

Sustainable Finance Disclosure Regulation (SFDR) Index-Level Metrics

- To assist clients with some of their SFDR requirements, MSCI plans to launch – by early Q3 '21 – a module providing SFDR index-level metrics for 6,000+ indexes to help clients compare and report on their financial products' SFDR indicators with those of their MSCI indexes.
- These index-level metrics will be computed based on issuer data available through MSCI's EU Sustainable Finance Module.

Preliminary sample of 6 Index-level metrics* for Selected MSCI ACWI indexes

Mandatory Adverse Sustainability Impact Indicator	Metric Description	ACWI	ACWI ESG Leaders	ACWI ESG Focus	ACWI Low Carbon Target	ACWI Climate Paris Aligned	ACWI Climate Change
● Carbon Footprint	Carbon Footprint – Scope 1+2+3 (t CO2e / million USD of EVIC)	370	282	308	219	99	210
● Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	8.6%	5.2%	7.9%	6.6%	1.1%	3.7%
● Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.2%	0.0%	0.0%	0.1%	0.0%	0.1%
● Hazardous waste ratio	Hazardous waste of investee companies (t waste / million USD of EVIC)	3.23	0.56	0.59	0.55	0.50	0.96
● Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises Coverage	Share of Investments in investee companies that have been involved in violations of the UNGC principles for OECD Guidelines for Multinational Enterprises	2.0%	0.0%	0.0%	1.5%	0.0%	1.1%
● Board gender diversity	Average ratio of female to male board members in investee companies	43.0%	44.0%	44.6%	43.1%	43.8%	43.6%

* As of March 31, 2021 ● Greenhouse Gas Emissions ● Biodiversity ● Waste ● Social and Employee Matters

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