

Index Carbon Footprint Metrics

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

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

Carbon footprint of flagship MSCI Indexes as of April 30, 2020

Index Name	Weighted Average Carbon Intensity
	Tons of CO2e/\$M sales
MSCI ACWI INDEX	178.5
• ACWI ESG LEADERS	155.2
• ACWI LOW CARBON TARGET	58.2
• ACWI LOW CARBON LEADERS	89.7
• ACWI ex FOSSIL FUELS	137.6
• ACWI ex COAL	150.1
MSCI WORLD INDEX	162.4
• WORLD ESG LEADERS	147.9
• WORLD LOW CARBON TARGET	63.5
• WORLD LOW CARBON LEADERS	82.6
MSCI EMERGING MARKETS INDEX	298.1
• EMERGING MARKETS ESG LEADERS	208.8
MSCI EUROPE INDEX	148.1
• EUROPE ESG LEADERS	145.7
• EUROPE LOW CARBON LEADERS	67.3
MSCI NORTH AMERICA INDEX	170.1
• NORTH AMERICA ESG LEADERS	154.4
• NORTH AMERICA LOW CARBON LEADERS	92.4
MSCI PACIFIC INDEX	142.8
• PACIFIC ESG LEADERS	115.9

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

Overview

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

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

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

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