

# MSCI Climate Change Indexes

Enabling investors to build more climate resilient portfolios

The MSCI Climate Change Indexes consider both the opportunities and risks associated with transition to a low carbon economy, enabling institutional investors and wealth managers to integrate climate risk considerations in their global equity investment process. The indexes are designed to exceed the minimum requirements of the EU Climate Transition Benchmark minimum requirements.

## Key features

### Shift from carbon intensive to green

- Indexes aim to reduce their emissions
- Indexes aim to increase their exposure to climate solutions providers

### Broad & diversified

- Limited number of exclusions\*

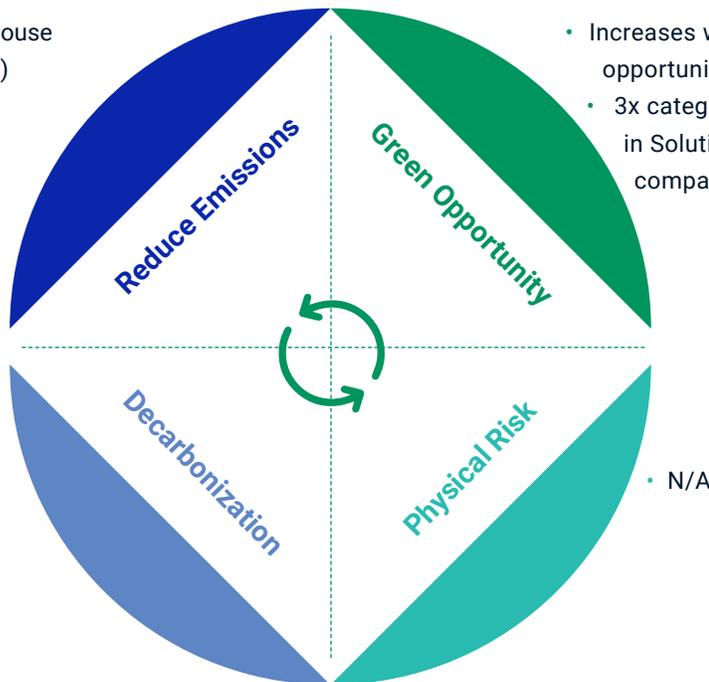
### Multifunctional

- Implementable as a standalone index
- Or can be used as part of an existing ESG strategy

## The indexes apply an heuristics-based approach in order to meet the following objectives:

- Minimum 30% reduction in Greenhouse Gas (GHG) intensity (Scope 1+2+3) relative to the Reference Index
- Potential emission intensity 30% lower
- Neutral exposure to high impact sector

- Annual decarbonization at 7% starting June 1st 2021 (base date)



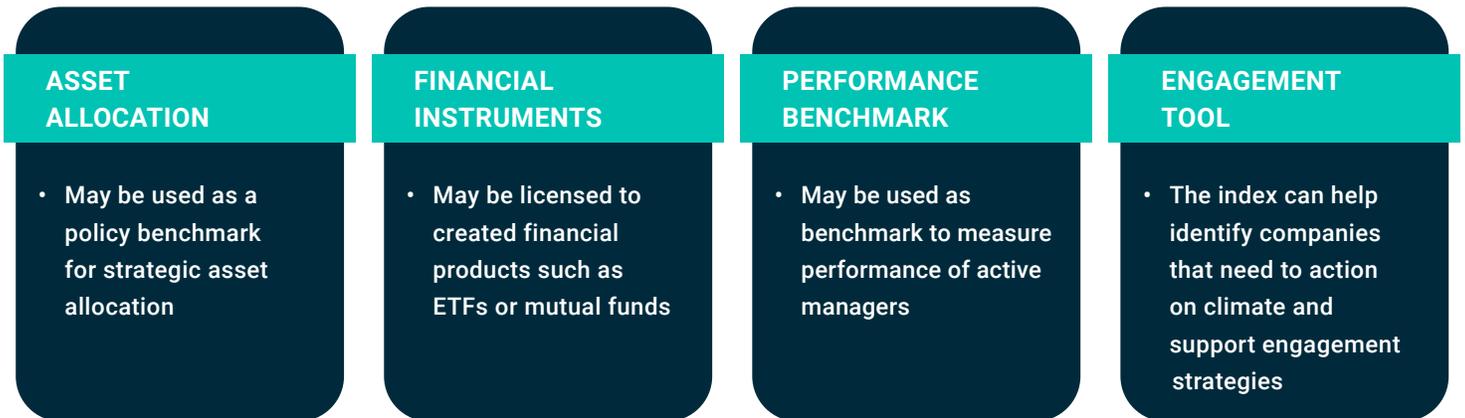
- Increases weight in companies which see opportunities from climate transition
- 3x category tilt score for companies in Solutions LCT Category (green companies) to the parent index

**Weight Tilt - Combined Score - Category Tilt Score \* Relative Tilt Score**

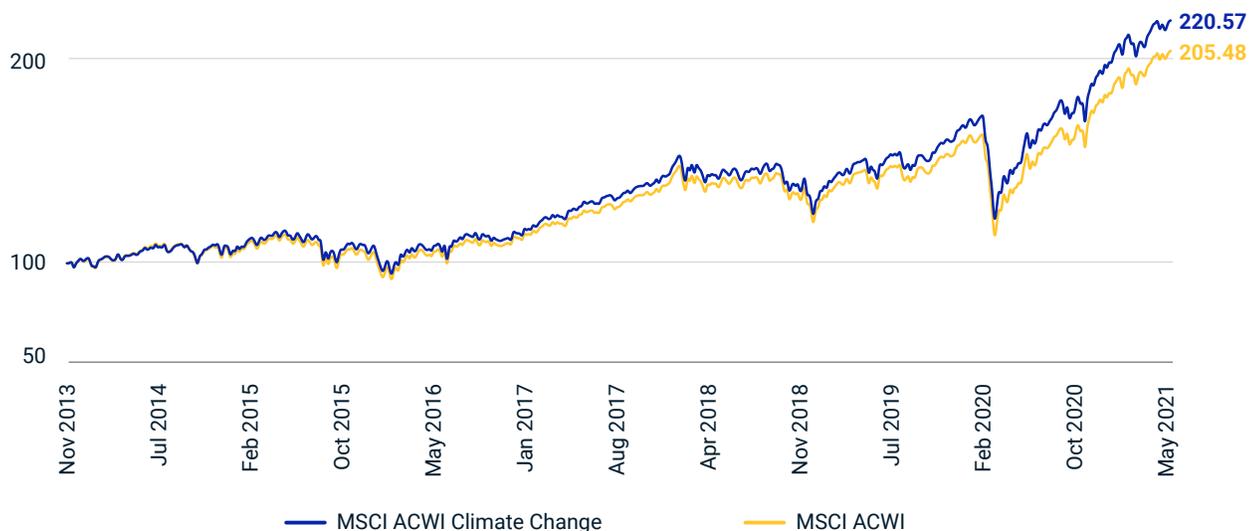
\*[https://www.msci.com/eqb/methodology/meth\\_docs/MSCI\\_Climate\\_Change\\_Indexes\\_Methodology\\_May2021.pdf](https://www.msci.com/eqb/methodology/meth_docs/MSCI_Climate_Change_Indexes_Methodology_May2021.pdf)

## Key use cases

The MSCI Climate Change Indexes are rules-based, transparent and designed to be replicable for clients seeking to implement a climate strategy.



## Cumulative index performance (As of May 28, 2021) Index performance (USD)



The "ACWI Climate Change Sim" represents the historical simulation using the enhanced climate change index methodology.

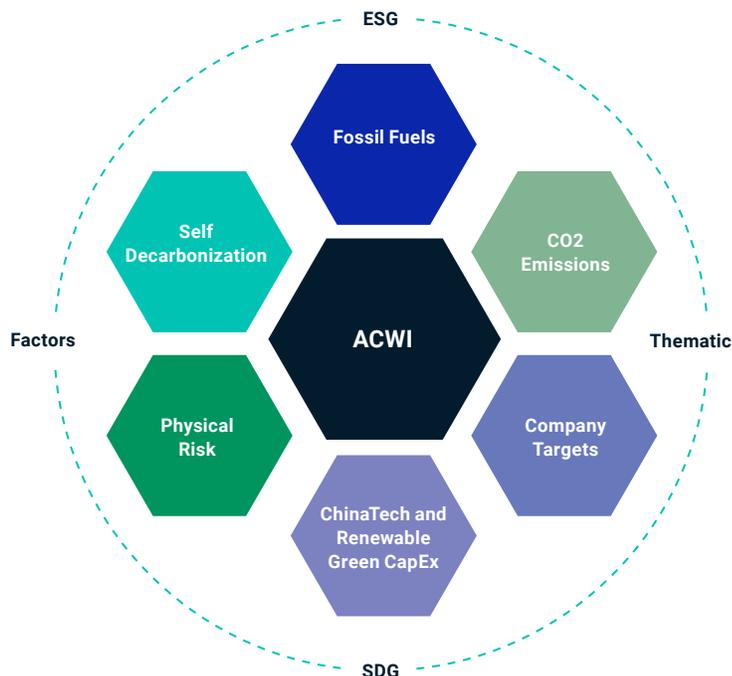
As of May 28, 2021

MSCI IndexMetrics®

This chart contains analysis of historical data, which includes backtested or simulated performance results. There are frequently material differences between backtested or simulated performance results and actual results subsequently achieved by any investment strategy. The analysis and observations are limited solely to the period of the relevant historical data, backtest or simulation. Past performance – whether actual, backtested or simulated – is no indication or guarantee of future performance. None of the information or analysis herein is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision or asset allocation and should not be relied on as such.

## MSCI Climate Indexes suite

MSCI offers a wide range of custom index capabilities to help investors integrate climate in their investment process in a way that is aligned with their specific objectives. Climate index features can be combined with ESG or Factors in equity and fixed income indexes.



## MSCI Climate Solutions

Our Climate Solutions give you access to a wide range of tools and data designed to enable you to address a variety of needs. This includes measuring and reporting on climate risk exposure, implementing low carbon fossil-fuel-free strategies, factoring climate change research into risk management processes, engaging companies and external stakeholders, and implementing a net-zero strategy.

For information visit [msci.com/climate-change-solutions](https://www.msci.com/climate-change-solutions)

## About MSCI ESG Research products and services

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