

Index Carbon Footprint Metrics

MSCI reports the carbon footprint of its flagship global indexes in response to the growing commitments by asset owners and asset managers to understand, measure, and manage carbon risk in their portfolios.

Climate change presents one of the largest economic and political challenges of the 21st century. Over the coming decades, efforts to mitigate and adapt to climate change may have wide-ranging policy, economic, and technological impacts, potentially creating both risks and opportunities for investors.

Carbon footprint of flagship MSCI Indexes as of June 30, 2021

Index Name	Weighted Average Carbon Intensity
	Tons of CO ₂ e/\$M sales
MSCI ACWI INDEX	151.7
• ACWI ESG LEADERS	93.4
• ACWI LOW CARBON TARGET	66.3
• ACWI LOW CARBON LEADERS	69.3
• ACWI ex FOSSIL FUELS	117.6
• ACWI ex COAL	130.1
MSCI WORLD INDEX	133.2
• WORLD ESG LEADERS	78.1
• WORLD LOW CARBON TARGET	68.9
• WORLD LOW CARBON LEADERS	64.2
MSCI EMERGING MARKETS INDEX	276.9
• EMERGING MARKETS ESG LEADERS	185.5
MSCI EUROPE INDEX	131.7
• EUROPE ESG LEADERS	105.9
• EUROPE LOW CARBON LEADERS	56.1
MSCI NORTH AMERICA INDEX	135.6
• NORTH AMERICA ESG LEADERS	70.0
• NORTH AMERICA LOW CARBON LEADERS	74.2
MSCI PACIFIC INDEX	120.7
• PACIFIC ESG LEADERS	82.1

Assessing the carbon footprint of a portfolio against a benchmark is the first step in addressing the investment implications of climate change, by setting a baseline that can inform future actions.

Overview

What is the portfolio's exposure to carbon intensive companies?

Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or a benchmark. Agnostic to ownership share, it also facilitates comparison with non-equity asset classes.

For more information, see www.msci.com/index-carbon-footprint-metrics or contact esgclientservice@msci.com

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

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.

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI. The Information may not be used to verify or correct other data, 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. 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 or any MSCI index is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. 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 "MSCI PARTY") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH MSCI PARTY 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 MSCI PARTIES 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.

©2021 MSCI Inc. All rights reserved | CFS0721