

MSCI to launch two series of provisional EU Climate Indexes

London, November 7, 2019 - MSCI Inc. (NYSE: MSCI), a leading provider of critical decision support tools and services for the global investment community, today announces that it has launched two series of provisional climate indexes which are designed to meet the minimum standards for the “EU Climate Transition benchmark” (CTB) and “EU Paris-aligned benchmark” (PAB) as defined in the [“Final Report on Climate Benchmarks and Benchmarks’ ESG Disclosures”](#) published by EU Commission’s Technical Expert Group (TEG) on Sustainable Finance on September 30, 2019.

As defined by the TEG, the CTB and PAB were created as two types of benchmarks that would allow investors not only to hedge against climate transition risks but also have the ambition to direct their investments towards opportunities related to the energy transition. The PAB is designed for highly focused climate-related investment strategies characterized by stricter minimum requirements, while the CTB allows for greater diversification.

While the final delegated acts, including the requirements for the CTB and PAB, are yet to be published, MSCI has decided to launch the MSCI Provisional Climate Change EU Climate Transition indexes and MSCI Provisional Climate Change EU Paris-Aligned indexes in order to help clients evaluate and test them.

Assuming that the final CTB and PAB requirements do not materially diverge from the recommendation included in the TEG’s Final Report, MSCI intends to transition the methodology of the existing MSCI Climate Changes Indexes to the MSCI Provisional Climate Change EU Climate Transition indexes methodology by April 30, 2020. This transition will be subject to a global public consultation as per MSCI’s policies.

In line with the TEG’s Final Report, both series of provisional indexes will pursue, amongst other things, a reduced carbon intensity and exclude Controversial Weapons and companies that breach global norms. They will also incorporate a year on year self-decarbonization of at least 7% on average in order to align with the trajectory of the Intergovernmental Panel on Climate Change’s 1.5-degree scenario. In addition, the MSCI Provisional Climate Change EU Paris-Aligned indexes will apply explicit screens to exclude carbon intensive companies.

Stephane Mattatia, Head of Index Products EMEA at MSCI, comments, “MSCI is committed to the continued development of our climate change solutions using next generation data, analysis and tools to reflect industry and regulatory developments. These two new index series will allow investors to better grasp the characteristics and associated implications of the new benchmark types defined by the EU Technical Expert Group for Sustainable Finance.”

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About MSCI

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 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.

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