

INDEX CARBON FOOTPRINT METRICS

MSCI REPORTS THE CARBON FOOTPRINT OF ITS FLAGSHIP GLOBAL INDEXES IN RESPONSE TO THE GROWING COMMITMENTS BY ASSET OWNERS AND ASSET MANAGERS TO UNDERSTAND, MEASURE, AND MANAGE CARBON RISK IN THEIR PORTFOLIOS.

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

CARBON FOOTPRINT OF FLAGSHIP MSCI INDEXES AS OF JUNE 29, 2018

Index Name	Weighted Average Carbon Intensity
	Tons of CO ₂ e/\$M sales
MSCI ACWI INDEX	213.4
ACWI ESG LEADERS	196.1
ACWI LOW CARBON TARGET	62.2
ACWI LOW CARBON LEADERS	102.3
ACWI ex FOSSIL FUELS	173.0
ACWI ex COAL	201.8
MSCI WORLD INDEX	198.4
WORLD ESG LEADERS	189.4
WORLD LOW CARBON TARGET	68.4
WORLD LOW CARBON LEADERS	96.3
MSCI EMERGING MARKETS INDEX	328.7
EMERGING MARKETS ESG LEADERS	249.1
MSCI EUROPE INDEX	180.3
EUROPE ESG LEADERS	164.7
EUROPE LOW CARBON LEADERS	88.6
MSCI NORTH AMERICA INDEX	205.9
NORTH AMERICA ESG LEADERS	197.8
NORTH AMERICA LOW CARBON LEADERS	99.7
MSCI PACIFIC INDEX	194.6
PACIFIC ESG LEADERS	191.5

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.

Weighted Average Carbon Intensity

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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