

Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

MSCI Inc. (hereinafter referred to as “MSCI” and “we” or “our”) 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 also create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. Our Environmental, Social and Governance (ESG) research and data products and services, including our climate change solutions, are offered by MSCI ESG Research LLC (“MSCI ESG Research”), our wholly owned subsidiary and a registered investment adviser under the Investment Advisers Act of 1940. MSCI ESG Research delivers in-depth research, ratings, and analysis of the ESG-related business practices of over 14,800 issuers, including subsidiaries, more than 650,000 equity and fixed income securities worldwide and over 1,500 ESG equity and fixed-income Indexes provided by MSCI. MSCI ESG Indexes and Analytics are products of MSCI Inc. that utilize information from MSCI ESG Research LLC. MSCI Indexes are administered by MSCI Limited (UK). Climate change is an important element of our ESG strategy and a key issue for many investors. Our climate change team supports clients by publishing research and providing products that help them measure and report on climate risk exposure, including climate stress testing, implement climate change risk mitigating strategies, including Paris- aligned, low carbon, fossil-fuel-free investment strategies, and integrate climate change criteria into their investment processes. These products and services include climate metrics, Climate Value-at-Risk (“VaR”), Task Force on Climate-related Financial Disclosures (“TCFD”) reporting, carbon portfolio reporting, low carbon, and Climate Paris Aligned indexes as well as tools to identify clean-tech and environmentally oriented companies.



MSCI acquired Zurich-based environmental fintech and data analytics firm Carbon Delta AG (“Carbon Delta”) in 2019. Carbon Delta expands MSCI’s suite of climate risk capabilities supporting climate scenario analysis and forward-looking assessment of transition and physical risks and extensive company-level analysis of publicly traded companies. This includes MSCI Climate VaR a climate risk metric that calculates the impact of climate change on a company’s market value to help investors understand and quantify these risks within their portfolio. In 2020, we used MSCI Climate VaR to publish our own TCFD Report. Carbon Delta acts as MSCI’s Climate Risk Center, the focal point for the development of climate change risk analytics and tools. The aim of the Center is to develop strong partnerships with leading academic and research institutions around the world to advance the use of climate science for financial risk analysis. In June of 2020 MSCI launched the MSCI Real Estate Climate VaR, a forward-looking and return-based valuation assessment for individual assets and portfolios.

MSCI’s ESG and Climate data available through MSCI Analytics applications facilitate risk exposure, portfolio reporting, and construction. They are also used to construct MSCI ESG and Climate equity and fixed income Indexes.

In 2020, MSCI published “The MSCI Principles of Sustainable Investing,” to illustrate specific, actionable steps investors can take to improve practices for ESG integration across the investment value chain. The framework includes three core pillars to achieve full ESG integration: Investment Strategy, Portfolio Management, and Investment Research. In 2021, MSCI published “The Role of Capital in the Net-Zero Revolution”. This call to action asserts that addressing climate change will require the largest reconstruction of the global economy since the Industrial Revolution, and highlights how capital markets participants must be a powerful and positive force to urgently drive the systemic transformation needed to avert a climate catastrophe. We identify specific steps that companies, as well as owners and managers of capital and financial intermediaries, must take to drive the achievement of a net-zero economy by 2050. In conjunction with this publication and to support the transparency needed to evaluate the progress of decarbonization, as well as drive accountability, MSCI committed to publishing the MSCI ACWI Investable Markets Index (“MSCI ACWI IMI”) Net-Zero Tracker every quarter. The tracker is intended to serve as a measure of carbon emissions of the world’s listed companies.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years
Reporting year	January 1, 2020	December 31, 2020	

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Australia
Brazil
Canada
China
China, Hong Kong Special Administrative Region
France
Germany
Hungary
India
Italy
Japan
Mexico
Netherlands
Philippines
Republic of Korea
Singapore
South Africa
Sweden
Switzerland
Taiwan, Greater China
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	<p>Our CEO serves as the Chairman of MSCI’s Board of Directors (“Board”), the highest governance and oversight body at MSCI, comprised of independent non-employee directors, other than our CEO. In this position, he is able to provide MSCI with unified leadership and direction and holds the highest position of accountability, responsibility, and oversight over MSCI’s operations, including any associated climate-related issues that might arise from time to time.</p>
Board-level committee	<p>The Nominating and Corporate Governance Committee of the Board (“Governance Committee”) is a standing committee of the Board comprised of all independent non-employee directors. As stated in its Charter, the Governance Committee is responsible for, among other things, overseeing environmental (including climate), social, and governance matters as they pertain to MSCI’s business and long-term strategy. From time-to-time, management reviews with the Governance Committee requests from shareholders or the investment community for climate-related disclosures.</p> <p>The Chair of the Governance Committee provides a report each quarter to the full Board, including any material ESG matters. The Governance Committee receives quarterly updates from MSCI’s Chief Responsibility Officer (“CRO”), who is also Head of Index, which includes MSCI’s ESG and Climate Indexes, leads the Corporate Responsibility Committee (“CRC”), a management-level committee responsible for ESG disclosures and management practices. In 2020, the CRO presented to the Nominating and Corporate Governance Committee on MSCI’s climate-management strategy and our efforts to enhance MSCI’s transparency around climate reporting.</p>
Board-level committee	<p>The Audit Committee, a standing committee of the Board comprised of all independent non-employee directors, is responsible for reviewing (i) MSCI’s key business risks, (ii) policies and practices for risk governance, risk assessment, and risk management, and (iii) steps taken to monitor and mitigate such risks. The Enterprise Risks Oversight Committee (“ERO”) comprised of the President, the Chief Financial Officer, the General Counsel, the Chief Human Resources Officer, the Chief Technology Officer, the Head of Internal Audit, the Head of Investor Relations and the Enterprise Risk Management Officer oversees MSCI’s risk-management governance</p>

	<p>including climate related risks. On a quarterly basis, the EROC provides an update to the Audit Committee, which includes climate related risks.</p> <p>In addition, the Chief Information Security Officer periodically updates the Audit Committee on our business continuity plans and IT disaster recovery efforts to mitigate the impact of potential disruptions, including those that could be caused by climate and extreme weather events.</p>
Board-level committee	<p>The Strategy and Finance Committee, a standing committee of the Board comprised mostly of independent non-employee directors, provides management with guidance on MSCI’s business strategy, which may include sustainability-related opportunities (e.g. climate-related products/services). For example, the Strategy and Finance Committee advised management with respect to MSCI’s acquisition of Carbon Delta which allows MSCI to expand its suite of climate risk capabilities supporting climate scenario analysis and forward-looking assessment of transition and physical risks and extensive company-level analysis of publicly traded companies.</p>

C1.1b

(C1.1b) Provide further details on the board’s oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Setting performance objectives	<p>The Compensation & Talent Management Committee (“C&TM” Committee), a standing committee of the Board comprised of independent non-employee directors, is responsible for reviewing, approving, and assessing the attainment of corporate goals and objectives to be used in setting the compensation for our Company’s Executive Committee members, which includes our CEO, President, CHRO and CRO.</p> <p>Annually, the C&TM Committee meets to review and approve goals and again to evaluate their actual achievement. The Company’s annual cash incentive plan is comprised of three distinct</p>

		<p>components: Financial Results, KPI/Leadership Effectiveness and Diversity, Equality, and Inclusion goals:</p> <ol style="list-style-type: none"> 1. Financial Results represent 70% of the overall target bonus. This component is non-discretionary, and the actual payout is based on achievement against the financial metrics (MSCI/Product) that are aligned to their role (I.e., the Heads of our Product Lines are incentivized to develop and sell climate-related products and services). 2. Key Performance Indicators (“KPIs”) and Leadership Effectiveness represent 20% of the overall target bonus. This portion of the bonus is based on the discretion of the manager. 3. Diversity, Equality, and Inclusion goals represent 10% of the overall target bonus. This portion of the bonus is based on the discretion of the manager and will be implemented in 2021. <p>For 2020, our CEO, CHRO and CRO incorporated into their KPIs the goal of championing a strong ESG / corporate responsibility platform throughout MSCI within which corporate climate action may be contained. The results are reported back to the C&TM.</p>
<p>Scheduled – some meetings</p>	<p>Reviewing and guiding major plans of action Reviewing and guiding risk management policies</p>	<p>The Audit Committee oversees MSCI’s key business risks, which could include climate-related risks if such risks ever reached the level of materiality that would result in a significant impact to MSCI’s operations or financial results (e.g., impact of climate disasters on IT infrastructure / business continuity, etc.).</p> <p>The Audit Committee receives a quarterly report from MSCI’s Enterprise Risk Management (“ERM”) Officer on the work of the EROC which includes climate-related risks.</p> <p>The Audit Committee also receives a quarterly report from MSCI’s Chief Information Security Officer (“CISO”) on the work of MSCI’s IT risk management function, including, if material or likely to have a significant impact, risks that could be caused by climate and extreme weather events.</p> <p>The Chair of the Audit Committee provides a quarterly report to the Board, which could include</p>

		climate-related risks if they are likely to have significant impact to MSCI's operations or financial results.
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Reviewing and guiding risk management policies</p>	<p>The CRO provides written quarterly updates and reports at least semi-annually to the Governance Committee. These updates and reports include progress on the execution of the operating plan</p> <p>The operating plan provides a framework for executing on high impact areas for improvement of MSCI's practices and disclosures, and for developing and implementing short and long-term plans to address key areas and gaps which may include items related to climate risks and opportunities.</p> <p>The written quarterly updates are made available to the full Board and the Chair of the Governance Committee summarizes key elements of the CRO's reports to the full Board.</p>
Scheduled – some meetings	<p>Reviewing and guiding strategy</p> <p>Overseeing major capital expenditures, acquisitions, and divestitures</p>	<p>The Strategy & Finance Committee ("Strategy Committee"), a standing committee of the Board comprised mostly of independent non-employee directors in 2019 and the beginning of 2020, provides management with guidance on MSCI's business strategy, which may include sustainability-related opportunities (e.g., climate-related products/services). As of April 2020, this committee is fully independent.</p> <p>This Strategy Committee also reviews and provides recommendations to the Board on acquisitions and divestitures. Through its strategy and budgeting approval process, the Board is presented with investment opportunities that include initiatives that, among other things, allow MSCI to further establish itself as a leading provider of ESG products, including climate-related products and services. For example, the Strategy Committee advised management with respect to MSCI's acquisition of Carbon Delta which has allowed MSCI to expand its market opportunities related to climate change.</p>

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Other C-Suite Officer, please specify Chief Responsibility Officer	Both assessing and managing climate-related risks and opportunities	Quarterly
Other C-Suite Officer, please specify Chief Human Resources Officer	Both assessing and managing climate-related risks and opportunities	Quarterly
Corporate responsibility committee	Both assessing and managing climate-related risks and opportunities	Quarterly
Other, please specify Enterprise Risk Oversight Committee	Both assessing and managing climate-related risks and opportunities	Quarterly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

- At the Board level, the Governance Committee is responsible for overseeing ESG matters pertaining to MSCI's business operations, and the Audit Committee oversees MSCI's key business risks, which could include climate-related risks if such risks would result in a significant impact to MSCI's operations or financial results. Such committees report to the full Board on matters discussed during committee meetings, and if climate-related issues were to become a material topic of discussion, they would be discussed with the full Board. The full Board reviews and approve the annual operating budget, which includes investments in ESG-related opportunities. The full Board and Strategy Committee also advise management on partnership and acquisition opportunities related to MSCI's ESG and Climate strategic objectives.

2. At the management level, there are two committees responsible for monitoring risks, including climate-related risks - the EROC, our Enterprise Risk Oversight Committee, and the CRC. As mentioned above, the EROC oversees MSCI's risk management activities to ensure that MSCI is identifying, evaluating, and managing risks that could have an adverse impact on MSCI's ability to achieve its operational and strategic objectives. In 2020, we integrated climate risks into the EROC's standard risk dashboard, including risks related to commercial visibility, extreme/acute weather events, and longer-term/chronic global climate changes. The Audit Committee receives a quarterly update from the Enterprise Risk Management Officer ("ERMO") on, among other things, the work of the EROC. In addition, from time to time, the CISO will provide an update to the Audit Committee on MSCI's business continuity plans and IT disaster recovery planning efforts designed to mitigate the impact of potential disruptions, including those that could be caused by climate and extreme weather events. The CRC is led by the CRO who is also Head of Index, the product line that includes MSCI's ESG and Climate Indexes. The CRC coordinates efforts to implement sound ESG (including climate) policies and practices. The CRO provides quarterly updates to the Governance Committee on the work of the CRC. The CRO reports to the CEO in relation to the CRO function and to the President as Head of Index. In addition to the CRO, the CRC is also comprised of a cross-functional team of senior leaders including an additional C-Suite member, the CHRO: An Executive Committee level officer, who provides insight on ESG matters from a Human Resources perspective and input on resources that might be available to improve MSCI's ESG practices; reports to MSCI's CEO.
3. Corporate Secretary and Securities Counsel provides insight into the applicable regulatory and governance frameworks impacting ESG and Climate practices and disclosures; ensures Board and committee agendas reflect appropriate time and attention to ESG and Climate matters; reports to MSCI's General Counsel.
4. Head of Global Communications: assists in framing the messaging around MSCI's ESG and Climate practices to both internal and external stakeholders; reports to MSCI's President
5. Head of Investor Relations: liaises with investors on ESG matters, including climate change, and communicates to the CRC investors' expectations with respect to MSCI's ESG practices; reports to MSCI's CFO.
6. Global Head of Research for MSCI's ESG Research business who leads one of the largest teams of research analysts in the world dedicated to identifying risks and opportunities arising from significant ESG issues and provides insight into the ESG practices of companies around the world and is thus best positioned to provide substantive expertise to the CRC's own processes and decision making; reports to MSCI's Global Head of Research.
7. Head of Corporate Services: oversees MSCI's Corporate Real Estate and Procurement Department, recommends and oversees initiatives to reduce MSCI's and MSCI's vendors' impact on the environment, and collaborates with the IT function to ensure business continuity during extreme climate events. Responsibilities include understanding climate change risks and opportunities for MSCI's office facilities; reports to MSCI's CHRO.
8. Head of Corporate Responsibility: drives the direction and strategy of and execution of the CRC framework and initiatives; reports to the CRO. Climate-related policies implemented at MSCI would be reviewed by the CRC. The CRC would then provide oversight to these policies.

As of October 2020, our employee resource group, the Climate Action Network, had been established across 17 offices with the goals of increasing awareness and managing, over time, both global and regional environmental issues.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Corporate executive team	Monetary reward	Emissions reduction project	<p>The Head of Corporate Services (“HCS”), who reports to the CHRO, is incentivized through compensation for the advancement of energy reduction projects amongst other environmental and sustainability initiatives, as well as the actions of the Facility Managers detailed below</p> <p>In addition, when selecting new office space, the HCS also considers a property’s vulnerability to extreme weather events and natural disasters.</p>
Facilities manager	Monetary reward	Emissions reduction project Energy reduction project	<p>The HCS incentivizes his employees such as Facilities Managers (and is in turn incentivized through his compensation) to consider various environmental factors. These include the existence of landlord-driven or local recycling initiatives, the use of sustainable and energy-efficient materials, elimination of the use of single-use plates, flatware and cups globally, control systems enabling the efficient use of power, and availability of public transport for employees.</p> <p>The practices of the Corporate Services team have led to the purchase of energy-efficient products for MSCI’s offices and the wide use of sustainable products, including recycled and low environmental</p>



			<p>impact materials and the elimination of single-use plastic items. This should contribute to an emissions reduction trend and MSCI expects the continued selection of lower-impact equipment and materials to result in a further reduction in MSCI's emissions.</p> <p>MSCI reduces its environmental impact linked to physical travel through business travel policies that encourage employees to plan trips well in advance, to bundle short duration trips into fewer longer-term trips, and to take fewer physical trips by holding virtual meetings supported by conferencing technologies. In the first three months of 2020, MSCI averaged nearly 23,000 virtual meetings monthly. After the onset of COVID-19, a majority of MSCI's employees began working from home. From April to December 2020, the number of virtual meetings increased to nearly 71,000 virtual meetings monthly.</p>
Executive officer	Monetary reward	Other (please specify) Environmentally focused products	<p>Executive Officer: The Heads of MSCI's ESG, Index, and Analytics product lines and Chief Technology Officer and Head of Engineering are members of MSCI's Executive Committee and report to the President of MSCI. The product line heads are responsible for enhancing MSCI's current ESG product offerings, integrating new and current ESG capabilities into existing products, and providing platforms and flexible technologies that enable users to access to ESG and Climate products and services. MSCI seeks to drive growth in use and subscriptions by our clients in ESG products (products that help clients to integrate ESG considerations into clients' investment processes).</p> <p>Additionally, the Global Head of Research and Product Development is also a member of the MSCI Executive Committee and oversees the distribution of ESG-related research, including through social media and podcasts, and participation in conferences to further global understanding of sustainability issues.</p> <p>Finally, the Chief Financial Officer, who also oversees MSCI's strategy and corporate development functions is also a member of MSCI's Executive Committee and helps to coordinate the efforts of the individuals described above, including initiatives related to ESG, to help ensure that MSCI's business activities promote its mission to power better investment decisions for a better world.</p> <p>Under MSCI's pay-for-performance compensation program, the compensation paid to each Executive</p>

			Committee member described above is comprised of a base salary, equity awards, and annual cash bonus. These three components are determined by both MSCI's overall financial performance during the year and the executive's individual performance. A part of this performance is determined by the extent to which MSCI is successful in launching ESG and Climate solutions and expanding existing ones.
President	Monetary reward	Other (please specify) Environmentally focused products	MSCI's President's compensation is linked to, amongst other things, the management and development of ESG related products, which includes climate-related products and service offerings. The President is incentivized based on the financial performance of MSCI, including the achievement of sales targets for products and services in the ESG and Climate and Real Estate product lines, and Climate Indexes. MSCI's climate-related solutions include:1) MSCI ESG Analytics2) Climate Change Metrics3) Carbon Portfolio Analytics. 4) TCFD reporting 5) MSCI Climate Value-at-Risk 6) MSCI Climate Paris Aligned Indexes7) MSCI Climate Change Indexes 8) MSCI Low Carbon Indexes 9) MSCI Global Environmental Indexes10) MSCI ex Fossil Fuel Indexes and 11) MSCI Fixed Income ESG Indexes. In September 2020, MSCI introduced the MSCI Fixed Income Climate Change Indexes and in April 2021, we launched the MSCI Fixed Income Climate Paris Aligned Indexes.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	1	
Medium-term	1	3	
Long-term	3		3 and beyond is considered long-term.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

MSCI considers both quantitative and qualitative factors in determining substantive financial or strategic impacts from climate change. If more than 10% of our total MSCI company long-term revenue growth target were negatively impacted by a climate issue, this would trigger a review of additional factors, including, but not limited to, 1) whether the impact requires a significant change in our operations and/or how we deliver our products to our clients, 2) the need to make an extended or permanent change in location of a facility or implement our business continuity plans beyond current scenarios, and 3) whether the impact results in a significant change to our, or our clients', business strategy. We would deem a climate change to have had a significant financial or strategic impact if one or a combination of the qualitative factors met that threshold in addition to the quantitative factor. Currently, there are no impacts that meet this definition.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term

Medium-term

Long-term

Description of process

To assess MSCI's most probable climate-related facility-level physical and enterprise-level transition risks, MSCI started conducting a climate-related scenario analysis in alignment with the TCFD's recommendations in early 2019. In 2020, MSCI expanded on this analysis using its own Climate VaR Model. Drawing from the findings of this analysis and given MSCI's mission, operations, and locations worldwide, overall, the top climate physical risks currently are extreme heat and coastal flooding.

MSCI ESG Research assesses future climate-change risks and opportunities, which include transition risks and opportunities related to greenhouse gas (GHG) emission limitations as well as physical risks and opportunities resulting from climate change

To the extent that climate-related issues may impact MSCI's operations or financial results (e.g., extreme weather events or natural disasters could potentially impact MSCI's IT and physical infrastructure's ability to provide clients with products and services), such issues are addressed as part of MSCI's overall business continuity and IT disaster recovery planning.

MSCI's Business Resiliency team assesses the severity, probability, and scale of extreme climate events in geographies that it operates within and develops, implements and tests technology systems to support MSCI's business continuity plans. MSCI's business continuity and IT disaster recovery plans are tested periodically, and results are reported to MSCI's IT Risk Oversight Committee on a quarterly basis.

MSCI's Crisis Management Team and Technology Service Operations Service Management Team are responsible for all aspects of disaster response and recovery response efforts. Disaster recovery planning and testing encompass protecting the general welfare and safety of MSCI's employees, data centers, networks, applications supporting business operations, communications systems, and general technology recovery following an extreme weather incident or natural disaster.

At the management level, there are two committees responsible for monitoring risks, including climate-related risks if such risks were would result in a significant impact to MSCI's operations or financial results - the EROC (Risk Committee) and the CRC, respectively.

To the extent that climate-related issues may impact our operations or financial results, such issues would be escalated, as needed, to the EROC. For example, climate change may exacerbate extreme weather events and other natural disasters, which could interrupt the continuity of our operations and may have the potential to impact MSCI's ability to provide clients with access to products and services.

The Audit Committee receives a quarterly update from the ERMO on, among things, the work of the EROC. In addition, from time to time, the CISO will provide an update to the Audit Committee on MSCI's business continuity plans and IT disaster recovery planning efforts designed to mitigate the impact of such potential disruptions, including those that could be caused by climate and extreme weather events.

The CRC identifies ESG initiatives that promote sustainability and align MSCI's actions with its solutions. The initiatives are informed by the members of the CRC. For example, as a member of the CRC, the Head of Investor Relations informs the CRC of ESG-related matters that are important to MSCI's investors (including climate change). Over the past couple of years, the CRO has also been participating in several investor meetings to directly address ESG-related matters that are important to our investors. In 2020, we noticed growing interest on climate related risks and opportunities.

The process for managing climate-related commercial opportunities is done at a product line level. The heads of our product lines and key functional areas oversee efforts to conduct regular consultations with the global investment community and engage with clients through regular meetings and events such as client advisory panels to better understand the demand for climate-related products.

For example, our climate change team within MSCI ESG Research supports our clients by providing products that help them measure and report on climate risk exposure, implement low carbon and fossil-fuel-free investment strategies, and factor climate change research into their risk management processes. There is the ongoing development of new models that are used by our clients in combination with the risk analytical tools developed within our Analytics product line to manage climate risk exposure.



Case study (Physical Risk): i) In 2020, we expanded on the 2019 climate scenario analysis by using MSCI ESG Research’s Climate VaR Model to quantitatively analyse the climate-related risks and opportunities that we can expect to face between now and 2100. The Chief Responsibility Officer, the Head of Corporate Responsibility and our Head of Corporate Services led the EROC in a review of our climate related scenario analysis to assess our most probable climate-related, facility level, physical and enterprise-level transition risks in accordance with the TCFD’s recommendations. ii) To ensure ongoing assessment and monitoring of climate risks, MSCI has integrated these risks into our risk management framework iii) As such, physical risks resulting from climate change that are identified using our Climate VaR Model, such as coastal flooding, are now used to inform our company-wide risk management approach. Vi) As a result of the integration of climate risks into our risk management framework, our Enterprise Risk Officer’s update to the Audit Committee on a quarterly basis now includes updates on climate risks.

Case study (Transitional Risk): i) We have learned through client engagement that our clients are increasingly expecting us to be consistent between our climate actions and operations. ii) Further, the potential loss of commercial opportunity resulting from lack of climate leadership throughout our operations has been identified as a risk to our business. iii) To help mitigate this risk, we committed to becoming net-zero before 2040 and developing a comprehensive strategy to fulfil this commitment. iv) This commitment has already resulted in positive feedback from stakeholders, including clients.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, sometimes included	<p>MSCI is currently not subject to extensive climate-related regulations. We strive to comply with relevant environmental regulations as a baseline for our operations:</p> <ol style="list-style-type: none"> 1. Corporate Services is responsible for complying with environmental regulations 2. Given that MSCI leases space, the Corporate Services department manages the relationships and contracts with local landlords to identify and manage local regulations <p>The product groups for ESG Research and Index track and comply with product regulations</p>

Emerging regulation	Relevant, sometimes included	<p>We strive to comply with relevant environmental regulations as a baseline for our operations. We monitor emerging regulation to determine possible impact as follows:</p> <ol style="list-style-type: none"> 1. Corporate Services is responsible for complying with environmental regulations 2. Given that MSCI leases space, the Corporate Services department manages the relationships and contracts with local landlords to identify and manage local regulations. <p>The product groups for ESG Research and Index track and comply with product regulations</p>
Technology	Relevant, always included	<p>MSCI's IT Disaster Recovery Planning aims to mitigate key risks to its IT infrastructure resulting from climate and extreme weather events, amongst other disasters. Historically, MSCI has directly experienced the impact of extreme weather in Mumbai (our largest production office), in Norman, Oklahoma (a key data and technology office) as well as in our New York Office due to Hurricane Sandy. We successfully mitigated the impact of these events by activating our business resiliency program. MSCI routinely conducts table-top disaster simulation events, including extreme weather events, for every office.</p> <p>A recent and highly illustrative example of our investment into and, the robustness of, our business continuity plan was our ability to quickly move a majority of our global staff to work from home during the COVID-19.</p>
Legal	Not relevant, explanation provided	<p>Due to the nature of our business and the products and services we provide, we do not consider legal risks arising out of climate-related matters to be material. We structure our client and vendor contracts to minimize exposure to liability and have robust business continuity processes in place.</p>
Market	Relevant, always included	<p>MSCI conducts consultations with the global investment community and we engage with clients through regular meetings and events such as client advisory panels, so that we can build changes in client needs into our products including those related to climate risk. MSCI has a robust suite of climate solutions including, data, indexes, scenario analytics and portfolio reporting, including TCFD reporting capability.</p>
Reputation	Relevant, always included	<p>Reputational risks are relevant for MSCI in the event of a perceived misalignment between our operations and our solutions. Not being perceived as applying the same principles to ourselves as the ones we promote among investors (i.e., talk the talk and walk the walk) could potentially damage our reputation, our ability to attract and retain clients, as</p>

		well as sustain and build upon our ESG and Climate revenue growth. Errors in or criticisms of our ESG ratings, processes, decisions and methodologies could result in reputational risks or other loss in credibility.
Acute physical	Relevant, always included	<p>The most significant potential impact from an acute physical risk event would be to MSCI's IT Infrastructure. MSCI's IT Disaster Recovery Planning aims to mitigate key risks to its IT infrastructure resulting from climate and extreme weather events, amongst other disasters.</p> <p>Historically, MSCI has directly experienced the impact of extreme weather in Mumbai (our largest production office), in Norman, Oklahoma (a key data and technology office) and our New York office due to Hurricane Sandy. We successfully mitigated the impact of these events by activating our business resiliency program. MSCI routinely conducts tabletop disaster simulation events, including extreme weather events, for every office.</p> <p>A recent and highly illustrative example of our investment into and, the robustness of, our business resilience program was our ability to quickly move a majority of our global staff to work from home during the Coronavirus pandemic.</p> <p>To further assess its climate-related risks, in 2020, the CRC had a climate-related scenario analysis performed using MSCI's own Climate VaR model. The analysis is intended to help MSCI in its ongoing efforts to build upon the processes and frameworks for managing climate-related risks and opportunities and improving its communications around these efforts, including those related to lowering its environmental impact and achieving energy efficiency. These risks include the physical risks of extreme heat and coastal flooding. These risks are addressed within the business resiliency plan and through insurance.</p>
Chronic physical	Relevant, always included	<p>The most significant potential impact from chronic physical risk events would be to MSCI's IT Infrastructure. MSCI's IT Disaster Recovery Planning aims to mitigate key risks to the firm including chronic weather and climate related risks.</p> <p>To further assess its climate-related risks, in 2020, the CRC had a climate-related scenario analysis performed using MSCI's own Climate VaR model. The analysis is intended to help MSCI in its ongoing efforts to build upon the processes and frameworks for managing climate-related risks and opportunities and improving its communications around these efforts, including those related to lowering its environmental impact and achieving energy efficiency. These risks include the physical risks of extreme heat and coastal flooding. These risks are addressed within the business resiliency plan as well as MSCI's location strategy.</p>

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased direct costs

Company-specific description

In 2020, we conducted a detailed climate-related scenario analysis to quantitatively analyze the climate-related risks and opportunities that we can expect to face going forward using MSCI ESG Research's Climate VaR Model. MSCI ESG Research assesses future climate-change risks and opportunities, which include transition risks and opportunities related to greenhouse gas (GHG) emission limitations as well as physical

risks and opportunities resulting from climate change.

MSCI's office facilities are potentially exposed to physical risks such as tropical cyclones, heat waves, or floods. Furthermore, climate change is expected to increase both the frequency and severity of such extreme weather events in many regions globally. Our ability to continue to operate depends, in part, on the health and availability of our personnel, our office facilities, and the proper functioning of our electronic, telecommunication, and other related systems and operations.

Historically, MSCI has directly experienced the impact of extreme weather in Mumbai, our largest production office and in Norman, Oklahoma, a key data and technology office. These impacts may pose health/safety concerns for employees to commute, operate, live in these geographies or it may increase healthcare premiums or may raise MSCI's facility operating costs. We successfully mitigated the impact of these events by activating our business resiliency plans.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

35,950,000

Explanation of financial impact figure

MSCI's physical Climate VaR for acute risks is -0.1% (average scenario). The value represents the relative loss of the enterprise market value up to the year 2100 because of increase in acute physical risks due to climate change. Main contributor to acute physical climate VaR for MSCI is coastal flooding risk.

Most exposed location is Shanghai estimated to face around 35.95mUSD discounted costs due to increasing coastal flooding impact in the projection period.

The cost of asset damage repair or reinstatement per sector and acute risk is calculated as:

= Relative asset × Fixed

The Enterprise Climate VaR is computed as:

Climate VaR Enterprise = PV of cost impacts / Enterprise value

whereby the enterprise value is computed as the sum of the values of a company's equity and debt.

Cost of response to risk

1,300,000

Description of response and explanation of cost calculation

This the total estimated cost of the response to protect MSCI, globally, from acute, local or regional climate-related issues. This is based on two key components:

1. MSCI's cost to maintain third-party insurance coverage to protect our business from various damages. MSCI annually assesses and obtains comprehensive third-party insurance to mitigate the impact, including climate-related, of damage to its physical facilities and business disruptions. The cost of our Insurance Premium is approximately \$200,000.
2. MSCI's cost in maintaining a dedicated Business Continuity Planning team, business continuity planning software, and ongoing IT and project management costs to manage plans, testing, and communication. An estimate of this cost is up to \$1,100,000 which helps us reduce the cost of insurance and mitigate the need to make claims. In total, this amounts to be \$1,300,000 in management costs.

In this example, we have utilized Mumbai as an example, as it is considered the location with the highest climate-risk for MSCI. Therefore, the specific cost of the response to Mumbai would be a portion of this overall, total cost to protect MSCI from acute, climate-related events.

While not all disasters can be fully anticipated, we regularly assess and take steps to improve our existing business continuity plans, including establishing and maintaining state of the art computational facilities and employing a geographically diverse operational workforce and

leadership team.

MSCI's dedicated business continuity team issues plans and undertakes IT disaster recovery planning efforts that have aided MSCI's ability to operate in a "business as usual" fashion in the face of climate-related events such as Superstorm Sandy in the Northeast US, droughts in South Africa, monsoons in Mumbai, flooding in Budapest, extreme heat in Western Europe, tornados in Oklahoma and typhoons in Manila and Hong Kong.

The effectiveness and comprehensiveness of planning was demonstrated when we moved most of our employees to work from home because of COVID-19 without a notable impact on our productivity, connectiveness, production or delivery.

MSCI reviews, updates and tests our business continuity plans regularly. As part this ongoing evaluation, climate change impacts are considered along with various other potential events, which can impact MSCI locations. MSCI regularly conducts tabletop disaster simulation events, including extreme weather events, for every office.

Comment

We maintain a dedicated Business Continuity Plan group as well as business continuity planning software to manage plans, testing, and communication.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Increased indirect (operating) costs

Company-specific description

This risk pertains to MSCI's sustainability throughout longer-term/chronic global climate changes (e.g. extreme temperatures in several locations). In the long-term, environmental factors may disrupt MSCI's business strategy and financial plans (e.g. supply chain disruption, location strategy, etc.)

Put simply, increased severity of longer-term/chronic extreme weather puts MSCI's physical locations at risk.

For example, MSCI's Norman, Oklahoma office is frequently exposed to extreme summer heat, which sometimes results in tornados and other extreme weather events. Over time this increases the risk to physical assets, our employees, and our ability to conduct operations. This risk is routinely evaluated and tested in connection with business continuity and resiliency planning activities.

Per the TCFD Scenario Analysis, the greatest chronic physical risks to MSCI is extreme heat.

Top 5 most exposed locations are

Norman (United States),

Chiyoda City (Japan),

Gaithersburg (United States),

New York City (United States),

Chicago (United States).

Longer-term/chronic global climate changes may potentially require a change in our location strategy.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)



Potential financial impact figure – minimum (currency)

1

Potential financial impact figure – maximum (currency)

30,690,000

Explanation of financial impact figure

MSCI’s physical Climate VaR for chronic risks is -0.07% (average scenario). The value represents the relative loss of the enterprise market value up to the year 2100 because of increase in chronic physical risks due to climate change. Main contributor to chronic physical climate VaR for MSCI is extreme heat risk.

The cost of business interruption per sector and extreme weather type is calculated as:

= days of extreme weather condition × × × local output (production)

Costs are calculated based on the baseline corrected local output, which is current local output after removal of current hazard costs.

The delta of the costs in any given year is then obtained as:

= -

The Enterprise Climate VaR is computed as:

Climate VaR Enterprise = PV of cost impacts / Enterprise value

whereby the enterprise value is computed as the sum of the values of a company’s equity and debt.

Cost of response to risk

1,300,000

Description of response and explanation of cost calculation

This is the total estimated cost of response to protect MSCI. This is based on two key components:

MSCI’s cost to maintain third-party insurance coverage to protect our business from various damages including climate-related, of damage to its physical facilities and business disruptions. The cost of our Insurance Premium is approximately \$200,000. MSCI’s cost in maintaining a dedicated Business Continuity Planning team, business continuity planning software and ongoing IT and project management costs to manage plans, testing, and communication. An estimate of this cost is up to \$1,100,000 which helps us reduce the cost of insurance and mitigate the

need to make claims. This totals to a \$1,300,000 in total costs.

We regularly assess and improve our existing business continuity plans, including establishing and maintaining state of the art computational facilities and employing a geographically diverse operational workforce and leadership team. MSCI’s business continuity plans and IT disaster recovery planning efforts boost MSCI’s ability to operate in a “business as usual” fashion in the face of climate-related events such as Superstorm Sandy in the Northeast US, droughts in South Africa, Monsoons in Mumbai, flooding in Budapest, extreme heat in Western Europe, tornados in Oklahoma and typhoons in Manila and Hong Kong. An example of our investment into our business resilience program was our ability to quickly move most of our global staff to work from home during the Coronavirus pandemic crisis. MSCI reviews, updates and tests our business continuity plans routinely, which includes splitting the workforce of any one function to multiple locations. Climate change impacts are considered along with various other potential events, which can impact MSCI locations. MSCI routinely conducts table-top disaster simulation events, including extreme weather events, for every office. Examples include detailed preparedness drills in Mumbai and Manila to respond to Monsoons and other extreme weather and in Norman to respond to weather related events like tornados. We used the TCFD scenario analysis and other information to inform our office location strategy to mitigate the disruption to our business as a result of longer-term/chronic global climate changes. An example of how the results of this scenario analysis directly influenced MSCI’s business objectives and strategy is our choice of a second location in Pune, India, which is at a higher elevation.

Comment

We continue to evaluate the adequacy of our insurance to mitigate longer-term/chronic climate-related risks.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market

Changing customer behavior

Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Company-specific description

An increasing portion of our revenues comes from products that relate to certain investment trends, such as ESG, including climate change. Our ESG products include Ratings, Screening, Indexes as well as climate products. At our recent historical growth rate of roughly 30% to 40% on \$225 million, we could realize up to \$68 - \$90 million annually in opportunities for ESG products.

If we were not able to grow at this rate it would be a risk to the firm. An example of such an offering is our Ratings product, an innovative and pioneering risk metric that calculates the ratings on the compliance of a firm on ESG metrics, this metric helps investors understand and quantify the appropriate risks within their portfolio.

A shift away from such investment trends, or a failure to adapt to client requirements, could decrease demand for our products, including those related to climate change, and could have an adverse financial impact on MSCI.

Time horizon

Short-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

7,000,000

Potential financial impact figure – maximum (currency)

9,000,000

Explanation of financial impact figure

An increasing portion of our revenues comes from products that relate to certain investment trends, such as ESG, including climate-change. We have an extensive suite of ESG products include Ratings, Screening, ESG- Related Indexes and Climate Products. At our recent historical growth rate of roughly 30% to 40% on \$225 million, we could realize up to \$68 - \$90 million annually in opportunities for ESG products. Because of this significant opportunity, our risk is framed by the size of the opportunity. If the growth rate were to be reduced by 10% the financial impact would be \$7 to \$9 million.

Cost of response to risk

3,000,000

Description of response and explanation of cost calculation

Using a 52.2% margin (our publicly disclosed operating margin for the total MSCI company in our FY 2020 earnings release) on the \$7 to \$9 million in the potential impact we may assume an estimated cost of the response to be approximately \$3 to \$4 million annually. This estimated cost of response would include, but would not be limited to, the cost of building additional capabilities in our Product, Coverage, and Technology teams, enhancing our existing tools/capabilities, as well as potentially acquiring new data sets. Understanding industry trends and consumer demand is a key part of our response to this risk. MSCI and MSCI ESG Research continue to assess and develop a comprehensive portfolio of innovative solutions to respond to industry trends and consumer demand. For example, if clients' regulatory obligations change, we may consider changing our product offering. In addition, the heads of our product lines and key functional areas oversee efforts to conduct regular consultations with the global investment community and engage with clients through regular meetings and events such as client advisory panels to better understand the demand for climate-related products. This process aims for transparency when proposing methodology changes or, for example, adding new key issues to our ESG Rating model, and to help refine new product initiatives.

Comment

MSCI has been at the forefront of providing data, research and other tools to help enable ESG integration across the entire investment process. MSCI is committed to further advancing solutions to facilitate and accelerate sustainable investing. MSCI will continue to assess how to best serve our clients' needs through the expanded provision of ESG Research, ESG Indexes, and ESG Analytics as demand for ESG solutions continues to grow worldwide.

Plans for 2020 include continued coverage expansion and enhancements to MSCI ESG Ratings, ESG Fund Metrics and Climate Change Solutions provided by MSCI ESG Research, and the introduction of additional ESG indexes.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Downstream

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Given the growing focus on climate change and the need for solutions, the market for products and services to help investors mitigate risk or adapt to climate change is increasing, and we see significant opportunities for climate-related products and services. Clients often use our ESG & Climate products and services for the following objectives: (1) investing with a systematic and explicit inclusion of ESG & Climate risks and opportunities in investment analysis, (2) investing with the intention to generate measurable positive social or environmental benefits alongside a financial return, and (3) investing in alignment with an organization or individual's values.

MSCI ESG Research products are a key growth pillar for MSCI because of the growing Investor appetite for managing ESG & Climate Risks and Opportunities. MSCI provides a range of capabilities to clients whose focus is on ESG & Climate investing across our segments including ESG Index, Analytics, and a potential expansion to Real Estate.

MSCI continues to invest extensively in organic product development around emerging segments and use cases by developing solutions for corporates, banking advisory as well as fixed income. In addition, we are focused on expanding our use of newer technologies such as Natural Language Processing and Artificial Intelligence to solve an increasing set of complex problems for our clients.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

68,000,000

Potential financial impact figure – maximum (currency)

90,000,000

Explanation of financial impact figure

At our recent historical growth rate of roughly 30% to 40% on \$147 million, we could realize up to \$44 - \$59 million annually in opportunities for ESG products.

Cost to realize opportunity

43,000,000

Strategy to realize opportunity and explanation of cost calculation

MSCI continues to organically as well as deliberately develop and expand on the products/services to help investors make decisions based on a company's financial and ESG performance. We work with clients through consultations to understand their ESG investment objectives and incorporate their feedback into our products.

Using a 52.2% margin (our publicly disclosed operating margin for the total MSCI company in our FY 2020 earnings release) on the \$68 - 90 million opportunity, we may assume an estimated cost of the response to be approximately \$32 to \$43 million annually.

This estimated cost of response to realize this opportunity would include, but would not be limited to, the cost of our Product and Coverage teams, enhancing our existing tools/capabilities, as well as acquiring new data sets.

In 2020, we launched MSCI Climate Paris Aligned Indexes, that aim to help investors who seek to mitigate climate transition and physical risks, capture novel investment opportunities and allocate in a way that supports the decarbonization of the economy while being compatible with the Paris Agreement. The process for launching this index was:

1. Assess client's interest: while engaging with clients on our existing suite of climate indexes, we identified a need for an index that would follow a more complex approach encompassing all key dimensions of climate change. In addition, we wanted to ensure we would meet the minimum requirements from the EU Benchmark regulation and qualify for the EU Paris Aligned Benchmark (PAB) label. We also conducted a competitor analysis to better understand existing products on the market.
2. Develop a new methodology: once we had identified preliminary client interest, we developed a new methodology based on the feedback we had received from clients.
3. Launch index: we launched the MSCI Climate Paris Aligned Index suite in October 2020 to complement our range of existing climate indexes and add an index that would address all key dimensions of climate change.

4. Ongoing maintenance and monitoring: we closely and regularly engage with clients once indexes are live as well as with a broad range of stakeholders to ensure our methodologies are comprehensive, robust and aligned with the latest consensus on the market.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Use of more efficient production and distribution processes

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

MSCI has reduced the impact of physical printing by delivering client publications electronically. We have taken proactive steps to encourage resource efficiency, eliminate single use, hard to recycle items, and reduce the overall size of our physical operations to leverage a company-wide, ongoing hybrid-model of working.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

400,000

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

In 2020, MSCI eliminated the physical production of our “Red and Blue Books” publications to clients. The estimated annual savings of \$400,000 represents the cost to print and distribute the physical versions of these books.

We have also fully eliminated the use of single use plastic items and other disposable kitchen items and related office supplies in all global offices, thereby reducing annual operating costs.

Another significant development that will present MSCI further opportunities to conduct its operations more sustainably is our response to the COVID-19 pandemic. Since March 2020, nearly all MSCI employees shifted to fully remote work. As a result of our experience with this situation, our firm’s strong performance with this way of working, and given the overwhelming positive sentiment of employees regarding remote working (evidenced by multiple surveys, discovery sessions and two-way communications) MSCI has embarked on a comprehensive Future of Work (FOW) initiative. FOW will enable most employees to adopt a hybrid-work model post-pandemic. We firmly believe this will reduce or even eliminate entirely our need for office space in some locations.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

As a leader in ESG research and applications, MSCI is committed to do its part to promote sustainability and to reduce consumption. The implementation and management of these policies is embedded within the facilities’ operating plans and there is no (\$0) incremental costs. A significant example of MSCI’s efforts to reduce the impact its operations have on the environment is the distribution of MSCI “Blue and Red Books”, which contain comprehensive performance return information across a variety of Developed and Emerging markets. The situation we were faced with was that these signature publications were historically printed and physically shipped to clients globally. The task we were faced with was how to maintain the visibility of these signature publications for our clients who subscribe to them, but to reduce the environmental impact and the cost to print and distribute them. In December 2019, we decided to distribute digitalized versions of these publications in parallel with the printed versions. Then effective March 2020, we completely discontinued the printed books – now only the digitalized versions remain. The direct result and benefits of this change are the highly visible promotion of sustainable business practices to our clients, a material reduction of our environmental footprint and significant ongoing annual cost savings. The elimination of printed publications is estimated to save 60 trees per year in terms of volumes of printed pages, it has reduced the emissions associated with printing and shipping of the books and resulted in annual cost savings due to the elimination of printing and shipping physical books of \$800,000.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resilience

Primary climate-related opportunity driver

Participation in renewable energy programs and adoption of energy-efficiency measures

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

While the nature of MSCI's business means we have a relatively small carbon footprint, we believe there are multiple opportunities to be more efficient in our office operations and reduce costs through the implementation of programs to reduce our overall energy consumption, limit the volume of our business travel and thereby reduce our overall environmental impact.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

175,000

Potential financial impact figure – maximum (currency)

400,000

Explanation of financial impact figure

MSCI reduces its annual per capita utility and travel cost through a variety of strategies including the use of energy-efficient office space and technology and travel policies to encourage virtual meetings and environmentally responsible travel.

We estimate we save anywhere from 10% to 20% or more on our annual utility costs by our decisions to locate our operations in certified, highly

energy-efficient buildings. We estimate these annual savings to be between \$175,000 to \$400,000. Likewise, MSCI has implemented travel budgets and policy guidelines which mandate the use of virtual meetings to reduce the need for physical business travel, encouraging virtual interactions with our clients and third parties whenever practical. We are revising travel policies to incentivize employees to travel in the most environmentally responsible manner when travel is absolutely required to achieve the necessary commercial objectives. Examples include rail travel in lieu of air travel, avoidance of business and premium air class, and other lower carbon modes of travel and lodging choices. For 2020, due primarily to pandemic restrictions, MSCI's travel volumes were nearly 75% lower than 2019 levels. While we expect some rebound in these levels during 2021, nevertheless volumes will remain significantly below 2019 levels owing to our travel policies and practices. We expect significant annual travel savings due to these policies.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

The costs associated with this opportunity are variable and are already fully integrated into our occupancy and travel planning processes. At the end of 2020, 91% of our global staff are in offices with LEED, BREEAM or equivalent green building recognition thereby reducing annual utility consumption and costs per building. Our offices in Berkeley, Boston, Budapest, Chicago, Dubai, Frankfurt, Manila, Mumbai, New York, Norman, San Francisco and Seoul are all LEED-certified. Our London, Hong Kong, Paris, Singapore, and Tokyo offices are BREEAM or equivalently certified. Our offices in Monterrey, Singapore and Tokyo are in buildings which have received local awards for their environmental design and green building technology.

Efficient light fixtures and smart lighting occupancy sensors are enabled in MSCI buildings to reduce electricity consumption.

We have motion sensors and automated controls for lighting in offices which represent 96% of our global staff. Furniture with 70% to 90% recycled materials is used in all our new and remodeled offices. Our vendor has the highest recycled content on the market.

Since 2016, MSCI's principal datacenters, located within the U.S., have been powered by 100% renewable energy; Since 2017, the renewable energy credits retired on behalf of MSCI were certified by our datacenter provider to comply with Greenpeace's principles of locality, additionality, and sustainability, and were generated by Nevada solar farms and geothermal power plants. These datacenters employ class-leading techniques in terms of energy consumption and heat management in addition to their use of renewable energy. Since 2019, our datacenters in Europe have also been powered by 100% renewable energy. Our datacenters in APAC use renewable sources as one part of their overall energy usage.

We have implemented policies and practices which reduce paper usage by using electronic documents rather than paper and by minimizing the overall volume of printing. In response to the COVID-19 pandemic MSCI shifted virtually all employees to work in a virtual environment.

Consequently, MSCI is averaging 59,000 virtual meetings per month in 2021 and has significantly reduced print volumes. These practices of virtual meetings and less printing will continue and contribute to continued ongoing improvement in resource efficiency.

Comment

MSCI takes various environmental factors, such as existence of landlord-driven or local recycling initiatives, use of sustainable and energy-efficient materials and control systems enabling the efficient power use, and public transport availability into consideration as part of our new office acquisition approach, and we implement our own office programs for low environmental impact product use as well. MSCI has personnel whose roles include coordination of activities to support our corporate environmental and carbon disclosure activities, and to oversee our global office practices and standards to ensure that we act in a consistent and environmentally conscious manner throughout our offices.

In response to the COVID-19 pandemic, MSCI moved virtually all its employees to work from home. MSCI has already reduced or eliminated some of its physical office space and proactively is evaluating all future office space requirements as it anticipates leveraging alternate working arrangements much more routinely in the future. It is expected that MSCI will continue to aggressively evaluate and manage its office space requirements globally to achieve lower levels of Green House Gas Emissions due to lower electricity consumption within our offices and reduced levels of employee commuting.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization’s low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization’s use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify MSCI ESG Research’s Climate VaR Mode	<p>In 2020, we conducted a detailed climate-related scenario analysis to quantitatively analyze the climate-related risks and opportunities that we can expect to face in the next 15 years using MSCI ESG Research’s Climate VaR Model. MSCI ESG Research comprehensively assesses future climate-change risks and opportunities, which include transition risks and opportunities related to greenhouse gas (GHG) emission limitations as well as physical risks and opportunities resulting from climate change.</p> <p>The application of the Climate VaR model and analysis included herein were conducted in the same manner and based on the same information available for other companies that are not affiliated with MSCI Inc. However, due to the affiliate relationship and</p>

	<p>the potential for a conflict of interest, this analysis should not be relied upon as an independent analysis of MSCI Inc.</p> <p>i) MSCI ESG Research’s Climate VaR Model aims to provide a quantitative and forward-looking analysis on how climate change may affect a company’s market valuation. The Transition Risk and Opportunity Climate VaR Model is comprised of four main sub-models: the Direct Emissions Climate VaR, Electricity Use Climate VaR, Value Chain Climate VaR and Technology Opportunity Climate VaR models. MSCI ESG Research employs a top-down and bottom-up hybrid methodology to calculate potential risks from future climate change policies coming from countries’ Nationally Determined Contributions (NDCs) stemming from the Paris Agreement.</p> <p>To compute the temperature alignment for companies, MSCI ESG Research has developed an approach that considers both sector-specific and sector-agnostic data. For each sector, the logarithmic relationship between 1.5°C, 2°C, 3°C, 3.8°C and 6°C carbon intensity budgets and temperature levels in 2100 are computed. For the calculation of the carbon-intensity budgets, analysis from the Nationally Determined Contributions has been combined with insight from the latest UNEP Emission Gap Report publication. Sectoral as well as sector-agnostic warming functions, which take into account global and sector-specific GHG emission budgets, are incorporated into the modeling approach.</p> <p>ii) A 15-year time horizon was chosen because it corresponds to the time period of the Paris Agreement. Additionally, we calculate costs all the way out to the end of the century.</p> <p>iii) MSCI ESG Research has established the current level of climate-related physical risk from eight distinct hazards to companies’ facilities and modeled how that may change in the future under different scenarios. MSCI ESG Research has also translated the physical risk from these hazards into detailed costs or opportunities calculations for each company facility</p> <p>iv) Based on the physical risk assessments, coastal flooding poses the greatest risk to MSCI’s office locations, especially in Shanghai and Mumbai. We also observed that extreme heat and tropical cyclone risk exposure may slightly increase at some MSCI office locations. The current exposure to extreme cold will be decreasing in most places.</p> <p>An example of how the results of this scenario analysis directly influenced MSCI’s business objectives and strategy may be illustrated by our choice of a second location in Pune, India, which is approximately 100 miles inland from Mumbai and at a higher elevation. We considered other locations such as Hyderabad and Bangalore but decided that Pune was a more optimal location, including as it related to longer term climate risks.</p>
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C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	<p>MSCI ESG Research's Research and Ratings and our MSCI Climate Metrics and Indexes are some of our most strategically important and highest growth product offerings with increasing demand to disclose data on the financial impacts of climate change. This demand influences MSCI's short term and long term business strategy, resulting in the diversification and expansion of our business offerings. Since 2015, when we launched the MSCI Low Carbon indexes, we have observed a growing interest from investors on climate related issues. The interest emerged due to several factors including the regulatory pressure and in particular the EU Sustainable Finance Package, the emerging consensus around climate risks becoming material and the development of better data, tools and analytics. At MSCI we have been closely monitoring these trends and engaging with clients which led us 1: develop new solutions aligned with clients' needs. The MSCI Climate Paris Aligned index is a good example of this as it reflects a desire from investors to address climate risks but also to align their investment with a 1.5°C pathway. 2: strengthen the climate signal within our ESG Index methodologies: we received feedback from ESG investors willing to put more weight on climate within their ESG investment which led us to run a consultation in February 2020 on a new methodology to enhance the climate risk profile of our indexes; 3: expand to other asset classes: we launched the MSCI Fixed Income Climate Change Index in September to address the need from investors to not only address climate risks and opportunities in their equity exposure but also in the fixed income investments.</p>
Supply chain and/or value chain	Yes	<p>MSCI regularly evaluates the potential for supply chain disruption, which would include climate-related changes over both short term and long term horizons.</p> <p>Physical climate risks, such as temperature extremes, storm damage, and coastal flooding have the</p>

		<p>potential to disrupt operations of MSCI’s supply chain and value chain members in the short term, which in turn may directly or indirectly impact MSCI’s operations and timely customer delivery. This disruption in operations may have a longer-term impact to MSCI from a reputational perspective. In general, supply chain risks for MSCI are only relevant to our ability to warehouse and deliver our software and data, and we do not perceive the delivery a physical goods as material to our service offerings.</p> <p>Whenever feasible, MSCI identifies multiple sourcing of critical services to reduce the impact of supply chain disruptions. A specific example of such duplicative services is MSCI’s design of its datacenters. MSCI has selected Microsoft Azure as our strategic cloud services provider, in part because they are able to offer geographically diverse datacenter locations which allow us to mitigate impact should a climate event happen to any specific sites. Microsoft is also committed to be carbon negative by 2030.</p> <p>As such, the impact of climate change is one of many considerations in our supply chain strategy.</p>
Investment in R&D	Yes	<p>MSCI continues to invest in climate solutions to enhance MSCI’s product line due to the ever-increasing demand for better data on the impacts of climate change on organizations globally. The demand for disclosure of timely, accurate, and reasonable data on climate change in business context had influenced MSCI’s strategy for investment in R&D. MSCI seeks to continue being a leader in providing valuable insights pertaining to ESG and climate change impacts to the institutional investor community. Examples of our climate-related R&D investments include the following:</p> <ul style="list-style-type: none"> •Our recent purchase of Carbon Delta expands MSCI’s robust suite of climate risk capabilities with state-of-the-art modeling technology that supports climate scenario analysis and forward-looking assessment of transition and physical risks. <p>In June 2020, MSCI launched MSCI Real Estate Climate Value-at-Risk to help real estate investors assess and manage their exposure to climate change. This solution provides a forward-looking and return-based valuation assessment to measure climate-related risks for real estate assets in an investment portfolio.</p> <p>In December 2020, MSCI launched TCFD Reporting as part of our portfolio reporting service. This report is designed to facilitate TCFD-aligned reporting by measuring portfolio exposure to climate risk,</p>



		<p>which measures how companies are positioned on transition risk in the shift to a low-carbon economy; and clean technology, which measures portfolio exposure to companies providing solutions intended to mitigate climate change.</p>
<p>Operations</p>	<p>Yes</p>	<p>MSCI’s Environmental Policy, monitored through an EMS, outlines the principles that guide strategic and operational decisions. This policy is updated as environmental priorities evolve. Examples of how climate has impacted our operational strategy include move to energy-efficient offices (91% of employees in LEED/BREEM offices; 96% in offices with automatic lighting); recycling; furniture with high recycled material content and physical footprint reduction. In response to the COVID-19 pandemic situation, we developed our Future of Work initiative. We were tasked with supporting commercial and client objectives, while enabling employees to adopt hybrid-work. We believe this will reduce and/or eliminate need for office space in some locations. During 2020 we acted by closing or downsizing locations in Ann Arbor, Michigan; Cape Town, South Africa; Gaithersburg, Maryland; and Portland, Maine. We closed our Hong Kong office and replaced it early 2021 with a smaller office, located within a highly energy-efficient building. In March 2021, we closed our San Francisco, CA, office where we’ll take similar action. Through the rest of 2021, we plan to reduce our footprint in Boston, Massachusetts, and Norman, Oklahoma. The result of these changes, coupled with adoption of permanent hybrid-work, will lower the carbon footprint of our physical operations.</p> <p>MSCI considers chronic or acute physical climate risks that have the potential to disrupt business operations for the short and long term as part of its office selection process. In 2020 continued business growth required us to expand our software development capabilities. Ordinarily we would have increased hiring in an existing location where talent that we require can be hired - notably Mumbai. To protect our operations against the impact of climate change we took action to identify a location that met the talent and cost requirements, while also addressing climate change impact on Mumbai.</p> <p>Understanding this risk, we took the action to evaluate existing locations as well as alternatives by performing a climate scenario analysis. We identified the need for a redundant India location. As a result, MSCI opened a new location in Pune, India, 100 miles inland from Mumbai, located at a higher elevation. The new office location was opened in June 2020 and staffed by over 130 full-time employees at end of 2020.</p>

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Direct costs Acquisitions and divestments Assets Liabilities	<p>As part of MSCI’s short, medium, and long-term financial process and quarterly business reviews, senior management, including the Executive Committee, reviews business results and trends, including climate-related solutions.</p> <p>As part of this financial planning, MSCI evaluates changes in client demand for climate-related solutions. MSCI has had, and expects to continue to have, positive revenue growth from climate-related products.</p> <p>Case study: In February 2019, the UN Principles of Responsible Investment (PRI) indicated its climate risk strategy and governance indicators, which are aligned with the TCFD guidelines, would become mandatory for PRI signatories from 2020 but voluntary to disclose publicly. In addition, governmental pressure was increasing with the UK and New Zealand requesting TCFD reporting. MSCI recognized and responded to the need for reporting tools for investors globally and in H1 2020, we worked on a prototype portfolio TCFD report and gathered feedback from clients to ultimately launch the TCFD portfolio reporting tool in December 2020 as a managed service. Since that launch, MSCI has received positive feedback from clients and has seen the tool become adopted globally. Going forward, we plan to continue enhancing our solutions for TCFD disclosure.</p> <p>As part of MSCI’s short, medium and long-term financial process and quarterly business reviews, senior management, including the Executive Committee, reviews business results and trends, including incurred and projected costs associated with providing climate-related products, as well as creating more sustainable operations.</p> <p>As part of this financial planning, MSCI evaluates the impact of climate change on MSCI’s direct costs. Examples of how climate related costs has impacted financial planning costs are:</p> <ul style="list-style-type: none"> • Direct costs of investing in technology to reduce MSCI’s Scope 3 GHG emissions by 1) automating labor-intensive processes and promoting virtual employee and client engagement, as well as 2) reducing business travel when possible. • Direct costs of developing policies and practices to promote sustainability and efficiencies, including prioritizing LEED and BREEAM-certified office space when entering into new leases.

		<p>As part of MSCI's short, medium and long-term annual financial planning process and quarterly business reviews, senior management, including the Executive Committee, reviews opportunities for acquisitions and divestments.</p> <p>In 2019, MSCI acquired Zurich-based environmental fintech and data analytics firm Carbon Delta AG (Carbon Delta), to create an extensive climate risk assessment and reporting offering for the institutional market.</p> <p>As part of MSCI's short, medium and long-term annual financial planning process, MSCI considers any climate-related impacts through our business resilience process and insurance coverage, including cost of premiums, etc.</p>
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C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Further examples of how climate has influenced MSCI's strategy include MSCI's suite of tools and data on carbon and fossil fuel exposure to help investors identify, measure, and manage their exposure to carbon and climate change risk at the security, company, and portfolio levels are:

ESG Ratings: MSCI ESG Research evaluates the extent to which climate change poses material risks and opportunities to companies and industries. We take an industry-specific approach focusing on the key areas of risk and opportunity for each industry. Regarding climate risk, we assess regulatory costs and strategic risks facing high-emitting and energy-intensive industries (Carbon Emissions), regulatory and reputational risks facing industries with carbon-intensive supply chains or carbon-intensive products and services (Product Carbon Footprint), and financial exposure to climate-related risks and opportunities (Financing Environmental Impact). We also assess companies' exposure to physical risks of climate change and companies' strategies to manage these risks through Key Issues such as Water Stress and Climate Change Vulnerability.

Business Involvement Screening: MSCI ESG Research provides information on the extent of a company's involvement in activities with negative social and environmental implications (in accordance with our methodologies) to allow investors to apply mandates in portfolios. We offer a full range of carbon-related screens including fossil fuel reserves, revenue exposure, and energy generation.

Sustainable Impact Metrics: MSCI ESG Research identifies the extent of companies' involvement in activities with positive environmental impact, including Alternative Energy, Energy Efficiency and Green Building. In September 2020, MSCI launched a tool to help investors assess their exposure and alignment to the 17 United Nations Sustainable Development Goals (UN SDGs). The tool brings together MSCI's framework covering more than

8,600 equity and fixed-income issuers, with analysis of the full range of a company's operations, products, services, policies and practices, to evaluate its net contributions to addressing the global challenges described by the UN SDGs.

Climate Value at Risk is an innovative and pioneering climate risk metric that calculates the impact of climate change on a company's market value and is designed to help investors understand and quantify these risks within their portfolio. In June 2020, MSCI launched MSCI Real Estate Climate Value-at-Risk to help real estate investors assess and manage their exposure to climate change. This solution provides a forward-looking and return-based valuation assessment to measure climate-related risks for real estate assets in an investment portfolio

MSCI Climate Indexes: MSCI offers climate indexes for both Equity & Fixed Income that aim to meet the variety of needs of institutional investors who wish to address climate change. The MSCI Climate Indexes can help reduce fossil fuel exposure, mitigate transition & physical risks, capture opportunities, and align with the goals of the Paris Agreement.

MSCI Real Estate offers Green Property Indexes based on assets that have a green building certificate.

- **Australia Green Property Index** published in partnership with the Property Council of Australia and tracks the investment performance of commercial office buildings awarded an environmental rating from Green Star, NABERS Energy and NABERS Water
- **South Africa Annual Green Property Index** published in conjunction with the Green Buildings Council and tracks the performance of Green Star Certified Prime & Grade A Office properties to the rest of the MSCI Prime & Grade A Office Universe
- **Canada Quarterly Green Index** published in partnership with REALPAC and compares the financial performance of those properties with a BOMA BEST or LEED rating relative to the rest of the market
- **MSCI France Annual Green Property Index** measures the performance of directly held investment properties (without leverage) either labelled or certified green for two consecutive valuations.

ESG ratings, research and analysis are produced by MSCI ESG Research LLC. MSCI ESG Indexes and Analytics utilize information from, but are not provided by, MSCI ESG Research LLC. MSCI Indexes and Analytics are products of MSCI Inc. MSCI Indexes are administered by MSCI Limited (UK).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2019

Covered emissions in base year (metric tons CO₂e)

4,361.1

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2035

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO2e) [auto-calculated]

2,180.55

Covered emissions in reporting year (metric tons CO2e)

3,624.58

% of target achieved [auto-calculated]

33.7767994313

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain (including target coverage)

Using science-based target methodologies, we plan to reduce our Scope 1 and Scope 2 carbon emissions by 50% by 2035 and our Scope 3 emissions by 20% by 2035, starting in 2019. Ways to achieve those targets include implementing energy-efficiency measures, increasing the use of renewables, shrinking employee commutes to their offices and business travel and reducing our footprint throughout the supply chain. Assuming we meet our carbon-reduction targets, our activities will contribute to a temperature rise below 2°C by 2100, which is aligned with the objectives of the Paris Agreement.

Target reference number

Abs 2

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Other, please specify

Purchased Goods and Services, Transmission and Distribution Loss, Waste, Employee Commute, and Business Travel

Base year

2019

Covered emissions in base year (metric tons CO₂e)

39,595.82

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2035

Targeted reduction from base year (%)

20

Covered emissions in target year (metric tons CO₂e) [auto-calculated]

31,676.656

Covered emissions in reporting year (metric tons CO₂e)

35,235.12

% of target achieved [auto-calculated]

55.0651558675

Target status in reporting year

New

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

Well-below 2°C aligned

Please explain (including target coverage)

Using science-based target methodologies, we plan to reduce our Scope 1 and Scope 2 carbon emissions by 50% by 2035 and our Scope 3 emissions by 20% by 2035, starting in 2019. Ways to achieve those targets include implementing energy-efficiency measures, increasing the use of renewables, shrinking employee commutes to their offices and business travel and reducing our footprint throughout the supply chain. Assuming we meet our carbon-reduction targets, our activities will contribute to a temperature rise below 2°C by 2100, which is aligned with the objectives of the Paris Agreement.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	1	16.19
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings

Lighting

Estimated annual CO2e savings (metric tonnes CO2e)

16.19

Scope(s)

Scope 2 (location-based)

Scope 2 (market-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

10,010

Investment required (unit currency – as specified in C0.4)

52,000

Payback period

4-10 years

Estimated lifetime of the initiative

16-20 years

Comment

In 2020, The Berkeley office underwent a lighting system upgrade. As a result of this remodel, the new lighting system yielded a total CY2020 savings of 71,526 kWh. Using the electricity rate of \$0.14 /kWh and using the CO₂, CH₄, and N₂O emission factors and applying AR-5 GWPs this yields an emissions reduction of 16.19 MT CO₂e. LED Lighting has a use life of approximately 20 years.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	<p>MSCI has committed to having all its employees work in energy efficiency/ LEED / BREEAM certified offices. To stay aligned with this commitment, MSCI chooses to prioritize selection of energy efficient office locations and when feasible chooses to implement energy efficiency measures while remodeling existing office locations. MSCI has installed energy-efficient lighting, using motion sensors on lights in offices which represent 97% of our global staff. In addition, 90% of our global staff currently occupy space that is certified as LEED, BREEAM, Energy Star or recognized locally as equivalent. Our offices in Berkeley, Boston, Budapest, Chicago, Dubai, Frankfurt, Manila, Mumbai, New York, Norman, San Francisco and Seoul are all LEED-certified. Our London, Hong Kong, Paris, Singapore and Tokyo offices are BREEAM or equivalently certified. Our offices in Monterrey, Singapore and Tokyo are in buildings which have received local awards for their environmental design and green building technology. For all future moves, employees of the Global Corporate Services Department are incentivized to take various environmental factors (including existence of landlord-driven or local recycling initiatives, use of sustainable and energy-efficient materials and control systems enabling the efficient use of power and availability of public transport for employees) into consideration as part of our approach to acquiring new office space.</p>
Employee engagement	<p>MSCI has also taken steps in prior years to reduce its carbon footprint, including by minimizing its use of paper by: changing the default on its printers across the globe to double-sided printing, using an electronic portal to make documents available for Board and certain senior management meetings in lieu of printing and shipping voluminous binders and adopting notice and access to minimize the delivery of materials related to its annual shareholders' meetings. MSCI has company-wide video and teleconferencing systems available to reduce travel-related emissions. As a firm, MSCI averages over 75,000 virtual meetings monthly. MSCI is also committed to doing its part to promote sustainability by reducing plastic consumption. MSCI has implemented processes across all offices to eliminate single-use plastic items, including water bottles, straws, coffee stirrers and other disposable items. Where practical, MSCI is replacing disposable water bottles with pitchers and glassware in offices with frequent client meetings and other visitor events. MSCI is also in the process of eliminating under-desk waste-paper baskets to focus efforts on recycling items where possible rather than sending them to a landfill. MSCI also encourages employees to commute to work by public transport by supporting commuter programs that allow them to pay for such transport with pre-tax dollars.</p>

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

MSCI's suite of climate equity and fixed income indexes aims to address the key dimensions of climate investing including: reducing investors' carbon footprint, shifting from fossil fuel to clean technologies and aligning with the Paris Agreement. Examples of climate indexes include: MSCI Low Carbon Indexes, MSCI Climate Change Indexes and the newly launched MSCI Climate Paris Aligned Indexes.

MSCI Low Carbon Indexes are intended to help investors identify potential risks associated with the transition to a low carbon economy while representing the performance of the broad equity market. MSCI Global Low Carbon Target Indexes, a part of this family, aim to reflect a lower carbon exposure than that of the broad market by overweighting companies with low carbon emissions (relative to sales) and those with low potential carbon emissions (per dollar of market capitalization).

Climate Change Indexes were launched in 2019 and are designed to enable investors to holistically integrate climate risk considerations in their investment process while increasing diversification through a simple, rules-based reweighting methodology.

In 2020 we launched the MSCI Climate Paris Aligned Index Suite, which is designed to help investors who seek to mitigate climate transition and physical risks, capture novel investment opportunities and allocate in a way that supports the decarbonization of the economy while being

compatible with the Paris Agreement. The MSCI Climate Paris Aligned Indexes incorporate the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) and are designed to exceed the minimum requirements for the EU Paris Aligned Benchmark. We also provide Ex-Fossil Fuel indexes as well as the Global Environmental Indexes which focus on clean technologies. MSCI Real Estate offers Green Property Indexes based on assets that have a green building certificate. ESG ratings, research and analysis are produced by MSCI ESG Research LLC. MSCI ESG Indexes and Analytics utilize information from, but are not provided by, MSCI ESG Research LLC. MSCI Indexes and Analytics are products of MSCI Inc. MSCI Indexes are administered by MSCI Limited (UK).

MSCI also offers clients a range of climate change-related data and tools, including Climate Change Metrics, Climate Value-at-Risk, and Climate Change Portfolio Analytics .

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Low-Carbon Investment (LCI) Registry Taxonomy

% revenue from low carbon product(s) in the reporting year

12

Comment

MSCI does not disclose the revenue of these indexes.

The size of our overall ESG & Climate business for 2020 as measured by run rate is \$225 million which represents about 12% of MSCI run rate in 2020.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

272.1

Comment

Scope 2 (location-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

7,392.3

Comment

Scope 2 (market-based)

Base year start

January 1, 2019

Base year end

December 31, 2019

Base year emissions (metric tons CO₂e)

4,089

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO₂e?

Reporting year

Gross global Scope 1 emissions (metric tons CO₂e)

230.24

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO₂e?

Reporting year

Scope 2, location-based

7,244.05

Scope 2, market-based (if applicable)

3,394.34

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

28,444.45

Emissions calculation methodology

Financial spend data was provided from internal MSCI databases for PG&S categories. The financial data was utilized in an Economic Input-Output LCA database called CEDA to derive emissions per financial category type. The model was adjusted to account for Adjusted Price Indices of the model (i.e., inflation) and a Purchase to Producer Adjustment.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Capital goods

Evaluation status

Not relevant, explanation provided

Please explain

MSCI's internal databases do not differentiate between capital goods and purchased goods & services. All relevant emissions are accounted for in C1 - Purchased Goods & Services.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,272.91

Emissions calculation methodology

Emissions are calculated using Defra's Well-to-tank (WTT) and transmission & distribution (T&D) emissions for fuels and electric power for MSCI's 2020 inventory.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Upstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Upstream transport is not relevant to MSCI's business activities (i.e., no goods are transported to MSCI for creating products).

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

158

Emissions calculation methodology

MSCI utilized a waste generation study for global offices that estimated average waste generation and destination per FTE. MSCI then utilized Defra emission factors per end of life destination to derive total emissions.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,498.89

Emissions calculation methodology

This category includes air travel, hotel stays and car rentals. Air travel data is based on internal tracking of flights taken, multiplied by Defra air travel emission factors. Hotel emissions are calculated based on the total room nights per country multiplied by Defra emission factors for hotel stays per country. Car rental is calculated by taking total miles per vehicle type, using Defra emission factors for passenger vehicles.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Employee commuting

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,506.07

Emissions calculation methodology

This category includes employee commuting to the office (for approximately 2-3 months before Covid-19 lockdowns in all of MSCI's operations) and employee homeworking estimates from March -December 2019. Employee commuting is calculated by extrapolating commuting patterns for all global locations. This included an analysis of total driving distance (based on home zip code distance from office zip code) and average

employee commuting patterns (based on MSCI's office manager feedback on modes including public transport, car, walking/bike, and rail). The total distance for the commute was multiplied by total assumed trips per year, multiplied by a mode-specific emission factor. Employee homeworking energy usage was estimated using an assumed average allocation of home energy intensity and working hours, multiplied by the total number of employees per region. Emissions were estimated by taking the total energy usage per country/region and multiplying by regional electric power and natural gas factors.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

MSCI does not have upstream leased assets.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Downstream transport is not relevant to MSCI's business activities (i.e., no goods are transported downstream to customers).

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

MSCI does not sell products that require further processing downstream.

Use of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1,937.8

Emissions calculation methodology

MSCI evaluated user login statistics for all file transfers and webpage engagement. Data center usage is accounted for in scope 1 & 2; this category evaluates the computer energy usage (and resulting emissions) from clients using desktop or laptop computers when using MSCI's web-based tools. Energy usage was calculated using an average assumed engagement time per login (and average file transfer time). Emissions were calculated based on total energy multiplied by the assumed client location, assuming only electric power usage.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant to MSCI's business activities (i.e., no physical goods are sold that result in an end of life emission).

Downstream leased assets

Evaluation status

Relevant, calculated

Metric tonnes CO2e

417

Emissions calculation methodology

MSCI utilized total square footage of downstream leased assets (not included in scope 1 & 2) multiplied by an average assumed energy consumption per square footage intensity figure to derive total energy use. Emissions were estimated using total energy usage multiplied by the regional emission factor (eGRID).

Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

Please explain

N/A

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant to MSCI's business activities - MSCI does not have franchises.

Investments

Evaluation status

Not relevant, explanation provided

Please explain

This category is not relevant to MSCI's business activities - MSCI is not a financial services institute.

Other (upstream)

Evaluation status

Not relevant, explanation provided

Please explain

MSCI does not have any other upstream Scope 3 emissions.

Other (downstream)

Evaluation status

Not relevant, explanation provided

Please explain

MSCI does not have any other downstream Scope 3 emissions.

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000021

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

3,624.58

Metric denominator

unit total revenue

Metric denominator: Unit total

1,695,390,000

Scope 2 figure used

Market-based

% change from previous year

30.97

Direction of change

Decreased

Reason for change

Last year's (2019) Scope 1 and Scope 2 (market-based) emissions totalled to 4,361.06 mtCO₂e. Therefore $4,361.06 / \$1,557,800,000.00 = 0.0000028$. This year's (2020) Scope 1 and Scope 2 (market-based) emissions totalled to 3,624.58 mtCO₂e. Therefore, $3,624.5 / \$1,695,390,000.00 = 0.0000021$. The reason for the change was primarily attributed to the a reduction in office occupancy due to the COVID-19 pandemic, greening of the grid, office consolidation and more efficient energy use.

Intensity figure

0.9976823562

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

3,624.58

Metric denominator

full time equivalent (FTE) employee

Metric denominator: Unit total

3,633

Scope 2 figure used

Market-based

% change from previous year

29.02

Direction of change

Decreased

Reason for change

Last year's (2019) Scope 1 and Scope 2 (market-based) emissions totalled to 4,361.06 mtCO₂e. Therefore $4,361.06 / 3,388 = 1.2872071716$.
This year's (2020) Scope 1 and Scope 2 (market-based) emissions totalled to 3,624.58 mtCO₂e. Therefore, $3,624.58 / 3,633 = 0.9976823562$.
The reason for the change was primarily attributed to the a reduction in office occupancy due to the COVID-19 pandemic, greening of the grid, office consolidation and more efficient energy use.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	229.88	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	0.15	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	0.2	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
China, Hong Kong Special Administrative Region	2.04
United States of America	187.28
Hungary	0.2
South Africa	0.07
United Arab Emirates	0.29
Germany	0.84
United Kingdom of Great Britain and Northern Ireland	10.26
Philippines	12.01
Mexico	2.46

India	10.26
Brazil	0.53
Canada	4
Singapore	0
Japan	0
Spain	0
Switzerland	0
Italy	0
France	0
Republic of Korea	0
Sweden	0
Australia	0
Taiwan, Greater China	0

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By facility

C7.3b

(C7.3b) Break down your total gross global Scope 1 emissions by business facility.



Facility	Scope 1 emissions (metric tons CO2e)	Latitude	Longitude
Beijing	0.37	39.917795	116.361449
Berkeley	22.33	37.870634	-122.271104
Boston	0.84	42.354995	-71.05682
Budapest	0.2	47.520469	19.064355
Cape Town	0.07	-33.979377	18.461181
Chicago	3.85	41.877438	-87.635642
Dubai	0.29	25.208478	55.276453
Frankfurt	0.84	50.118494	8.671857
Gaithersburg	0.84	39.11486	-77.196231
London	10.26	51.519746	-0.076135
Manila	12.01	14.558257	121.026136
Monterrey	2.46	25.647099	-100.353654
Mumbai	6.16	19.152551	72.855732
New York	7.81	40.713416	-74.011931
Norman	106.07	35.183722	-97.438125
Pune	4.1	18.540272	73.929608
San Francisco	27.04	37.792829	-122.39788
Sao Paulo - Iguatemi	0.53	-23.584433	-46.681864
Shanghai	1.67	31.236236	121.509694
Toronto - First Canadian Place	4	43.648743	-79.377488
Anna Arbor - 912 N. Main	18.49	42.289743	-83.746681

Hong Kong - St. George's	0	22.282582	114.272204
Singapore	0	1.281076	103.851788
Tokyo	0	35.687156	139.765436
Barcelona	0	41.23	2.154
Geneva	0	46.203361	6.145028
Geneva DC1 - Safehost	0	46.203361	6.145028
Geneva DC2 - GTT	0	46.203361	6.145028
Hong Kong DC1 - Telstra	0	22.282582	114.272204
Hong Kong DC2 - Equinix	0	22.282582	114.272204
Las Vegas DC1 - Switch NAP4	0	36.143736	-115.076768
Las Vegas DC2 - Switch NAP8	0	36.143736	-115.076768
Milan	0	45.466646	9.184057
Paris	0	48.873425	2.305674
Portland	0	43.657923	-70.257939
Potsdam	0	52.3906	13.0645
Potsdam - Unicorn	0	52.3906	13.0645
Sao Paulo - WeWork	0	-23.564544	-46.666754
Seoul	0	37.57079	126.98356
Stockholm	0	59.331556	18.06333
Sydney	0	-33.863898	151.209242
Taipei	0	25.038619	121.566166
Zurich - Prime Tower	0	47.166168	8.515495

Hong Kong - Three Pacific	0	22.282582	114.272204
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C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
China, Hong Kong Special Administrative Region	310.39	324.44	522.67	0
United States of America	4,680.13	893.98	12,067	8,828.76
Hungary	118.58	118.58	467.19	0
South Africa	24.53	24.53	27.4	0
United Arab Emirates	131	131	251.84	0
Germany	22.86	25.51	101.09	0
United Kingdom of Great Britain and Northern Ireland	172.46	219.89	848.69	0
Philippines	367.13	367.13	522.82	0
Mexico	199.27	199.27	436.78	0
India	1,033.52	976.9	2,067.11	0
Brazil	2.61	2.61	26.1	0
Canada	4.77	4.77	36.14	0
Singapore	21.66	21.66	85.37	0

Japan	24.9	24.9	58.44	0
Spain	0.9	0.9	3.46	0
Switzerland	77.02	1.27	2,940.37	2,825.36
Italy	6.6	7.18	21.44	0
France	4.15	4.14	75.24	0
Republic of Korea	10.35	10.35	19.36	0
Sweden	0.14	0.14	10.99	0
Australia	29.87	34	41.98	0
Taiwan, Greater China	1.19	1.19	2.13	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By facility

C7.6b

(C7.6b) Break down your total gross global Scope 2 emissions by business facility.

Facility	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Beijing	24.31	24.31
Berkeley	38.45	13.76

Boston	87.32	162.41
Budapest	118.58	118.58
Cape Town	24.53	24.53
Chicago	32.53	21.89
Dubai	131	131
Frankfurt	18.99	21.63
Gaithersburg	55.75	60.75
London	172.46	219.89
Manila	367.13	367.13
Monterrey	199.27	199.27
Mumbai	958.6	901.97
New York	280.31	280.31
Norman	324.82	324.82
Pune	74.93	74.93
San Francisco	15.25	15.25
Sao Paulo - Iguatemi	2.35	2.35
Shanghai	39.33	39.33
Toronto - First Canadian Place	4.77	4.77
Ann Arbor - 912 N. Main	13.37	14.41
Hong Kong - St. George's	49.42	63.41
Singapore	21.66	21.66
Tokyo	24.9	24.9

Barcelona	0.9	0.9
Geneva	1.75	0
Geneva DC1 - Safehost	33.58	0
Geneva DC2 - GTT	40.42	0
Hong Kong DC1 - Telstra	98.58	98.58
Hong Kong DC2 - Equinix	98.58	98.58
Las Vegas DC1 - Switch NAP4	1,620.23	0
Las Vegas DC2 - Switch NAP8	2,211.73	0
Milan	6.6	7.18
Paris	4.15	4.14
Portland	0.38	0.38
Potsdam	2.83	2.83
Potsdam - Unicorn	1.04	1.04
Sao Paulo - WeWork	0.26	0.26
Seoul	10.35	10.35
Stockholm	0.14	0.14
Sydney	29.87	34
Taipei	1.19	1.19
Zurich - Prime Tower	1.27	1.27
Hong Kong - Three Pacific	0.18	0.24

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	MSCI procures renewable energy in the form of unbundled RECs at four of its six data centers. In both CY2019 and CY2020, the volume of unbundled RECs purchased at these facilities has been equivalent to total energy consumption and therefore, market-based Scope 2 emissions at these sites has remained at 0.
Other emissions reduction activities	16.19	Decreased	0.37	In CY2020, the total Scope 1 and Scope 2 (market-based) emissions were 4,361 MTCO2e. In CY2020, these emissions totaled to 3,635 MTCO2e. The Berkeley office lighting energy efficiency retrofit project yielded savings of 71,526 kWh which is equivalent to 16.19 MTCO2e reduction. This change in Scope 1+2 emissions is approximately .37% of total CY2019 emissions (market-based).
Divestment				n/a
Acquisitions				n/a

Mergers				n/a
Change in output				n/a
Change in methodology				n/a
Change in boundary				n/a
Change in physical operating conditions	720.3	Decreased	16.5	<p>MSCI's emissions were reduced by 19.5 MTCO₂e between 2019 and 2020 as a result of downsizing its Hong Kong facility and from 6.2k to 4.9k square feet. Emissions reduction is calculated by multiplying emissions per square foot at that facility (0.015 MTCO₂e / square foot) by total reduction in square feet (1,300).</p> <p>MSCI's emissions were also reduced by an estimated 700.8 MTCO₂e between 2019 and 2020 due to the shift to work from home caused by the COVID-19 pandemic. In 2020, employees worked from offices in January and February, then virtually all employees shifted to remote/ telework for remainder of 2020. Average utilization of all MSCI facilities dropped to 20% for the FY2020 as compared to FY2019. To calculate this reduction in emissions, it was assumed that all emissions reductions that were not attributed to Berkeley lighting retrofit project or office downsizing can be attributed to reduced office occupancy. Since total emissions reductions were 736.48 (Scope 1 and Scope 2 [market-based] emissions, and emissions reduction associated with the Berkeley lighting retrofit project and office downsizing were 16.19 and 19.5, respectively, this yields 700.8 MTCO₂e of emissions reductions that can be attributed to reduced office occupancy.</p> <p>Combined, change in physical operations emissions reductions total to 720.30 MTCO₂e. This change in Scope 1+2 emissions is approximately 16.5% of total CY2019 emissions (market-based).</p>

Unidentified				n/a
Other				n/a

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Market-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	Yes
Consumption of purchased or acquired cooling	Yes
Generation of electricity, heat, steam, or cooling	No

C8.2a

(C8.2a) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	1,184.99	1,184.99
Consumption of purchased or acquired electricity		11,654.12	6,614.75	18,268.87
Consumption of purchased or acquired heat		0	35.19	35.19
Consumption of purchased or acquired steam		0	18.19	18.19
Consumption of purchased or acquired cooling		0	2,311.38	2,311.38

Total energy consumption		11,654.12	10,164.51	21,818.63
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C8.2b

(C8.2b) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

215.09

MWh fuel consumed for self-generation of electricity

215.09

MWh fuel consumed for self-generation of heat

Emission factor

53.115

Unit

kg CO2e per million Btu

Emissions factor source

US EPA MRR – Final Rule Commercial Sector 2013

Comment

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

969.91

MWh fuel consumed for self-generation of electricity

969.91

MWh fuel consumed for self-generation of heat

Emission factor

74.203

Unit

kg CO2 per million Btu

Emissions factor source

US EPA MRR – Final Rule Commercial Sector 2013

Comment

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

Green electricity products (e.g., green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Wind

Country/area of consumption of low-carbon electricity, heat, steam or cooling

United States of America

MWh consumed accounted for at a zero emission factor

8,828.76

Comment

Low-carbon energy accounted here represents the renewable energy procured by the Las Vegas data centers that MSCI leases space in.

Sourcing method

Green electricity products (e.g., green tariffs) from an energy supplier, supported by energy attribute certificates

Low-carbon technology type

Hydropower

Country/area of consumption of low-carbon electricity, heat, steam, or cooling

Switzerland

MWh consumed accounted for at a zero emission factor

2,852.36

Comment

Low-carbon energy accounted here represents the renewable energy procured by the Geneva data centers that MSCI leases space in.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 MSCI Inc - CY2020 CDP Verification Statement Final - issued 20210722.pdf

Page/ section reference

Whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach

Scope 2 location-based

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 MSCI Inc - CY2020 CDP Verification Statement Final - issued 20210722.pdf

Page/ section reference

Whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 2 approach

Scope 2 market-based

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 MSCI Inc - CY2020 CDP Verification Statement Final - issued 20210722.pdf

Page/ section reference

Whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category

Scope 3: Purchased goods and services

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 MSCI Inc - CY2020 CDP Verification Statement Final - issued 20210722.pdf

Page/section reference

Whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 MSCI Inc - CY2020 CDP Verification Statement Final - issued 20210722.pdf

Page/section reference

Whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 MSCI Inc - CY2020 CDP Verification Statement Final - issued 20210722.pdf

Page/section reference

Whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Employee commuting

Verification or assurance cycle in place

Annual process


Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

 MSCI Inc - CY2020 CDP Verification Statement Final - issued 20210722.pdf

Page/section reference

Whole document

Relevant standard

ISO14064-3

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.



Type of engagement

Compliance & onboarding

Details of engagement

Code of conduct featuring climate change KPIs

Climate change is integrated into supplier evaluation processes

% of suppliers by number

100

% total procurement spend (direct and indirect)

100

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

MSCI Inc. (including its subsidiaries, “MSCI”) is committed to acting in accordance with its core values and expects its suppliers to exhibit a commitment to similar standards. As a socially and environmentally responsible corporate entity (details can be found at <https://www.msci.com/corporate-responsibility>), MSCI recognizes the importance of working with its suppliers and their impact on MSCI’s performance and success.

This Supplier Code of Conduct was last updated in June 2021 and:

Summarizes MSCI’s principles for sourcing goods and services via third party suppliers or vendors (hereinafter “Suppliers”); and Defines the conduct MSCI expects from its Suppliers

The Supplier Code of Conduct sets out MSCI’s values and expectations, including our sourcing principles, as well as the labor, human rights, environmental, and legal compliance principles we expect our Suppliers to uphold.

MSCI expects its Suppliers to live up to both the letter and the spirit of the Supplier Code of Conduct. MSCI may request, and Suppliers shall promptly furnish to MSCI, a self-assessment as to the Supplier’s adherence to the standards and principles of this code. Supplier compliance

with the Supplier Code of Conduct may also be subject to audit by MSCI.

MSCI conducts business worldwide, managing MSCI's Supplier relationships, including those involving financial market data, technology hardware, software applications, technology services, travel-related services, consultancy and other services. MSCI provides the Supplier Code of Conduct to new Suppliers, in connection with the contracting and onboarding process, as well as an updated version on an annual basis for each Supplier.

Impact of engagement, including measures of success

N/A

Comment

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

% of suppliers by number

50

% total procurement spend (direct and indirect)

53

% of supplier-related Scope 3 emissions as reported in C6.5

100

Rationale for the coverage of your engagement

In 2020, MSCI conducted additional due diligence on our top suppliers as measured by the total spending. This assessment included the use of MSCI's own proprietary ESG ratings, as well as those of independent, third-party service, EcoVadis. MSCI used Eco Vadis' platform to provide

additional insight into our suppliers' ESG practices, including their climate-related activities. The results of this assessment were provided to the CRC to consider supplier action if any.

We analysed our top 50 suppliers; excluding office buildings/landlords, datacenters and travel providers – we account for these in Scope 1 and 2.

Impact of engagement, including measures of success

In 2020, MSCI engaged with EcoVadis to begin an in-depth analysis of our top suppliers.

As a result of this undertaking, all new RFPs and RFIs include a comprehensive questionnaire and/or specific reference to MSCI's expectations for supplier behaviors and performance as outlined in MSCI's Supplier Code of Conduct (SCOC).

Acceptance of any purchase order by a supplier is now specifically linked to supplier acknowledgement of MSCI's SCOC.

All new suppliers, if public companies, are also evaluated against MSCI's publicly available ESG ratings.

For combined period of 2019 + 2020, the top 50 accounted for 53% of our total spend for all included goods and services.

22 of the top 50 have a public commitment to Net-Zero or similar pledge. This accounts for approx. 41% of ALL supplier spend over the period.

28 of the top 50, 14% of total spend, do not currently have a public commitment.

The remaining suppliers, accounting for 45% of our spend, are undergoing further analysis.

Comment

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

100

Please explain the rationale for selecting this group of customers and scope of engagement

In 2021, we published “The Role of Capital in the Net-Zero Revolution”. This call to action asserts that addressing climate change will require the largest reconstruction of the global economy since the Industrial Revolution, and highlights how capital markets participants must be a powerful and positive force to urgently drive the systemic transformation needed to avert a climate catastrophe. We identify specific steps that companies, as well as owners and managers of capital and financial intermediaries, must take to drive the achievement of a net-zero economy by 2050.

With our holistic MSCI Climate Solutions toolkit we aim to empower financial institutions with the tools necessary to build more climate resilient portfolios, protect assets from the worst effects related to climate change and also help identify new, innovative low carbon investment opportunities. We keep our clients apprised of climate issues through publication of company-specific research, industry reports, country-level reports and thematic research, blogs, webinars, presentations and participation in industry events. We support our clients by providing products that help measure and report on climate risk exposure, implement low carbon and fossil fuel free investment strategies and factor climate change research into their risk management processes. Our toolkit includes climate risk metrics, carbon and TCFD portfolio reporting, scenario analysis, low carbon and climate indexes and tools to identify cleantech and environmentally-oriented companies. Our climate change working groups are continuously developing new models which are used by our clients in combination with the risk analytical tools developed within our Analytics segment to manage their climate risk exposure. We conduct formal consultations with clients to solicit their feedback on emerging trends and needs and to introduce proposed methodology enhancements, new solutions and tools. A consultation was launched in February 2020 seeking feedback on a series of proposals aimed at improving the climate profile of ESG indexes, for example by removing companies involved in power generation based on Thermal Coal. The consultation concluded in Q1 2020.

Impact of engagement, including measures of success

MSCI measures success based on the number of customers subscribing to our climate-related products and services, and the industry identifying us as experts for ESG Index. Our ESG products include Ratings, Screening, ESG-Related Indexes as well as climate products.

These are some of our most strategically important and highest growth product offerings.

Measures of customer subscription include:

- The run rate for this business in 2020 was \$225 million compared to \$147 million in 2019.

Measures of our industry recognition include:

- MSCI won "Best firm for Socially Responsible Investment (SRI) Research" and "Best Firm for Corporate Governance (CG) Research" in the Independent Research in Responsible Investment (IRRI) Survey. The most recent IRRI / EXTEL Survey was completed by more than 1,000 analysts, portfolio managers and companies from over 40 countries.
- MSCI ESG Research has been recognized as a "Gold Standard Data Provider" by the Deep Data Delivery Standard since 2016 Please see <http://svl-deepdata.appspot.com/>.
- MSCI was the winner of 'Best Green Bond Index' 2017, 2018, 2019 and 2020: The Bloomberg Barclays MSCI Green Bond Index voted 'Best Index' for the fourth consecutive year – Environmental Finance Green Bond Awards
- MSCI was the winner of 'Best Climate Index provider of the Year' 2020 – Environmental Finance Sustainable Investment Awards
- MSCI was the winner of Winner of the 'ESG Research Report of the Year' award at the 2020 PRI Awards To mark the beginning of the new decade, MSCI ESG Research undertook an ambitious project entitled "2020 ESG Trends project: What are the big challenges for the new decade?" It identified 10 challenges MSCI felt would leave an impression on the investment landscape throughout the new decade.

Measures of our industry thought leadership include:

- There were 36 ESG related blogs and 15 ESG related papers published in 2020. For the blogs there were 99,176 unique page views
- For the papers there were 261,584 unique downloads
- We hosted 86 climate and TCFD events in 2020 with 10,000 attendees.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

MSCI's employees: MSCI include its employees in the firm's executing climate-related engagement strategy. Specifically:

1. Local employee-driven focus groups have been established in MSCI's offices. As of December 2020, there were 17 of these groups representing 89% of our employee base. These Climate Action Networks aim to increase awareness of regional staff around environmental issues and manage them over time, including through behavior change. Examples of activities in 2020 included organizing educational sessions around composting, urban gardening, collaborating on events for Earth hour globally as well as organize photo contest and no meat day.

2. Global Corporate Services Department: The GCSD’s employees are incentivized to take various environmental factors (including existence of landlord-driven or local recycling initiatives, use of sustainable and energy-efficient materials, and control systems enabling the efficient use of power and availability of public transport for employees) into consideration as part of MSCI’s approach to acquiring new office space. In addition, the practices of the GCSD have led to the purchase of energy-efficient products for MSCI’s offices and the wide use of sustainable products including recycled and low environmental impact materials and the elimination of single-use plastic items. We believe this has contributed to an emissions reduction trend and MSCI believes the continued selection of lower-impact equipment and materials will result in a further reduction in MSCI’s emissions. A good example of this was MSCI’s decision to open a Software Engineering Center of Excellence in Pune, India, which was opened in June 2020. To support its growth objectives and speed the development of various technology and MSCI products, MSCI’s technology group identified the need to expand hiring significantly. After a comprehensive search of suitable locations for finding new employees with the required skills and experience and evaluating factors such as susceptibility to business interruptions due to climate change and extreme weather events, MSCI selected Pune, India for this new location.

Facility managers and landlords: We also actively engage with facility managers and landlords of facilities that we occupy. Since January 1, 2016, MSCI’s principal datacenters, located within the U.S., have been powered by 100% renewable energy; since 2017, the renewable energy credits retired on behalf of MSCI were certified by our datacenter provider to comply with Greenpeace’s principles of locality, additionality, and sustainability, and were generated by Nevada solar farms and geothermal power plants. Since 2019, our datacenters in Europe have been powered by 100% renewable energy. Our datacenters in APAC use renewable sources as part of their overall energy usage.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

- Direct engagement with policy makers
- Trade associations
- Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify Sustainable Finance	Support	MSCI engages with policymakers and regulators as an individual company providing relevant information and feedback on regulatory proposals affecting MSCI's products including in relation to Sustainable Finance.	<p>Early in 2018, the EU Commission adopted the Action Plan on Sustainable Finance, which has three objectives:</p> <ol style="list-style-type: none"> 1. Re-orient capital flows towards sustainable investment, in order to achieve sustainable and inclusive growth; 2. Manage financial risks stemming from climate change, natural disasters, environmental degradation and social issues; and 3. Foster transparency and long-termism in financial and economic activity. <p>As part of this plan, the EU Commission created a Technical Expert Group (TEG) comprised of 35 experts in Europe to assist them in the following tasks:</p> <ol style="list-style-type: none"> 1. an EU classification system – the so-called EU taxonomy – to determine whether an economic activity is environmentally sustainable; 2. an EU Green Bond Standard; 3. methodologies for EU climate benchmarks and disclosures for benchmarks; 4. guidance to improve corporate disclosure of climate-related information. <p>MSCI has been a member of the EU Commission's 35 member Technical Expert Group and focused on requirements for the EU climate benchmarks and ESG benchmarks disclosures in the TEG Final Report in September 2019. The TEG expired in September 2020.</p> <p>MSCI is also supporting the Ad-hoc Working Group for the EU Ecolabel</p>

			<p>which is helping to define the standards for an EU Ecolabel for financial services.</p> <p>MSCI is a also member of the EFRAG’s European Lab Project Task Force which is helping to define enhancements to the EU Non-Financial Reporting Directive (NFRD)</p> <p>MSCI’s team of sustainable finance experts has been actively monitoring and engaging in ESG, sustainability risk and climate consultations, globally.</p>
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C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

No

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

UN PRI

Since 2010, MSCI has been a signatory of The Principles for Responsible Investment (PRI). The PRI is the world’s leading proponent of responsible investment. It works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole. Prior to 2019, MSCI voluntarily submitted the annual PRI transparency report on behalf of MSCI ESG Research rather than MSCI Inc. Since the 2019 submission, the CRC chose to report on behalf

of MSCI Inc. given the growing emphasis on ESG considerations in our own business practices as well as the ever-expanding range of ESG solutions from MSCI ESG Research, Index and Analytics.

Senior members of MSCI have participated in PRI Working groups. For example, our Global Head of ESG Research, has been a member of the PRI Investment Strategies Working Group. Other members of the ESG Research team have participated in the PRI Fixed Income and Passive Investing Working Groups.

We will continue to look at ways to join these groups and other collaborations when merited.

MSCI ESG Research and MSCI continue to work with PRI's policy and fiduciary duty team. We have been collaborating on research papers with the PRI such as the "ESG and Alpha in China" paper released in March 2020. [ESG and alpha: the mainstream argument for ESG integration in China | Blogs | PRI \(unpri.org\)](#). MSCI has supplied analysis aimed to support the argument that stronger performing ESG companies can demonstrate better financial results.

We have also worked with the PRI policy team to provide financial support and data to the Global Guide to Responsible Investment Regulation. We have supported the PRI financially as a sponsor of the PRI in Person conference and other regional events and contributed to the PRI's landmark "Financial Performance of ESG Integration in US Investing" report.

We provide the PRI with unlimited access to the MSCI ESG Research data platform to support the PRI's engagement work. We expect to continue to support the work the PRI does to engage with signatories, raise awareness of the benefits of ESG integration, and grow the industry.

Other

Our client research includes company-specific, industry and country reports as well as thematic research. MSCI ESG Research continuously innovates and helps educate the public at large on ESG trends through a variety of channels, including by speaking at a large number of industry and MSCI-hosted events throughout the year and is often cited in news stories concerning ESG issues. MSCI's team of sustainable finance experts has been actively monitoring and engaging in ESG, sustainability risk and climate consultations, globally. MSCI responses to consultations can be found here:

[Sustainable Finance - MSCI](#)

MSCI's Index Client Advisory Panel is a forum organized by MSCI in Europe, Americas and the Asia-Pacific regions. Participants are invited to exchange ideas on investment problems and emerging trends such as ESG Investing and Factor investing.

MSCI facilitates a private roundtable discussion, which is led by MSCI ESG Research. This creates a platform to exchange ideas, innovate, share best practices and help produce standards that might benefit the industry.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Ensuring consistency is ultimately the responsibility of supervisor and/or Executive Committee members. Under the MSCI Code of Conduct, employees are required to disclose and obtain pre-approval from the applicable member of MSCI's Executive Committee and the Compliance Department to serve as a representative of MSCI on a board or committee or in another position constituting a leadership role in industry associations or groups. In order to ensure all communications are consistent, public announcements and press releases are subject to review by MSCI Legal and PR/Marketing teams. The Head of Global Communications and the Head of Investor Relations are members of the Corporate Responsibility Committee and involved in developing the messaging around MSCI's ESG and Climate practices for both internal and external purposes.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary communications

Status

Complete

Attach the document

 TCFD_Report_2020.pdf

Page/Section reference

The whole document relates to MSCI's GHG emissions performance and response to climate change

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets

Comment

MSCI's 2020 TCFD report is fully aligned with the recommendations of the TCFD and includes a scenario analysis that we conducted using our own Climate Var model. We found it important to use our own model as affirmation that our climate models are in line with best practices and practical for use in climate scenario analysis.

Publication

In voluntary communications

Status

Underway – previous year attached

Attach the document

Page/Section reference

The whole document relates to MSCI's GHG emissions performance and response to climate change

Content elements

Emissions figures

Emission targets

Comment

MSCI voluntarily disclosed MSCI's 2020 calculated Greenhouse Gas Emissions on our Corporate Responsibility Web Site at: <https://www.msci.com/who-we-are/corporate-responsibility/operate-sustainably>. MSCI intends to make its emissions data available on its website as annual verified emissions figures become available.

Publication

In voluntary communications

Status

Complete

Attach the document

 MSCI_Environmental_Policy_ao_April_2021.pdf

Page/Section reference

The whole document relates to MSCI's GHG emissions performance and response to climate change.

Content elements

Strategy

Comment

MSCI published its Environmental Policy to inform all aspects of its business decisions to align with environmentally responsible behaviour. MSCI monitors the policy through an environmental management system with periodic updates to the CRC. MSCI expects all its staff, and its supply chain to abide by the principles outlined in this policy.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

In April 2021, MSCI announced its commitment to the goal of net-zero emissions before 2040. To achieve this goal throughout MSCI's global operations, MSCI will prioritize:

- Reducing emissions: accelerate carbon-reduction initiatives focusing on the most material and controllable emissions, such as electricity consumption, business travel and employee commutes; favor green-certified buildings for MSCI offices, promote a flexible working environment for employees, encourage virtual meetings and low-carbon options for business travel

- Engaging suppliers: tackle emissions in the MSCI supply chain and prioritize engagement with major suppliers to achieve shared net-zero goals

In the 2020 reporting year, MSCI made a commitment to reduce by 2035 the company's Scope 1 and 2 emissions by 50%, and Scope 3 emissions by 20%. With the commitment to transition to net-zero prior to 2040, MSCI will review and publish revised interim targets using standardized metrics and initiatives, such as those developed by the Taskforce on Climate-Related Financial Disclosures (TCFD). MSCI will also supplement its transition strategy as best practices and technological developments emerge.

Henry Fernandez, Chairman and Chief Executive Officer, MSCI, comments, "Companies have a fundamental responsibility to reduce their impact on the planet and join the journey to a decarbonized economy. MSCI's commitment reflects our obligation to be good stewards of the capital that long-term shareholders entrust to our company.

"MSCI's efforts to achieve net-zero before 2040 will drive a transformation of our company, culture and our actions to the benefit of all our stakeholders. We believe this action is needed as we play our part to unshackle the world from the fossil fuel era and ignite a new world of sustainable growth."



C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Financial Officer	Chief Financial Officer (CFO)

SC. Supply chain module

SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

SC0.1

(SC0.1) What is your company’s annual revenue for the stated reporting period?

	Annual Revenue
Row 1	

SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

SC1.2

(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).

SC1.3

(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?

Allocation challenges

Please explain what would help you overcome these challenges

SC1.4

(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?



SC2.1

(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?

SC4.1

(SC4.1) Are you providing product level data for your organization's goods or services?

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please state the main reason why you are declining to respond to your customers

Please confirm below