

## MSCI expands climate solutions with the launch of new climate change indexes

**LONDON, 20 JUNE 2019** – MSCI Inc. (NYSE: MSCI), a leading provider of critical decision support tools and services for the global investment community, today announces the expansion of its range of climate indexes to help investors navigate and measure the investment opportunities and risks associated with the transition to a low carbon economy.

The new MSCI Climate Change Indexes are part of a holistic toolkit to help investors build more climate resilient portfolios and integrate climate risk considerations in their global equity investment process, through a simple, rules-based reweighting methodology.

The indexes re-weight securities based on MSCI's Low Carbon transition score, which consistently measures a company's exposure to low carbon transition risk, carbon emissions and fossil fuel reserves, and its exposure to opportunities including alternative energy and clean-technology. They can be used as a standalone index or as an overlay to an overall ESG strategy.

**Remy Briand, Head of ESG at MSCI**, commented, "The devastating impacts of climate change will be felt beyond the traditional horizons of most sectors and it is critical that the investment industry collaborates to enable the transition to a low carbon economy, before climate change becomes a defining issue for financial stability.

"While there are transition risks associated with taking early action, there is a growing body of evidence to show that earlier action will ultimately mean a less costly adjustment. At MSCI, we continue to develop our climate change solutions using next generation data, analysis and tools to help with the 1.5-degree alignment and as climate research continues to evolve, we will ensure the MSCI Climate Change Indexes reflect the latest developments."

EDF, the French utility company, has adopted the MSCI Climate Change Indexes as part of the company's €28.1 billion dedicated assets fund for secure financing of long-term nuclear commitments (nuclear plant decommissioning expenses and long-term storage expenses for radioactive waste).

**Bernard Descreux, Director of the Asset Management division at EDF**, commented, "As a responsible asset manager, we firmly believe that enabling the transition to a low carbon economy is crucial to the development of a sustainable financial system. We are confident that MSCI is the right partner for us as we seek to ensure we are investing responsibly for the long-term."

### About the MSCI Climate Change Indexes

The MSCI Climate Change Indexes aim to increase exposure to those companies providing solutions to address climate change, with twice the exposure to clean technology companies when compared to the underlying benchmark. The Indexes also help to reduce exposure to stranded assets with 50 percent lower exposure to thermal coal and four times less exposure to companies with carbon intensive products than the underlying index.

The Indexes have four applications for investors:

- As an investment policy benchmark to guide strategic asset allocation;
- To act as the underlying index for passive products, including ETFs and mutual funds;
- As a benchmark to measure performance of asset managers and a tool to understand the impact of climate related risks on the risk and return drivers of portfolios;
- As a scalable way to engage with companies to improve ESG performance – the Indexes do not exclude securities based on their climate performance, therefore supports long-term engagement with companies.

The new Climate Change Indexes add to MSCI’s existing range of climate indexes aiming to meet the needs of institutional investors seeking to address climate change in their portfolios, including the MSCI Low Carbon Indexes and MSCI Global Environmental Indexes.

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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](http://www.msci.com).

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