

# 2021 Corporate Responsibility Roadshow

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November/December 2021

# Forward-Looking Statements

- This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “expect,” “intend,” “plan,” “seek,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond MSCI’s control and that could materially affect actual results, levels of activity, performance or achievements.
- Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in MSCI’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020 filed with the Securities and Exchange Commission (“SEC”) on February 12, 2021 and in quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished with the SEC. If any of these risks or uncertainties materialize, or if MSCI’s underlying assumptions prove to be incorrect, actual results may vary significantly from what MSCI projected. Any forward-looking statement in this earnings presentation reflects MSCI’s current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to MSCI’s operations, results of operations, growth strategy and liquidity. MSCI assumes no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise, except as required by law.

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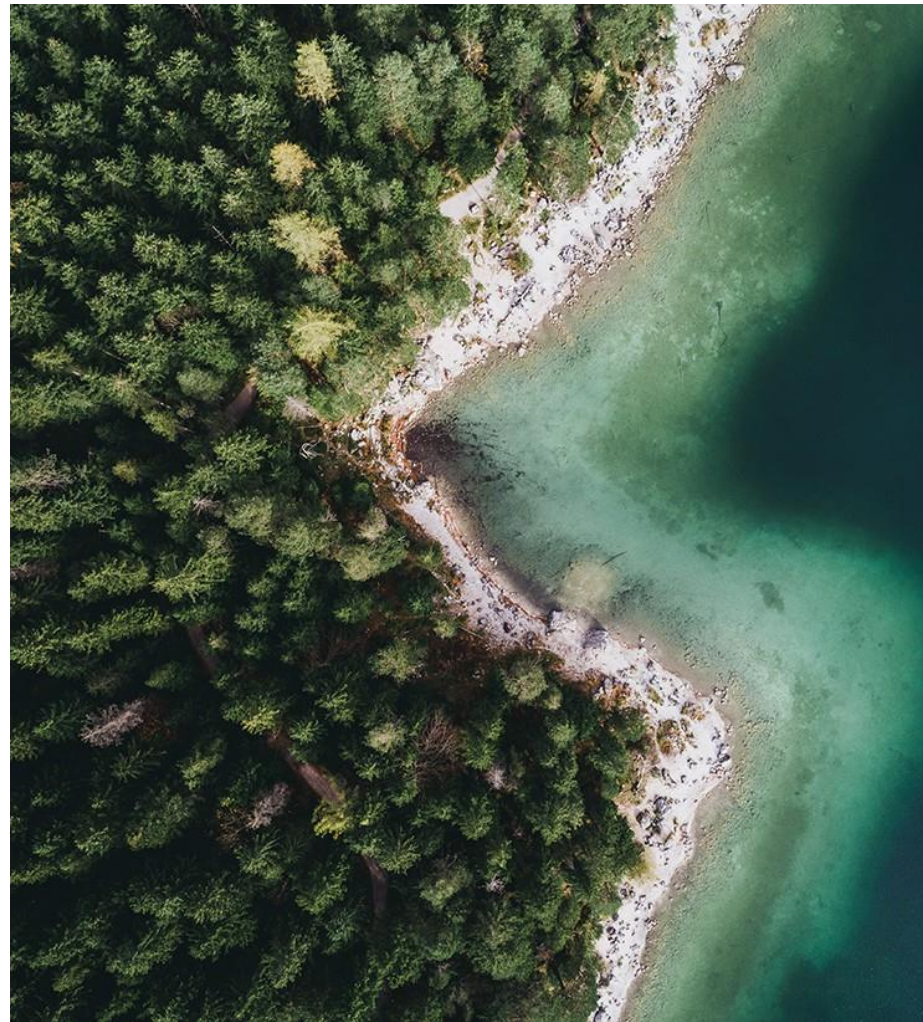
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# Company Overview & Select Highlights

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# MSCI at a Glance



## What we do

Provide products and services that global investors can use to build **better portfolios** for a better world

## 4,500+ clients<sup>1</sup> in 90+ countries as of September 30, 2021

- Providing solutions to enable all participants in the investment process
- Driving innovation for industry-leading solutions
- 50+ years of establishing standards in the investment industry

## Must-have investment data, tools, models and technology

- Approximately \$16.3T in assets under management benchmarked to MSCI Indexes as of June 30, 2021
- Across asset classes for performance and risk
- Approx. \$2.1B Total Run Rate as of September 30, 2021, up 22% YoY

## 4,237 talented employees globally as of September 30, 2021

- 35+ MSCI locations in 20+ countries
- 63% and 37% of employees located in emerging market and developed market centers, respectively
- Extensive knowledge of the investment process



# Select Highlights



## Our Human Capital Management Priority

- Establishment and roll out of **Future of Work**
- Ongoing focus on **diversity, equity and inclusion**, including developing a diverse pipeline at the junior level and supporting existing talent programs
- Appointment of first **Chief Diversity Officer**
- Ensuring long-term success through **senior talent progression planning and talent management**
- **RCA integration of workforce**



## Sustainability: Our Approach and Opportunities

- Committed to **Net-Zero before 2040** throughout our operations
- Committed to the **United Nations Sustainable Development Goals (UN SDGs)**
- Updated **Environmental Policy and Supplier Code of Conduct**
- **Enhanced our governance structure with ultimate oversight** by the board's Governance & Corporate Responsibility Committee
- Integrated **Climate and DE&I into our risk management** system
- **Published a TCFD, SASB and SFDR report for the first time**
- Published "**The Role of Capital in the Net-Zero Revolution**" and the **MSCI Net-Zero Tracker**



## Our Executive Compensation Program

- **Pay-for-Performance** compensation structure
- Long-term incentive plan that prioritizes **shareholder value creation**, commitment to ESG and facilitates an "**owner-operator**" mindset
- Added DE&I metrics to all Managing Directors AIP at 10% of their target cash bonus
- Increased the proportion of **5-year PSUs in 2020** to all Managing Directors, including the CEO and President



## Our Board and Governance

- **Highly experienced, diverse Board** integral to advising management on the execution of its growth strategy
- Focus on **Board refreshment**; appointed a new director with technology experience to advise on the continuing transformation of our data and technology capabilities
- **Implemented new management-level Corporate Responsibility Governance structure** to expand membership and further integrated CR into our business and culture
- **Enhanced Board Committee Charters** to reflect leading practices

# Enhancements in Response to Shareholder Feedback

What We Heard	What We Did	Why
Focus on how MSCI was “walking the talk” as a provider of ESG ratings and services	<ul style="list-style-type: none"> <li>In April 2021, MSCI announced its commitment to the goal of net-zero emissions before 2040, which will involve prioritizing the below throughout MSCI’s global operations:               <ul style="list-style-type: none"> <li>Reducing emissions: accelerate carbon-initiatives focusing on the most material and controllable emissions, including the update of our Travel Policy</li> <li>Engaging suppliers: tackle emissions in the MSCI supply chain and prioritize engagement with major suppliers to achieve shared net-zero goals, reflected in the update of our Supplier Code of Conduct in June 2021</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>We believe that companies have a fundamental responsibility to reduce their impact on the planet and we have an obligation to be good stewards of the capital of our long-term shareholders.</li> </ul>
Support for enhancing shareholder rights in the form of proposed proxy access provisions	<ul style="list-style-type: none"> <li>Amended our Bylaws in 2020 to permit a shareholder, or a group of up to 20 shareholders, owning at least three percent of the Company’s outstanding common stock continuously for at least three years to nominate and include in the Company’s annual meeting proxy materials director nominees constituting the greater of two (2) directors or twenty percent (20%) of the total number of directors on the board of directors, provided that such shareholder(s) and nominee(s) satisfy the requirements specified in the Bylaws</li> </ul>	<ul style="list-style-type: none"> <li>We believe that proxy access will enhance shareholder value and make directors more accountable. The terms we adopted are the market standard for proxy access provisions.</li> </ul>
Increased focus on diversity, equity and inclusion (“DE&I”) initiatives and disclosure	<ul style="list-style-type: none"> <li>Increased DE&amp;I disclosures on our <a href="#">Corporate Responsibility website</a>, including disclosure of gender representation of global employees and racial/ethnic group representation of U.S. employees</li> <li>Appointed a Chief Diversity Officer operating across MSCI to align our DE&amp;I goals with business outcomes</li> </ul>	<ul style="list-style-type: none"> <li>We are deeply committed to making our firm a more diverse, equitable and inclusive place for all and our DE&amp;I disclosures can help keep us accountable to shareholders.</li> <li>Our Chief Diversity Officer is responsible for building our brand for diversity, equity and inclusion, helping the firm embed diversity and inclusion in the way we do business, as well as attract and retain the best diverse talent. In addition, she will be focused on increasing the impact of our internal workplace initiatives.</li> </ul>

# Enhancements in Response to Shareholder Feedback

What We Heard	What We Did	Why
Support for cultivating an “owner-operator” mindset	<ul style="list-style-type: none"> <li>Added a 1-year post-vest holding period to our 3-Year PSUs granted in 2021</li> </ul>	<ul style="list-style-type: none"> <li>We believe that equity award features that promote an “owner-operator” culture focus our senior leaders on long-term shareholder value creation.</li> </ul>
Stronger linkages between ESG and our compensation program	<ul style="list-style-type: none"> <li>In 2021, introduced ESG-linked KPIs with a focus on diversity, equity and inclusion initiatives for our senior leaders</li> </ul>	<ul style="list-style-type: none"> <li>We believe that it is important to integrate ESG goals into our compensation programs to encourage behaviors that are aligned with our corporate culture.</li> </ul>
Request for disclosure around how the pandemic impacted our compensation program	<ul style="list-style-type: none"> <li>Added disclosures to reflect the Compensation Committee’s decision not to make any changes to the performance goals under the AIP or LTIP (including the target performance levels or actual achievement levels) for 2020 in response to the pandemic, including for any currently outstanding awards</li> </ul>	<ul style="list-style-type: none"> <li>While the impact of the pandemic was pronounced, it was less severe for the Company than for companies in many other industries. We believe that our compensation program is designed to reflect the economic realities of the operating environment and align with the impact of the operating environment on our stakeholders.</li> </ul>

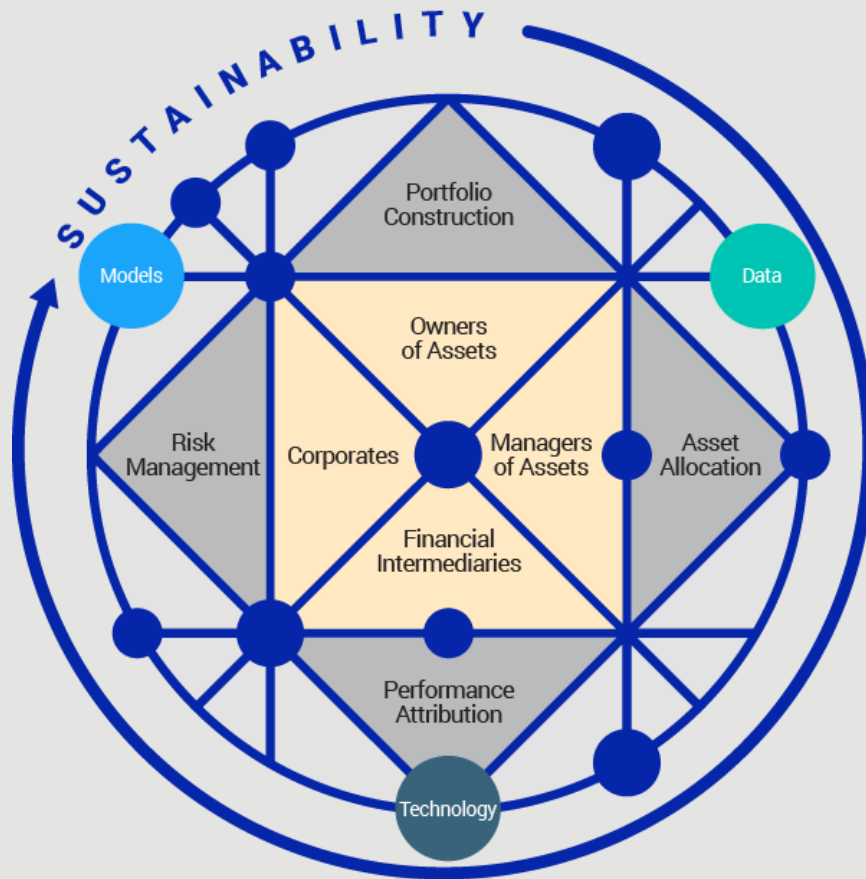


# Our Strategy



# Our Strategy

**Support the Investment  
Process Needs of our Clients  
with Highly Differentiated  
Solutions Supported by  
Best-in-Class Capabilities**



# Our Vision: Increased Complexity is Transforming the Investment World

## FROM

Home Country/Region Investing

Single Asset Classes

Public Assets

Fund Investing

Performance

Standard Portfolios

Active Management

ESG & Climate for Some

Western Markets

## TO

**Global Investing**

**Multi-Asset Classes**

**Public + Private Assets**

**Fund + Direct Investing**

**Risk + Performance**

**Customized Portfolios**

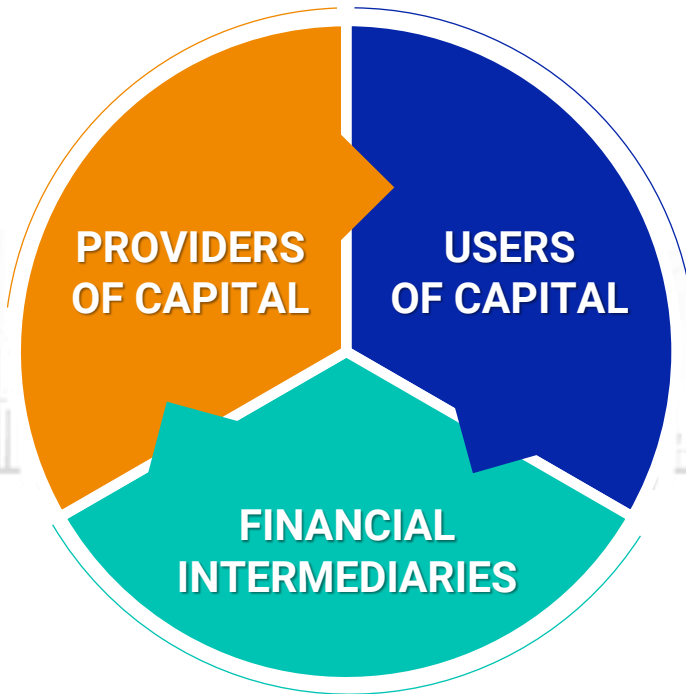
**Active + Indexed Management**

**ESG & Climate for All**

**Asian + Emerging Markets**

# Addressing All Participants in the Investment Process

Enabling Owners and  
Managers of Assets  
**Build Better Portfolios  
for a Better World**



Enabling Corporates and  
Others Present their **ESG,  
Climate and Other Data** to  
Providers of Capital

Enabling Banks, Broker Dealers, Exchanges,  
Custodians and Others Support Providers and Users  
of Capital in the **Investment Process**

# Addressing Client Needs to Power Better Investment Decisions

## ➤ Investors rely on MSCI for

- Data- and research-driven insights into drivers of risk and performance
- Broad asset class coverage
- Innovative tools to help investment strategies to market
- Exceptional quality
- Reliability, technology and business continuity infrastructure

## Supporting Investors' Needs in Every Part of the Investment Cycle



### DESIGNING STRATEGIES

Portfolio Construction Tools • Indexes

### MANAGING STRATEGIES

Asset Allocation Models • Risk and Performance Models

### EVALUATING STRATEGIES

Benchmarks • Performance Attribution Applications • Risk Analytics and Reporting

# Areas of Strategic Initiatives and Investments



## Clients

- Asset managers
- Asset owners
- Broker-dealers
- Wealth managers
- Corporates
- Insurance companies
- Private asset managers
- Regions (Americas, EMEA, APAC)



## Solutions

- ESG and climate
- Fixed income and liquidity
- Thematics
- Custom Indexes
- Derivatives
- Factors
- Private assets



## Capabilities

- Technology and data
- Capital management
- Partnerships
- Entrepreneurial culture



# Innovation and Investment in Key Growth Areas

## New Growth

Drive new business capabilities through new products and services

### Examples:

- Climate and Corporates client segments
- Thematic Indexes
- Fixed income Indexes and ESG & Climate

## Scale

Expand existing products and capabilities to accelerate growth

### Examples:

- Factors and ESG & Climate Indexes
- ESG & Climate securities coverage expansion
- Futures & Options licensing business

## Efficiencies

Avoid and/or repurpose costs; achieve productivity gains

### Examples:

- Cloud migration
- Streamline technology development
- Data process improvements

## Triple-Crown Investment Criteria



### High Returns

Projects must have a high return (ROI)



### Quick Payback <3 Years

Earlier payback preferred



### Strong Valuation

Prefer investments with greater impact to MSCI's valuation

***Rigorous metric-driven approach to allocate capital  
across different business areas***

# Capital Allocation Grounded in Value Creation

## 1 Structure Capital for Flexibility

- Prioritize debt capital to keep cost of capital low
- Long-term debt as "permanent" capital
- Preserve flexibility through call protection

## 2 Maximize Organic Investment

- Triple Crown process to optimize returns on organic investments

## 3 Return Capital

- Steady and growing return of cash through dividend
- Meaningful returns while preserving flexibility

## 4 Opportunistically Repurchase Shares and Pursue Strategic MP&A Accelerators

- Rigorous process ground in maximizing returns

### Target / Result

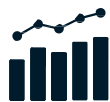
**3.0x – 3.5x Gross Debt /  
LTM EBITDA**

**~\$160M of Annual  
Expenditures in Change  
the Business**

**Quarterly Dividend  
40% – 50% of Adjusted EPS**

**>\$3.9B of Repurchases with  
Average IRR >40%  
(Since 2012)**

# Robust and Compelling Financial Model



## **Recurring, visible revenue model**

~97% or higher recurring revenues<sup>1</sup> as percent of total revenue from 2016 –3Q21



## **Operating efficiency strength**

Disciplined operating expense management



## **Triple-Crown investment opportunities to grow business**

Investing in multiple strategic product areas, client segments and capabilities, including technology and partnerships, to drive growth



## **Attractive cash generation profile**

Our business is not highly capital intensive and, as such, we convert a high percentage of our profits into excess cash



## **Strong balance sheet and liquidity**

Total cash and equivalents of \$1.3B as of September 30, 2021

# Our People



# We Continue to Drive a Performance & Growth Culture

- 1 Drive a performance and growth culture transformation that builds a highly engaged, innovative and accountable workforce.** We will drive initiatives that, over time, will create higher employee engagement that correlates positively with growth, profitability and shareholder value creation.
- 2 Strengthen our senior talent pipeline** by identifying, selecting, assessing and accelerating the development of the next generation of senior leaders and provide premier, differentiated talent development experiences to our next generation of leaders at all levels.
- 3 Strengthen the link between pay and performance** by linking employee compensation to specific measurable personal, functional and company results and OneMSCI behaviors.
- 4 Create an environment where all MSCI colleagues can truly be their authentic selves and thus contribute at their maximum potential** by strengthening and promoting our culture of inclusion and diversity.
- 5 Design the MSCI Corporate workplace (physical and virtual) to enable strong OneMSCI collaboration and improved communication and productivity** by ensuring MSCI has the capacity to fuel the company's growth and resiliency of its critical locations.
- 6 Continue to strengthen our innovative culture** through behaviors and practices that promote collaboration, feedback and a deep understanding of our internal/external customers, resulting in superior outcomes for MSCI.

# We Regularly Focus on Senior Leader Progression Planning and Talent Management

## Talent management is a top priority

- Annual review by the Board of talent management and progression plans.
- The CEO and President regularly meet with every function to review their talent plans.
- Discussions aim to identify top talent who have the most potential to progress to senior-most roles and enable MSCI to achieve its strategy.
- Appropriate action plans are created to ensure we are developing the next generation of leaders.

## Integrated talent management





# Continuing to Evolve and Thrive in Changing Times



## Transparency of Communications remains key

We enhanced our ability to communicate with our global workforce and are keeping pace with the changing needs of our people, posting more communications highlighting employee assistance programs supporting mental health and emotional well-being.



## Embracing the Future of Work and new “Normal”

Adopted a permanent “hybrid” model – known as Future of Work@MSCI (FOW@MSCI). FOW@MSCI unites our strong culture with modern ways of working to give employees the accountability, responsibility and empowerment to perform at their very best. This is a unified pursuit of the highest performing operating model with the client at the center, rather than an individual perk or benefit.



## Leveraging Employee Resource Groups for Inclusion

Our Executive Diversity Council and Employee Resource Group leaders created a sense of community and belonging for our employees, uniting our diverse talent around the globe through Candid Conversations on diversity, equity & inclusion (DE&I) topics, expanded modes of communication and broader participation in DE&I events/initiatives.



## Taking the pulse on engagement

Engagement has improved significantly since 2011. As of November 2020, the number of respondents that are fully engaged continued to increase by 74%, or 31 percentage points since 2011. Fully engaged employees are those who agree or strongly agree with all eight of the “overall company experience” questions.

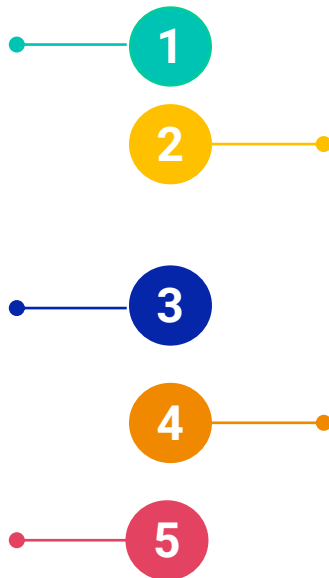


## Health and safety first

We are continuously adjusting to a working world where we learn to live with the pandemic. MSCI continues to prioritize the well-being of its global workforce. In 2021, we offered vaccination clinics for employees and their families, and continued to provide resources to help manage stress and care for individuals and their families. MSCI continues to offer ergonomics workshops that focus on how to configure home workspace for optimal health, comfort and performance.

# New Actions That Are Driving Our Continued DE&I Progress

- In May 2021, MSCI appointed Tia Counts to the newly created role of **Chief Diversity Officer** responsible for operating across MSCI to align our Diversity, Equity and Inclusion (DE&I) aims with business outcomes and providing strategic leadership across MSCI's businesses
- Appointed **"DE&I Champions"** to further drive DE&I efforts deeper into the organization.
- Continued sponsorship of existing Employee Resource Groups (ERGs), and new ERGs including the **Asian Support Network (ASN)** and **All Abilities**, to enhance inclusion and sense of belonging.
- Launched **4<sup>th</sup> Annual Global DE&I Summit** comprised of 6 components focusing on **leadership development** and **strategic planning** with high performing women and select ERG leaders.



- Introduction of **DE&I goals** for all senior leaders **linked to compensation**.
- **DE&I strategy** is focused on supporting a **diverse workforce**, fostering an **inclusive workplace**, executive **accountability**, and increasing stakeholder **engagement**.
- Development of Messaging Frameworks and recruitment/engagement campaigns focused on showcasing DE&I across the firm (**My Name Is**), and career pathing for Technology & Data specifically (**Passionately Curious**). My Name Is content performed in line with MSCI ESG client content, and Passionately Curious resulted in 1M impressions over a 4-month period.
- One MSCI Internship Program launched in 2021 to focus on creating junior and diverse pipelines for future roles in key locations and across both products and functions.



# Education, Awareness, Inclusion

*"At MSCI diversity, equity and inclusion are the cornerstone of our culture. Our people are empowered to maximize their potential in an environment where all individuals are respected and encouraged to bring their authentic selves to work. Our innovative culture helps us provide industry-leading solutions that power better investment decisions."*

**Tia Counts, Chief Diversity Officer**

## The Inclusion Framework

Our success is powered by new voices and new ideas

We work, learn and grow together

We lead by example

Diversity, Equity & Inclusion (DE&I) Initiatives

- Leadership Development
- Sponsoring and Mentoring Initiatives
- Attraction & Recruitment
- Employer Brand, Sourcing and Engagement of diverse internal and external talent
- Pay Equity
- Employee Resource Groups
- Executive Diversity Council
- Annual Diversity, Equity & Inclusion Summit
- Unconscious Bias Training
- Client Engagement & Community Outreach
- Benchmarking, Measurement & Research
- Employee Benefits

All Abilities Group  
Asian Support Network (ASN)  
Black Leadership Network  
MSCI Pride & Allies  
Women in Tech  
Women's Leadership Forum

# Diversity, Equality, & Inclusion 2021

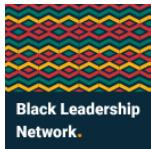
## Employee Resource Groups (ERG) @MSCI



The MSCI Women's Leadership Forum was founded to create awareness and provide tools and skills geared towards leadership development for women.



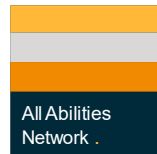
MSCI Pride & Allies' mission is to provide LGBTQ+ employees and allies with a forum to help create an inclusive culture where all MSCI employees can be their authentic selves.



The mission of MSCI's Black Leadership Network (BLN) is to promote the recruitment, leadership, development and recognition of Black employees at MSCI through an increased focus on recruiting, mentorship, and networking opportunities.



Women in Technology is a community across MSCI focused on accelerating career and leadership development for those in technical roles and for providing more opportunities to learn from each other.



The All Abilities ERG seeks to empower current and prospective employees with disabilities through equal opportunity to thrive in an inclusive culture and welcomes and supports allies and friends.



The Asian Support Network's mission is to create an inclusive space for MSCI's Asian colleagues through affirming their Asian identities and experiences, promoting educational, cultural and social awareness, and providing leadership and professional opportunities.

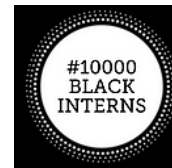
# DE&I External Partnerships

## Memberships/Sponsorships:

- **Out Leadership:** the premier network for LGBTQ+ leaders and companies
- **We are Open:** Hungary's leading LGBTQ+ organization
- **100 Women in Finance:** furthers the progress of women in finance through education, peer engagement and impact.
- **Women in ETFs:** sponsors, recognizes and honors the achievements of women in the ETF community. MSCI is a silver sponsor.
- **Catalyst:** a leading non-profit organization working to remove barriers and drive change and advance women into leadership.
- **#10,000 Black Interns:** MSCI is a key sponsor and partner aiding in the development of their programs, providing resource and best practice consulting, as well as committing to hosting interns 2021-2026.
- **Rare Recruitment:** MSCI is a partner of the UK's leading Early Careers BAME coaching and recruitment organization and is partnering Black Women Talk Tech in the US as well as more broadly building a diversity partnership program across the US, EMEA and Asia.



MSCI Joins Out Leadership Feb 2020



# Development & Learning

## Leadership Development for Female Talent

- Our Women's Leadership Summit attendees participate in a formal sponsorship/mentorship program in which Executive Committee and Managing Directors at the firm participate as sponsors/mentors
- The program spans 10 months with a recommended 9-10 sessions held between mentor and mentee
- Mentees own the relationships and set defined goals for their development
- Women who attend the Summit are provided ongoing development by extending the learning throughout the following year via virtual training sessions.
- In 2021, our Women in Technology employee resource group launched a Professional Development Series of workshops designed to broaden the network and supercharge the careers of our female technology leaders through bite-sized modules designed to enhance their skills portfolio. Topics covered include: Developing a Powerful Professional Brand, Women Rising: Succeeding in a Male Dominated World, and Role Modelling Success Behaviours to Empower Women in Tech.

## Premier Development Programs & Succession

- We ensure there is diverse representation on our premier leadership and management development programs (including gender, ethnicity and emerging market center representation)
- In 2021, the Chief Diversity Officer and Executive Committee members will sponsor MSCI's fourth annual Diversity, Equity & Inclusion Summit comprised of multi-day events with select diverse high performing leaders across the firm
- We continue to focus on increasing the number of diverse employees participating in our learning and development programs and provide tailored development (internal and external) to diverse talent as needed (e.g., Women in Technology Development Series)
- Executive Committee leaders are responsible for identifying diverse talent internally and externally as part of succession planning within their functions

## Benchmarking

- In 2021, MSCI participated for the second year in the McKinsey "Women in the Workplace Study" to benchmark against other leading companies
- Participation will provide detailed data and reports
- Continued participation allows year over year comparisons to measure progress



# **Corporate Responsibility**




# Corporate Responsibility (CR) is Good Business

## How Corporate Responsibility Facilitates MSCI's Growth



# Our Approach to Corporate Responsibility

- 1 Better investments for a better world**  
Tools and content for Investors to manage ESG and Climate risks
- 2 Operate Sustainably**  
Manage carbon emissions & climate risks
- 3 Social Responsibility**  
Highly engaged workforce; committed to talent development, diversity, equity and inclusion
- 4 Robust Governance**  
Policies and procedures that support corporate resiliency & long-term growth  
 **Transparency: Sustainability Reports and Policies**  
Disclosures on our ESG and climate initiatives



## Building our Foundation

Our goal is to **couple our Corporate Responsibility strategy with our world leading Climate and ESG solutions** to enhance MSCI's position as a global leader and drive shareholder value

# Some Key Highlights from 2020-2021

## Key enhancements made this year



### New Commitments & Policies

- **Net-Zero** before 2040 throughout our operations
- **Founding member** of the Net Zero Service Provider Alliance
- Commitment to support the **UN SDGs**
- Published a **Global Human Rights Policy**
- Updated our **Environmental Policy** to include our net-zero commitment
- **Updated Supplier Code of Conduct** to reflect our net-zero commitment



### New Actions & Solutions

- Expanded **our climate actions including aligning suppliers with MSCI's commitments**
- **Included Climate and DE&I** into our risk management system
- Enhanced our **Corporate Responsibility Governance** by creating a CR Policy Committee
- Conducted **Board education sessions** on climate
- Conducted **corporates & pensions roundtables** to discuss CR trends and challenges
- **Develop new solutions** (e.g., Implied Temperature Rise, Net-Zero Tracker)



### New Reports & Filings

- **First time Task Force on Climate-related Financial Disclosures (TCFD) Report**
- **First time Sustainability Accounting Standard Board (SASB) guide**
- **First time Sustainable Finance Disclosure Regulation (SFDR) report**
- **New webpage** dedicated to Sustainability Reports & Policies
- Third CDP report
- Fifth UN PRI questionnaire
- Published MSCI's **Net-Zero Revolution paper**

Source: MSCI's CR Website, Sustainability Reports and Policies: <https://www.msci.com/who-we-are/corporate-responsibility/sustainability-reports-policies>  
MSCI's CR Website, Corporate Responsibility, Our Commitment (SDGs): <https://www.msci.com/who-we-are/corporate-responsibility>  
Net Zero Revolution PDF: <https://www.msci.com/documents/1296102/24586122/Role-of-Capital-in-the-Net-Zero-Revolution.pdf/206604be-5658-08c7-a4de-c78f5d49cd73>  
MSCI's Net Zero Commitment: <https://www.msci.com/documents/10199/23032795/MSCI-commits-to-net-zero-commitment-before-2040-press-release.pdf>  
New CR structure: <https://onfirstup.com/MSCI/MSCI/contents/26407936>  
Net Zero Service: <https://www.msci.com/documents/1296102/15233886/A-Mandatory-Common-Language-for-Climate-Disclosure.pdf>  
Risk Management System: [2021 MSCI CDP Survey](https://www.msci.com/documents/1296102/15233886/A-Mandatory-Common-Language-for-Climate-Disclosure.pdf)

# Some Key Metrics from 2021

## Carbon emissions (Scope 1,2 & 3)



- **38,860 GHGE** in metric tons CO2E<sup>1</sup> down by 12% compared to 2019
- **All Scope 3 categories** relevant to MSCI disclosed
- **Rated A-** by CDP in 2021

## Sustainability



- **22** Climate Action Networks (+5)
- **53%** of MSCI's total energy comes from renewable sources<sup>4</sup>
- **75,000** virtual meetings monthly
- **15<sup>5</sup>** trees paper usage (down from 275<sup>6</sup> trees p.a.)

## Social Responsibility



- **30%** female directors and **33%** in the total workforce<sup>3</sup>
- **42%** People of Color in the US workforce<sup>3</sup>
- **Aligned with four UN SDGs** "Gender Equality", "Decent Work & Economic Growth", "Reduced Inequalities" and "Climate Action"

## Assets linked to MSCI ESG & Climate Indexes



- **2,200** clients are served through our ESG products and services<sup>7</sup>
- **579B** AuM benchmarked to our ESG & Climate indexes<sup>8</sup>
- **27** Climate ETFs tracking MSCI indexes<sup>9</sup>

Sustainability metrics: Source: MSCI's CR website, Operate Sustainably: <https://www.msci.com/who-we-are/corporate-responsibility/operate-sustainably> and 2021 MSCI CDP Survey. MSCI's CR Website, Sustainability Reports and Policies: <https://www.msci.com/who-we-are/corporate-responsibility/sustainability-reports-policies>.

1) CO2 equivalent; Green House Gas Emissions for fiscal year 2020 CE Emissions data: 2021 MSCI CDP Survey, Section C6. Emissions data (Scope 1 pg.57 and scope 2 pg. 58). Section C4. Targets and performance (Scope 3 pg. 48). 2019 CE Emissions data: 2020 MSCI CDP Survey, Section C5. Emissions Methodology (Scope 1 pg. 19), section C6. Emissions data (scope 2 pg. 19), and 2021 MSCI CDP Survey, (scope 3 pg.48)

2) Percentage of employees responding positively to the statement: "Corporate Responsibility is an important part of my employee experience". MSCI's Corporate Responsibility website, Social Responsibility section, Cultivating Talent and Employee Engagement

3) As of December 2020

4) 2021 MSCI CDP Survey, p 80

5) Year to Date (YTD) September 2021

6) Full-Year 2019

7) As of June 2021. To calculate the number of clients, we use the shipping address of the ultimate customer.

8) ETF, Non-ETF and Active AUM as of June 30, 2021.

9) As of June 2021; out of 59 ETFs in the market

# MSCI Commitment to Net-Zero

In 2021, we announced our net-zero commitment before 2040

New Commitments

**We are committed to the goal of net-zero carbon emissions before 2040 throughout our operations.**

---

- To achieve net-zero emissions, MSCI will remove as much carbon dioxide from the atmosphere as we put in so that, in total, our carbon footprint is net-zero.
- MSCI had previously pledged 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.
- **MSCI joined the Net Zero Financial Service Providers Alliance (NZFSPA) as a founding member:** NZFSPA is a global group of Service Providers committed to supporting the goal of global net zero greenhouse gas emissions by 2050 or sooner, in line with the ambition to limit the global temperature increase to 1.5°C above pre-industrial levels.

“ 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.** ”

*Henry Fernandez, Chairman & CEO*

# MSCI Commitment to the UN SDGs

New Commitments

In 2021, we announced our commitment to address the SDGs through our operations and solutions

Examples of our contribution include:



## Operations:

- Appointed a Chief Diversity Officer
- Added DE&I into senior management compensation

## Products & Services:

- Major research topic since 2009

30%  
female on  
Board of  
Directors



## Operations:

- Adopted a Global Human Rights Policy
- Offered unconscious bias training to all employees globally

## Products & Services:

- Provide tools to assess companies on their contribution to the SDGs

42%  
of our  
US employees  
are people  
of color



## Operations:

- Provide a wide variety of training and competitive compensation & benefits

## Products & Services:

- Provide ESG tools and solutions to investors to integrate ESG & Climate into their investment

\$392 billion  
Tracking MSCI  
ESG Indexes



## Operations:

- Net-Zero Commitment before 2040 throughout our operations globally

## Products & Services:

- Provide data, research, indexes and analytics to help investors achieve net-zero

12%  
carbon  
emissions  
reduction in  
2020

# Other Major Commitments

including Environmental Policy, Global Human Rights Policy and Supplier Code of Conduct

New Commitments



## MSCI Environmental Policy

We updated our Environmental Policy to include our commitment to net-zero and to environmental issues (e.g., biodiversity, waste & water)



### I. COMMITMENT TO HUMAN RIGHTS

MSCI Inc. (together with its subsidiaries, the "Firm" or "MSCI") is committed to respecting and upholding human rights of all people. This Global Human Rights Policy (this "Policy") summarizes certain of our k that reflect fundamental standards for business conduct that aim to ensure human rights are respected relationships with employees, clients, vendors and other stakeholders.

## Global Human Rights Policy

We adopted a Global Human Rights policy, which summarizes certain of our key policies and practices that aim to ensure fundamental human rights are integrated into how we operate our business



## MSCI Supplier Code of Conduct

We updated the supplier code of conduct to align with our net-zero goals and CR commitments



# MSCI Carbon Footprint

In 2020, we reduced our carbon emissions

New Initiatives

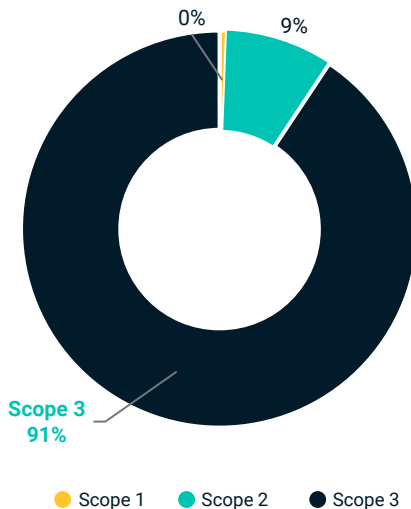
MSCI's carbon footprint is about 39,000 t of CO<sub>2</sub> in 2020 down from 44,000 t in 2019\*

More than 90% of MSCI carbon emissions come from scope 3 emissions (indirect emissions).

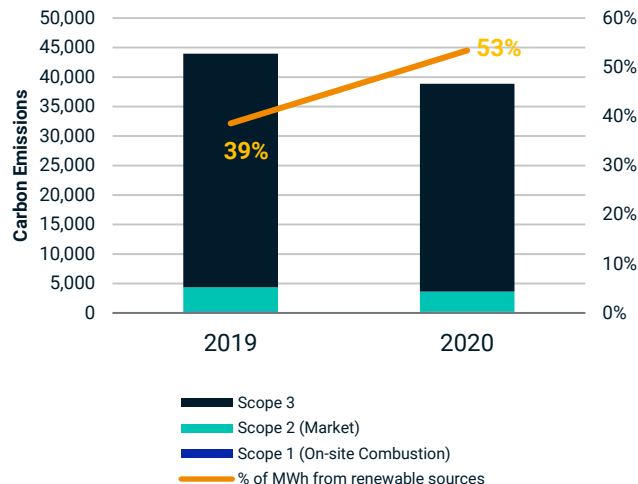
The majority of our **total** emissions are from:

- Suppliers of purchased goods & services (73%)
- Office space that uses nonrenewable energy (9%)
- Business travel (4%)
- Employee commute (4%)

MSCI Emissions Breakdown in 2020



MSCI's Green House Gas Emissions in Metric Tons CO<sub>2</sub> and % of Renewable Energy Consumption



# Our Plan of Actions to Reach Net-Zero

In 2021, we defined and started implementing our climate action plan

New Initiatives

To achieve the goal of net-zero before 2040, we have defined a climate action plan that includes:

## OBJECTIVES

## KEY ACTIONS IN 2021

## KEY PERFORMANCE INDICATORS

### REDUCE

Accelerate carbon-reduction initiatives focusing on the most material and controllable emissions

- Updated our **Environmental Policy** to reflect our net-zero commitment
- Updated our **travel policy** encouraging employees to prioritize virtual meetings and when necessary, use low carbon travel options
- Continuous **engagement with our landlords** to increase the use of renewable energy
- Promoted a **flexible working environment for employees**, encouraging virtual meetings and working from home

**53%** of MSCI's total energy comes from renewable sources

### ENGAGE

Tackle carbon emissions in our supply chain

- Launched the **Know your Supplier program** assessing ESG & Climate performance of our suppliers
- **Updated our Supplier Code of Conduct** requiring suppliers to adopt, monitor and report on climate commitments.
- Launched a process for **supplier acknowledgement** of the code

**40%<sup>1</sup>** of our suppliers have climate commitments

### MITIGATE

Explore the use of carbon offsets for our residual unavoidable emissions

- Started exploring the carbon offset market to best identify offsets that are unique, additional and permanent
- Started investigating Energy Attributes Certificates (e.g. RECs) which could be a relevant mechanism to reach 100% renewable electricity

**Unavoidable** emissions only

Source: <https://www.msci.com/documents/10199/23032795/MSCI-commits-to-net-zero-commitment-before-2040-press-release.pdf>

MSCI's CR Website, Sustainability Reports and Policies: <https://www.msci.com/who-we-are/corporate-responsibility/sustainability-reports-policies>

MSCI's CR website, Operate Sustainably: <https://www.msci.com/who-we-are/corporate-responsibility/operate-sustainably> and <https://www.msci.com/supplier-code-of-conduct>

Travel and WFH Policy: <https://onfirstup.com/MSCI/MSCI/contents/21547151>

2021 MSCI CDP Survey, p 80

1. The percentage of suppliers is based on total supplier spend over the combined period of 2019 and 2020.

# Other Key Initiatives

## To reinforce our thought leadership

New Initiatives

### Corporate Responsibility Governance

- We enhanced our CR governance structure by **expanding the CR Committee** to other key functions such as coverage, IT and Data management and **creating a CR Policy Committee**
- We integrated **Climate & Diversity, Equity & Inclusion into our risk management system** with quarterly reporting to the Audit & Risk Committee

### Board Education

- We conducted **board education sessions** to strengthen the board's expertise on climate
- **The sessions** included education on climate science, climate investing and Net-Zero commitments

### Corporate Responsibility Roundtable

- **We co-hosted roundtables with CalSTRS** where we invited Head of Corporate Responsibility and/or Sustainability among asset owners and corporates in the US.
- The objective was to discuss trends and lessons learned with a focus on Climate and DE&I

# MSCI's Transparency

Since December 2020, we have published TCFD, SASB and SFDR reports

New Reports



## MSCI TCFD Report

TCFD improves and increases reporting of climate-related financial information

### We presented:

- Our climate risks and opportunities
- A scenario analysis using our own Climate VaR model
- We became **an official supporter of TCFD**



## MSCI SASB Aligned Disclosures

SASB provides a set of industry guidelines to identify financially relevant issues and their metrics

### We provided:

- **Full transparency** around MSCI gender representation globally for executives and all other employees
- **Ethnicity in the US** for executives and all other employees



## MSCI Sustainable Finance Disclosure Regulation Guide

The EU SFDR requires financial market participants to integrate sustainability risk in the investment process and to report on such integration at both the entity and product level

### We disclosed:

- Metrics and data on mandatory and voluntary **adverse impact indicators**
- Aim to promote ESG transparency and facilitate the data collection efforts by financial market participants

# MSCI's Transparency

We continued to report progress

New Reports



## MSCI CDP Climate Change Questionnaire

CDP runs a global disclosure system to measure and manage environmental impacts

### Our scores:

- In 2019, 2020, & 2021 we submitted our full CDP disclosures
- Achieved **A- rating** in 2021, improving from a **B rating** in both 2019 and 2020



## UN Principles for Responsible Investment Questionnaire

UN PRI runs an annual questionnaire to measure progress of its signatories

### We presented:

- Our actions and solutions to further integrate ESG and Climate into investment processes
- Our key accomplishments and commitments



## MSCI Webpage

We created a new webpage specifically dedicated to sustainability reports and policies

### We presented:

- Our current and historic reports (e.g., CDP, TCFD, SASB, SFDR)
- Our key policies and commitments (e.g., Environmental Policy, Human Rights Policy, etc.)

# Our Net-Zero Research

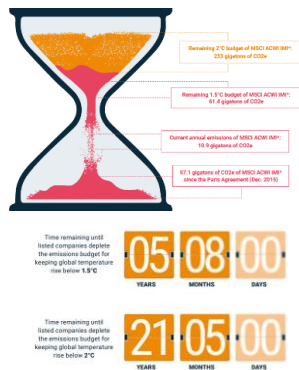
In 2021, we enhanced our range of tools and research on net-zero

New Solutions



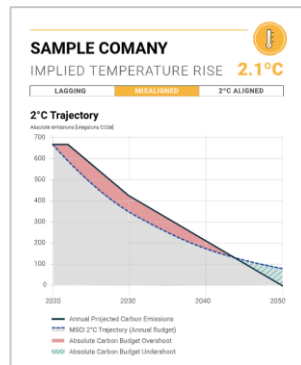
## The Role of Capital in the Net-Zero Revolution

Call to action identifying specific steps that companies as well as owners and managers of capital must take to drive the achievement of a net-zero economy by 2050



## MSCI Net-Zero Tracker

Gauge to measure corporate progress on net-zero



## MSCI Implied Temperature Rise

Estimate how companies and investment portfolios align with international goals to limit global warming

Sources:

Net-Zero Tracker: <https://www.msci.com/documents/1296102/26195050/MSCI-Net-Zero-Tracker.pdf>

MSCI Implied Temperature Raise: <https://www.msci.com/our-solutions/climate-investing/net-zero-solutions/implied-temperature-rise>

Climate and Net-Zero Solutions: <https://www.msci.com/our-solutions/climate-and-net-zero>

Net-Zero documentary: <https://www.msci.com/www/events/net-zero-now/02696840454>

Breaking down corporate Net zero climate targets: <https://www.msci.com/www/research-paper/breaking-down-corporate-net/02516231792>

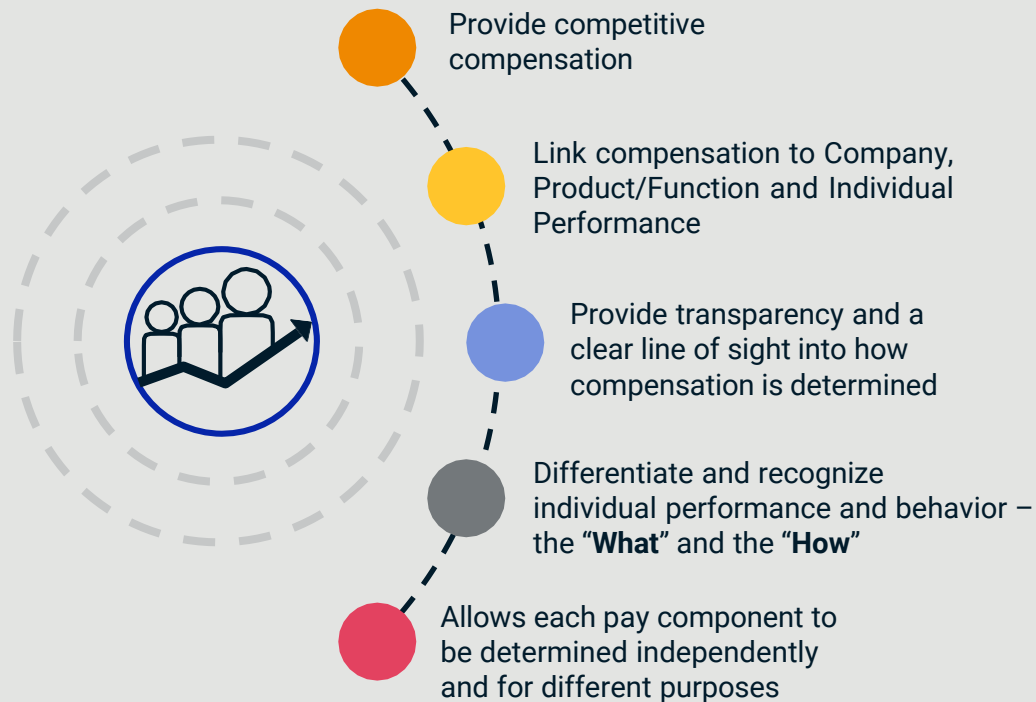
ITR: <https://www.msci.com/documents/10199/4252afd2-3ccc-23f3-acd0-faede163464e>

# Executive Compensation

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# Compensation@MSCI

Supports our culture of high performance and accountability





# Current Executive Compensation Structure

	Component	Objective	2021
Fixed Compensation	Annual Base Pay	<ul style="list-style-type: none"> <li>Provides certainty and predictability to meet ongoing living and financial commitments</li> </ul>	<ul style="list-style-type: none"> <li>The only fixed component of our executive compensation program</li> </ul>
	Annual Incentive Plan	<ul style="list-style-type: none"> <li>Alignment of management's interests with shareholders' interests</li> <li>Introduced to drive one-year performance results</li> <li>Specific financial criteria and key performance indicators</li> </ul>	<ul style="list-style-type: none"> <li>Financial Metrics (70%) vary by executive, but include:                             <ul style="list-style-type: none"> <li>Revenue</li> <li>Adjusted EPS</li> <li>Net New Sales</li> <li>Free Cash Flow</li> </ul> </li> <li>Key Performance Indicator Goals (20%) that include the following ESG metrics:                             <ul style="list-style-type: none"> <li>Employee Engagement, Manager Effectiveness, Employee training and development participation, Carbon Footprint, etc.</li> </ul> </li> <li>Diversity, Equity and Inclusion Goals (10%) focused on the following:                             <ul style="list-style-type: none"> <li>Recruit diverse talent to the firm to enhance overall performance and engagement</li> <li>Enhance DE&amp;I engagement and leadership actions throughout the firm</li> <li>Embed diversity into all talent acquisition, management, mobility, and learning and development programs</li> <li>Eliminate 1:1 hiring</li> </ul> </li> </ul>
Variable Compensation	Long-Term Incentive Program	<ul style="list-style-type: none"> <li>Fosters an "owner-operator" mindset</li> <li>Closely aligns management's interests with the long-term interests of our shareholders</li> <li>Promotes the retention of key members of our management team</li> <li>CEO and President &amp; COO equity entirely in PSUs tied to multi-year absolute TSR</li> </ul>	<ul style="list-style-type: none"> <li>Grant of 3-Year PSUs and 5-Year PSUs (which vest based on absolute TSR) and do not have any "retesting" features                             <ul style="list-style-type: none"> <li>3-Year PSUs cover a three-year performance period. For 2021 awards, added a 1-year post-vesting holding period</li> <li>5-Year PSUs cover a five-year performance period</li> </ul> </li> <li>RSUs which vest ratably over three years</li> </ul>

# Shareholder Alignment and Engagement

Enhancements to the compensation program meant to further align interests of management with that of shareholders

What we heard	What we did	Why
Eliminate relative TSR CAGR	Since 2019, PSU awards will vest and be performance adjusted based solely on rigorous absolute TSR CAGR goals	Absolute TSR CAGR is an all-encompassing measure of Company performance that does not divert focus from any individual strategic priority  Metric complements the performance measures under our AIP which directly tie to the Company's annual Operating Plan and strategy
Performance period should not be extended another six months for performance shares	Since 2019, eliminated "retesting" feature in all PSU awards	Increases management's accountability
Shareholders indicated they prefer that a majority of our CEO and President's long-term incentive awards be performance-based	CEO – 100% PSUs in 2019, 2020 and 2021 President – 100% PSUs since 2020 award	CEO and President should be primarily rewarded for increasing absolute shareholder value which reinforces our "owner-operator" philosophy and is aligned with executing our strategic plan
2021 3-Year PSUs	Added a 1-year post vest holding period	Further aligns management with shareholder interests

# 2021 Long-Term Incentive Mix

2020 LTI Vehicle –Mix	CEO	Pres. & COO	Rest of Executive Committee	Managing Directors
RSUs	0%	0%	30%	50%
3-Year PSUs	40%	50%	35%	30%
5-Year PSUs	60%	50%	35%	20%

## Changes to 2021 LTI Vehicle-Mix

RSUs	— 0%	0%	— 30%	— 50%
3-Year PSUs	— 40%	↓ 40%	— 35%	— 30%
5-Year PSUs	— 60%	↑ 60%	— 35%	— 20%

## 3-Yr TSR PSUs Schedule

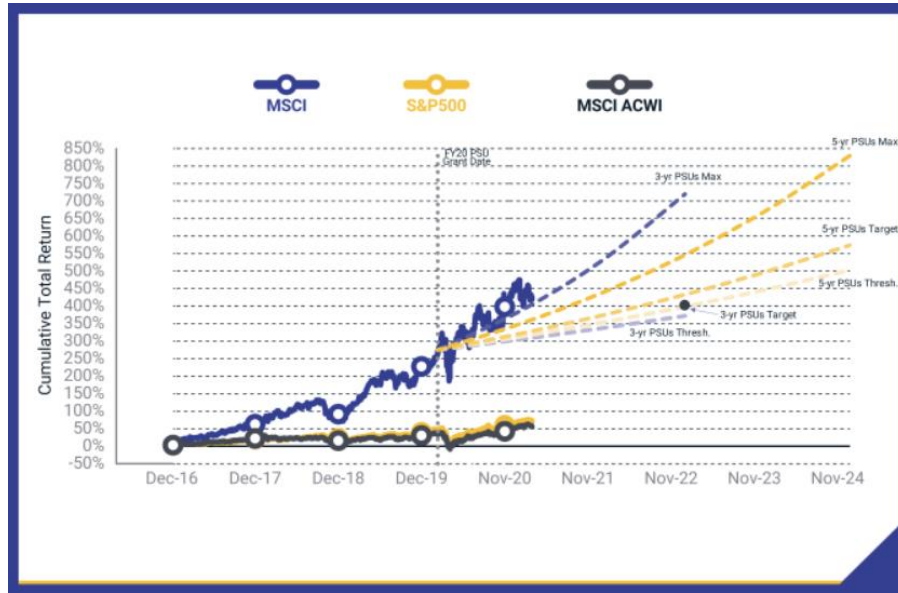
TSR CAGR	% Vesting
< 8%	0%
8%	25%
9%	50%
10%	100%
20%	200%
30% +	300%

## 5-Yr TSR PSUs Schedule

TSR CAGR	% Vesting
< 10%	0%
10%	50%
12.5%	100%
15%	150%
20% +	200%

# Pay-for-Performance

Rigorous TSR metric for PSUs and financial metrics for annual cash incentive compensation reflects strong alignment between company performance/shareholder return and executive compensation



Operating revenue (in millions) (unaudited)

Diluted EPS (unaudited)



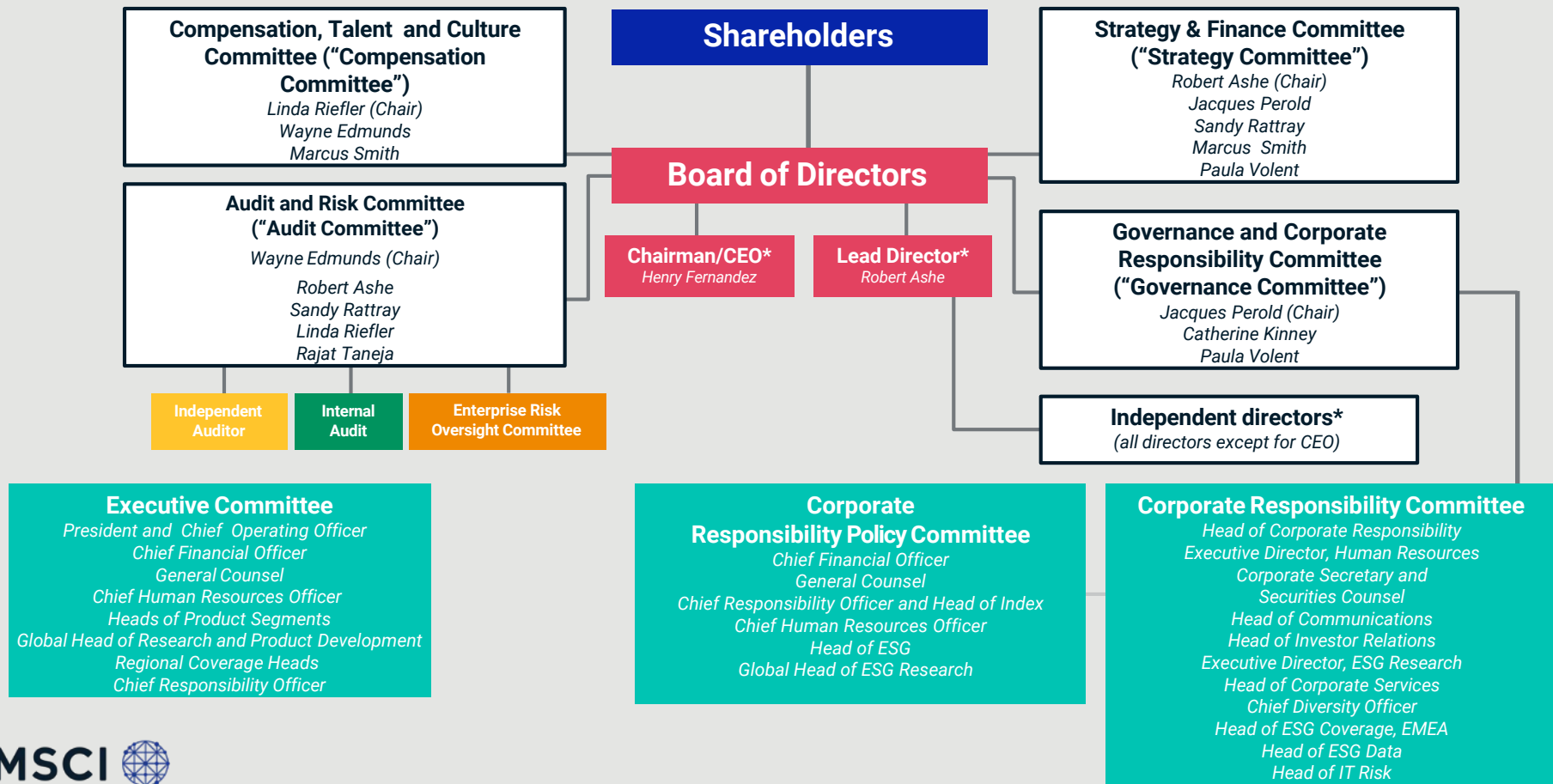
# Accountability and Compensation Governance

What we do	What we don't do
<ul style="list-style-type: none"><li>✓ Emphasize variable compensation</li><li>✓ Have formula-based annual cash-incentives</li><li>✓ Subject equity awards to vesting requirements</li><li>✓ Impose stock ownership guidelines on directors and Executive Committee members</li><li>✓ Maintain clawback policy incentive-based compensation (cash and equity)</li><li>✓ Provide for double-trigger vesting upon a change in control</li><li>✓ Have restricted dividend equivalents on performance vesting awards that are only paid if and when underlying award vests</li><li>✓ Grant CEO and President &amp; COO equity entirely in PSUs tied to multi-year absolute TSR</li><li>✓ Retain independent compensation consultant at direction of the Compensation, Talent and Culture Committee</li></ul>	<ul style="list-style-type: none"><li>✗ Do not provide gross-ups to cover excise taxes</li><li>✗ Do not have employment agreements with executive officers</li><li>✗ Do not allow directors or employees to hedge or pledge company stock, engage in short sales, purchases or sales or options, puts or calls, as well as derivatives, such as swaps, forwards or futures or trade on a short-term basis on company stock</li><li>✗ Do not allow repricing of options or stock appreciation rights awards without shareholder approval</li><li>✗ Do not provide for “liberal” share recycling when shares are tendered or withheld to satisfy tax withholding obligations or as payment of an option exercise price</li></ul>

# Our Governance



# Governance Structure



# Board Governance

## Governance highlights

- Independent Lead Director has expansive list of duties that provides for effective independent oversight, including approving Board agendas, leading executive session of independent directors, overseeing annual review of Chairman, facilitating communication between Chairman and independent directors, and meeting directly with management
- Lead Director (Robert G. Ashe) appointed in 2018
- Annual election of directors: majority voting standard for uncontested elections with resignation policy; plurality for contested elections; “3-3-20-20” proxy access adopted in 2020
- No dual-class stock and no poison pill
- Robust onboarding program for new directors and ongoing director education
- Annual review of charters/governance policies, related persons transaction policy, political activities policy, human rights policy

## Oversight of risk management activities

- Board, through its committees, oversees risk management activities, including those relating to cybersecurity risks and the Company’s enterprise risk management processes

## Board oversees major risks

**Compensation Committee** oversees risks associated with compensation policies and practices, talent management and corporate culture

**Strategy Committee** oversees risks relating to Company’s strategic plan

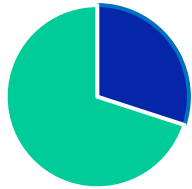
**Governance Committee** oversees risks relating to governance structure, compliance, corporate responsibility, ESG and other corporate governance matters

**Audit Committee** oversees risks relating to key accounting and reporting policies, and cybersecurity and enterprise risks; quarterly update from Enterprise Risk Management and Information and Technology Risk

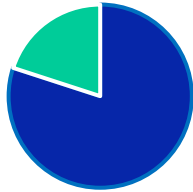


# Diverse & Engaged Board

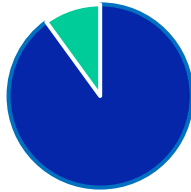
**Our Directors exhibit an effective mix of skills, experience, diversity and perspectives**



30% Women



80% Gender,  
Racial or National  
Diversity



9 of 10 Directors  
are Independent

## Outside Board Policy

- Directors may not serve on more than 4 public company boards, including the Company's
- All directors are in compliance with the outside board policy
- CEO serves on the Board of one public company

## Diverse Skills & Experiences



Executive Leadership



Governance / Public Company Board



Industry Experience



International Experience



Regulatory Compliance / Government



Investments / Strategy



Financial Expertise: CFO and Audit



Risk Management



Client Relations and Insight



Technology












Corporate Affairs



Talent Management / Executive Compensation

# MSCI Board of Directors

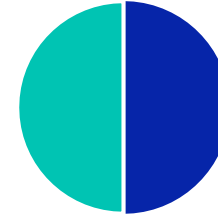
	Name	Committee(s)		Name	Committee(s)
	<b>Henry A. Fernandez</b> Chairman and CEO			<b>Sandy C. Rattray</b> Appointed in 2020	A, SF
	<b>Robert G. Ashe</b> Independent Lead Director	A, SF (Chair)		<b>Linda H. Riefler</b>	A, Comp (Chair)
	<b>Wayne Edmunds</b>	A (Chair), Comp		<b>Marcus L. Smith</b>	Comp, SF
	<b>Catherine R. Kinney</b>	Gov		<b>Rajat Taneja</b> Appointed in 2021	A
	<b>Jacques P. Perold</b>	Gov (Chair), SF		<b>Paula Volent</b> Appointed in 2020	Gov, SF

A: Audit and Risk Committee  
 Comp: Compensation, Talent and Culture Committee  
 Gov: Governance and Corporate Responsibility Committee  
 SF: Strategy & Finance Committee

# Director Evaluation & Refreshment

## Director Tenure & Ongoing Board Refreshment

- Director skills matrix reviewed regularly to aid in search of potential candidates
- Mandatory retirement age set at 72; One director retired, and one new director appointed in 2021
- Director search firm retained to assist with director succession planning; instructed to provide a diverse slate of candidates



5 of 10 directors joined the board within the past 5 years; ongoing search for new directors

## Annual Board Performance Evaluations

### Process

Annual Board and committee evaluations led by the Chair of the Governance Committee:

- Each director completes a self-assessment questionnaire
- Lead Director conducts individual director interviews

In 2019, the Board engaged a third-party evaluation firm for a comprehensive assessment of the Board's practices

The Lead Director and Chair of the Governance Committee review the results with the Board in executive session; requests for enhancements are subsequently discussed with management

### Feedback & Recent Initiatives

#### Enhanced governance framework:

- Compensation, Talent and Culture Committee charter updated to reflect more direct oversight of corporate culture
- Governance and Corporate Responsibility Committee charter updated in 2020 and 2021 to reflect more direct oversight of our company's corporate responsibility, ESG and sustainability matters
- Audit and Risk Committee charter updated in 2021 to clarify risk oversight responsibilities

#### Increased focus on ESG:

- Chief Responsibility Officer and Head of Corporate Responsibility provide quarterly reports to the Governance Committee
- ESG goals incorporated into CEO's goals for annual incentive compensation

#### Enhanced director education program:

- Joined peer-engaged program designed to enhance director performance
- Leveraged virtual platforms to provide deep dive sessions on certain aspects of MSCI's business outside of quarterly meetings

# Appendix

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# Supplemental Information

- Percentage changes and totals in this presentation may not sum due to rounding.
- Foreign currency exchange rate fluctuations reflect the difference between the current period results as reported compared to the current period results recalculated using the foreign currency exchange rates in effect for the comparable prior period. While operating revenues adjusted for the impact of foreign currency fluctuations includes asset-based fees that have been adjusted for the impact of foreign currency fluctuations, the underlying assets under management ("AUM"), which is the primary component of asset-based fees, is not adjusted for foreign currency fluctuations. More than three-fifths of the AUM are invested in securities denominated in currencies other than the U.S. dollar, and accordingly, any such impact is excluded from the disclosed foreign currency adjusted variances.
- MSCI has presented Run Rate, a supplemental key operating metrics as part of this presentation.
- Run Rate estimates at a particular point in time the annualized value of the recurring revenues under our client license agreements ("Client Contracts") for the next 12 months, assuming all Client Contracts that come up for renewal are renewed and assuming then-current currency exchange rates, subject to the adjustments and exclusions described below. For any Client Contract where fees are linked to an investment product's assets or trading volume/fees, the Run Rate calculation reflects, for ETFs, the market value on the last trading day of the period, for futures and options, the most recent quarterly volumes and/or reported exchange fees, and for other non-ETF products, the most recent client-reported assets. Run Rate does not include fees associated with "one-time" and other non-recurring transactions. In addition, we add to Run Rate the annualized fee value of recurring new sales, whether to existing or new clients, when we execute Client Contracts, even though the license start date, and associated revenue recognition, may not be effective until a later date. We remove from Run Rate the annualized fee value associated with products or services under any Client Contract with respect to which we have received a notice of termination or non-renewal during the period and have determined that such notice evidences the client's final decision to terminate or not renew the applicable products or services, even though such notice is not effective until a later date.

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