

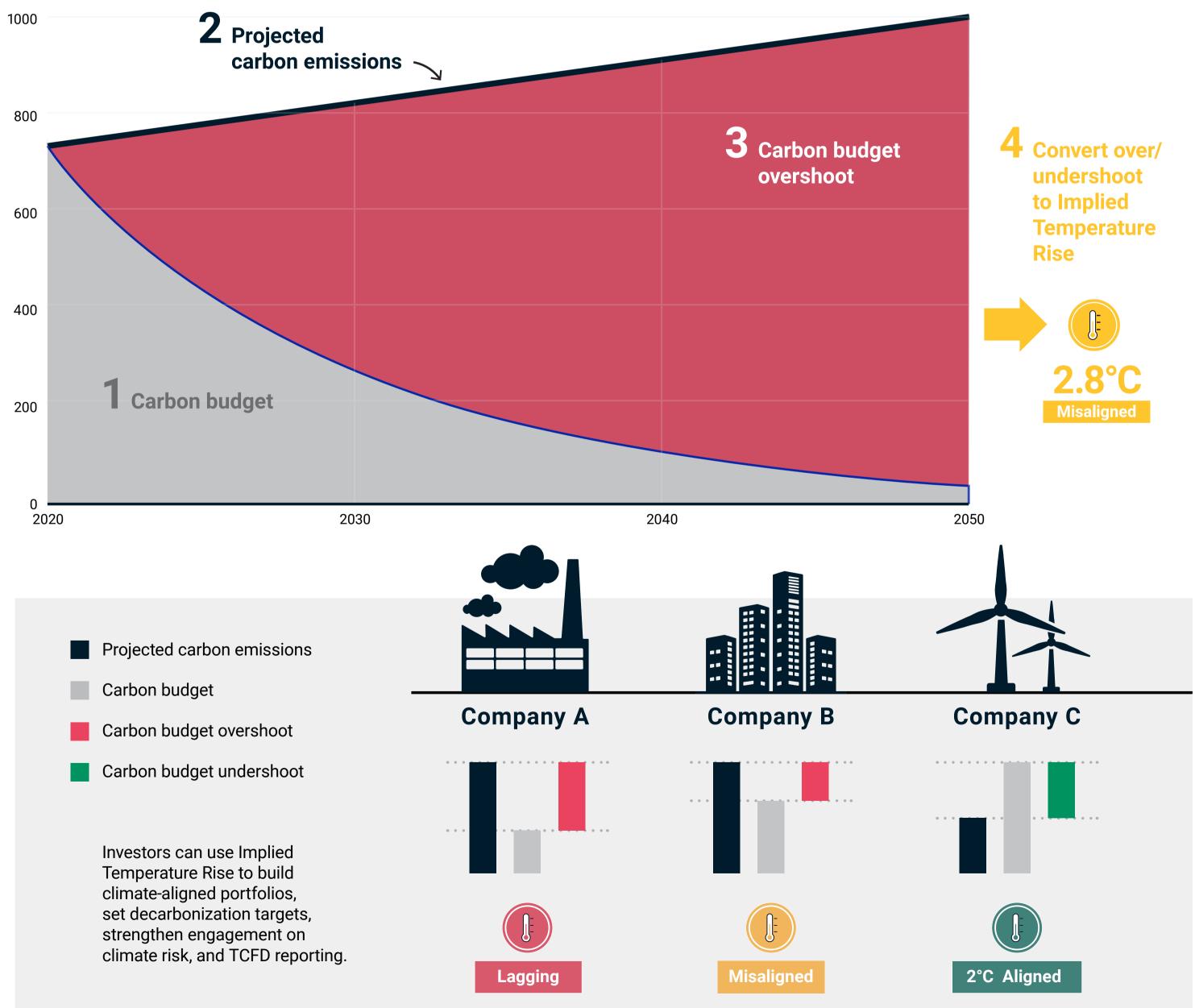
## **Implied Temperature Rise**

## A forward-looking measure for constructing climate-aligned portfolios

How much are companies in your portfolio contributing to a warming climate? Implied Temperature Rise from MSCI shows the alignment of companies and portfolios with net-zero pathways.

## How It Works Convert the under/overshoot to an implied global **Project a company's** Compare 1 & 2 to measure temperature rise, expressed Allocate a carbon budget future emissions under/overshoot in degrees celcius This is the amount of Based on their current How much would the world A company whose projected emissions are below budget temperature increase if the emissions and our emissions for scope 1, 2 analysis of their stated can be said to "undershoot," and 3 which a company can whole economy had the same carbon under/overshoot as the emit and still remain within reduction targets. while those whose projected emissions exceed the the limitations required to company in question. budget "overshoot." meet a 1.5°C warming scenario.

## Absolute emissions Megatons of carbon dioxide equivalent



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- **Source:** MSCI Net-Zero Tracker (Oct 2021)

For illustrative purposes only. There can be no assurance of any investment or ESG outcome.