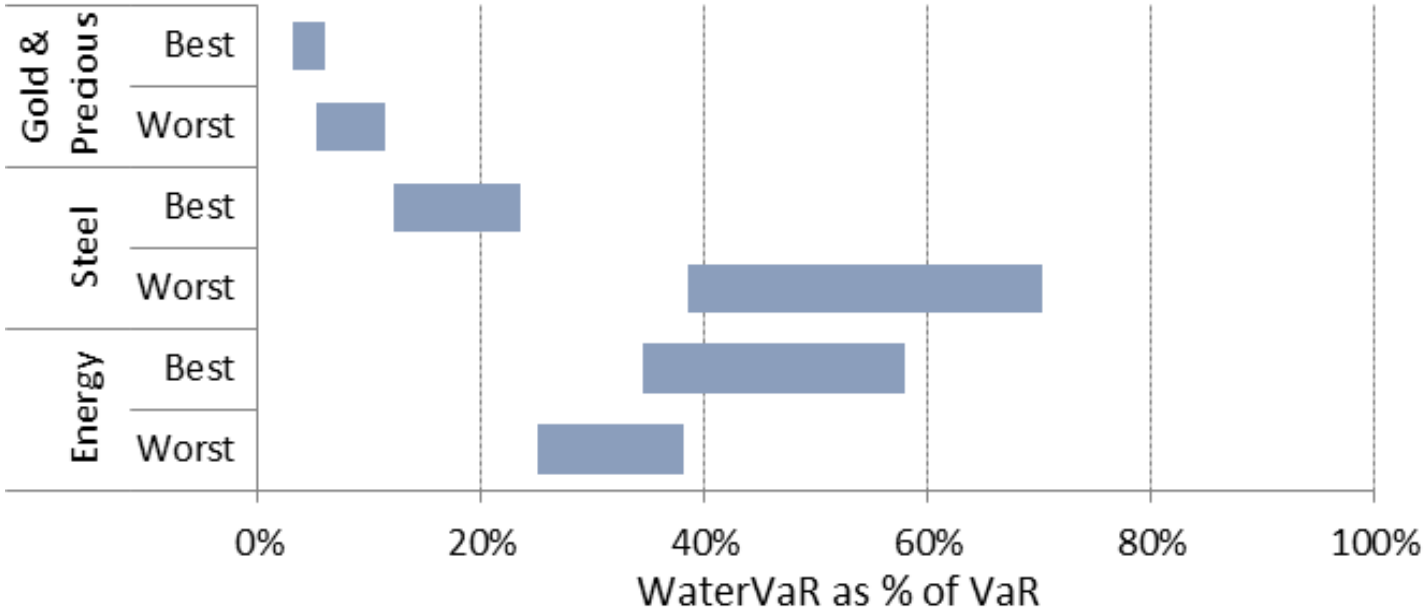
Source: MSCI ESG Research

Water Risk by number

Sector	Type of Water Risk		Exposure to Material Losses Related to Water Stress	
	Direct	Indirect		
Utilities	X		**20 Bn**	Sales at risk among US IMI electric utilities
Steel	X		**up to 29%**	Sales at risk among MSCI ACWI steel companies
Mining	X		**10%**	Global gold reserve value at risk among MSCI ACWI gold companies
Food		X	**36.5%**	10-year decrease in gross margins of meat producers
Beverages		X	**155 liters**	Water required to produce one liter of beer

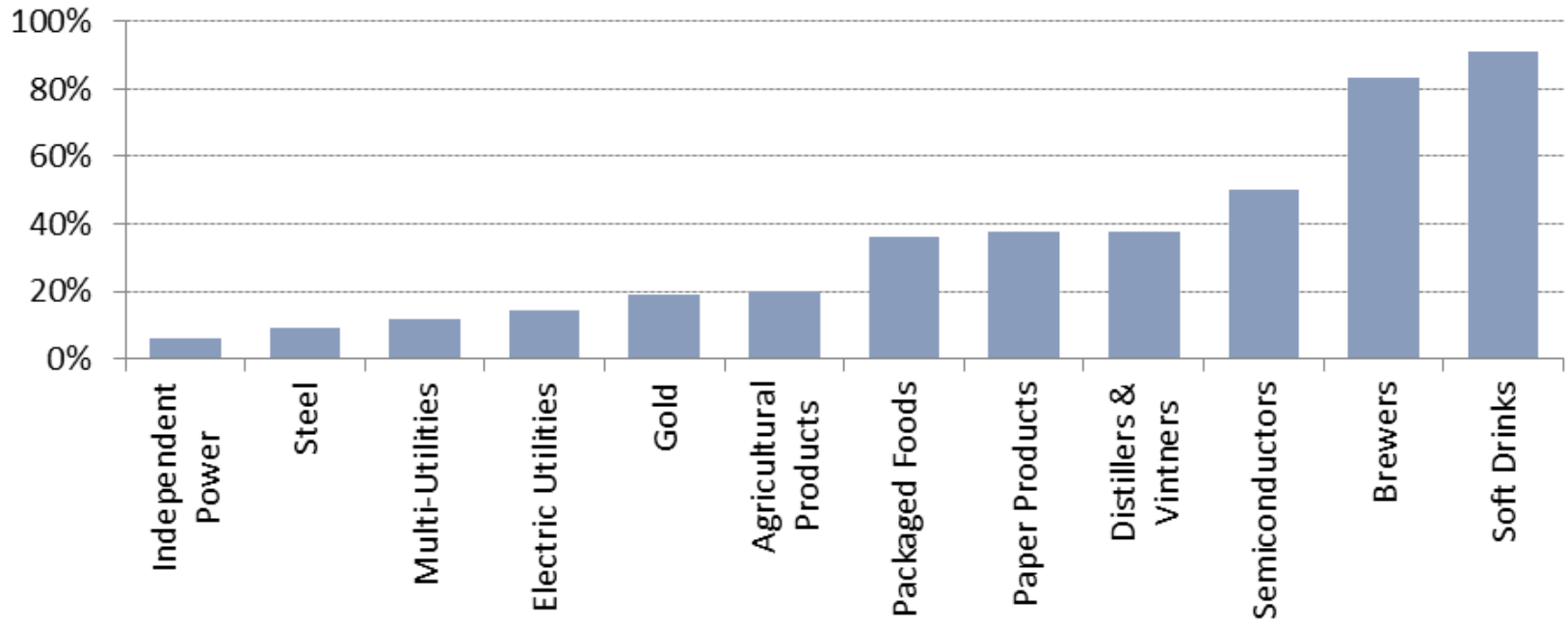
Source: MSCI ESG Research

WaterVaR as % of VaR for Best and Worst Companies On Water Risk Management



Source: Water Risk Analytics LLC, MSCI ESG Research

Misallocation of Management Resources



Source: MSCI ESG Research

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