

# Welcome to your CDP Climate Change Questionnaire 2022

MSCI received an  
**A- GRADE**  
from CDP on our  
2022 submission.

## 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 use 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 also are 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.

For important information, including regarding our use of forward-looking statements, see Section C-FI.

## 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, 2021	December 31, 2021	No

## C0.3

**(C0.3) Select the countries/areas in which you operate.**

- Australia
- Brazil
- Canada
- China

- France
- Germany
- Hungary
- India
- Italy
- Japan
- Mexico
- Netherlands
- Philippines
- Republic of Korea
- Singapore
- Sweden
- Switzerland
- Taiwan, 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

## C0.8

**(C0.8) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	US55354G1004

# 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 Chief Executive Officer (CEO) serves as the Chairman of MSCI’s Board of Directors (Board), the highest governance and oversight body at MSCI, comprising independent non-employee directors, other than our CEO. In this position, he provides 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. For example, in 2021, the CEO and Chairman of the Board, acting upon the recommendation of the Corporate Responsibility Policy Committee, approved the firm’s commitment to be net-zero before 2040.</p> <p>The Corporate Responsibility Policy Committee is composed of members of MSCI’s Executive Committee, including MSCI’s Chief Responsibility Officer (CRO), Chief Financial Officer (CFO), General Counsel, Chief Human Resources Officer (CHRO), Chief Product Officer and Head of Index, and Global Head of ESG Research.</p> <p>In 2021, following review by the Corporate Responsibility Policy Committee, the Board, including the Governance and Corporate Responsibility Committee (the Governance Committee) was also presented with our corporate responsibility strategy and our near-term and long-term carbon reduction targets</p>
Board-level committee	<p>The Governance Committee is responsible for overseeing MSCI’s corporate responsibility policies and initiatives, including ESG and climate initiatives.</p> <p>The CRO provides quarterly written updates and at least semiannually reports to the Governance Committee. In 2021, the CRO provided quarterly updates to the Governance Committee at each of its quarterly meetings. Regular reporting provides a framework for the Board’s oversight of MSCI’s sustainability practices and disclosures, and for developing and implementing short- and long-term plans to address key sustainability priorities and commitments. In 2021, for example, the CRO presented MSCI’s net-zero commitment, target- setting and proposed plan of action to the Governance Committee. From time to time, the Chair of the Governance Committee requests that the CRO present topics to the full Board, including updates to MSCI’s carbon targets and commitments. Members of the Governance Committee participate in MSCI’s annual Corporate Responsibility Roadshow with MSCI shareholders to hear and report back to the Board on shareholder priorities, including climate-related risks and opportunities. The</p>

	<p>Governance Committee periodically reviews with management requests from shareholders and the investment community for climate-related disclosures.</p>
Board-level committee	<p>On a quarterly basis, the Audit and Risk Committee (the Audit Committee) is updated on MSCI's enterprise risk management program by our Enterprise Risk Management Officer, including an overview of risks and trends that is also made available to the full Board. Quarterly presentations to the Audit Committee include more detailed discussions of emerging topics and trends. In 2021, these discussions included topics such as climate-related risks and opportunities.</p> <p>The Committee also receives quarterly updates from our Chief Information Security Officer (CISO) on plans to ensure business continuity and the recovery of our IT infrastructure in the event of potential disruptions, including those that could be caused by change in the climate and extreme-weather events.</p>
Board-level committee	<p>The Strategy and Finance Committee (the Strategy Committee) monitors and provides guidance on our strategic objectives. These may include sustainability-related partnership and acquisition opportunities, including those involving climate-related products and services. On a quarterly basis, MSCI's senior management and Strategy and Corporate Development Team discuss partnership and acquisition opportunities with the Strategy and Finance Committee. This discussion focuses on MSCI's strategic growth areas and regularly includes review of opportunities for climate-focused products, data and services.</p> <p>For example, as part of these efforts, in October 2021, MSCI announced the launch of an analytical tool in partnership with Burgiss, a global, market-leading provider of data and analytics, that enables institutional asset owners and managers to better understand the impact of climate change on private asset portfolios. This tool, the Carbon Footprinting of Private Equity and Debt Funds covers over 15,000 private companies and nearly 4,000 active private equity and debt funds, enabling investors of the ability to assess climate-related risks across asset types and align their private asset portfolios with global temperature targets.</p> <p>The Strategy and Finance Committee also works with the Board and management team in setting the agenda for the Board's annual two-day strategy session. At these strategy sessions, senior leaders of MSCI hold discussions on the company's strategic priorities with the Board. In 2021, the strategy session included discussion of opportunities relating to our ESG and Climate business and a presentation relating to global sustainability efforts.</p>
Board-level committee	<p>Each year, the Compensation, Talent and Culture Committee (the Compensation Committee) reviews and approves corporate goals and objectives relevant to the compensation of certain of MSCI's senior leaders, including its executive officers. The Compensation Committee also oversees plans for talent management, including talent acquisition and development, as well as progression planning and career progression, to provide guidance to management with respect to the Company's policies relating to diversity, equity and inclusion ("DE&amp;I"), corporate culture, resource allocation, resiliency and employee engagement. The</p>

	<p>Compensation Committee also oversees talent acquisition and succession planning specifically related to leaders in MSCI's ESG and Climate business.</p> <p>Several members of our Executive Committee include climate-related product goals and other climate-related objectives as part of the goals that are reviewed for compensation, which goals can incorporate corporate climate commitment goals. In 2021, several senior leaders were evaluated against goals relating to helping MSCI's clients transition to a net-zero world and advancing MSCI's climate agenda and products.</p>
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## 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 – all meetings	Setting performance objectives	<p>Text field [maximum 3,000 characters]</p> <p>The Compensation Committee is responsible for reviewing, approving and assessing the attainment of corporate goals and objectives to be used in determining the compensation for our Company's executives, which include our CEO, President, CFO, CHRO and CRO and other senior-most executives of the Firm.</p> <p>The Compensation Committee follows procedures intended to ensure good compensation governance and that MSCI's executive compensation structure aligns with the goal of long-term shareholder value creation. Under our executive compensation program, executives are eligible to receive cash bonuses under MSCI's Annual Incentive Plan (AIP) based on the achievement of certain financial performance metrics and individual key performance indicators (KPIs) and DE&amp;I goals. MSCI has a formula-based annual incentive program composed of three distinct components:</p> <ul style="list-style-type: none"> <li>• Annual financial criteria weighed at 70% of the executive's target bonus.</li> <li>• Individual KPIs tied to strategic goals and leadership effectiveness and engagement scores weighed at 20% of the executive's target bonus.</li> <li>• Progress toward DE&amp;I goals weighed at 10% of the</li> </ul>

		<p>executive's target bonus.</p> <p>The Compensation Committee is responsible on an annual basis for reviewing, approving and assessing the attainment of those goals, including financial performance metrics, KPIs and DE&amp;I goals.</p> <p>In 2021, the goal of championing a strong ESG and Climate / corporate responsibility platform throughout MSCI was incorporated into the KPIs of our CEO, CHRO and CRO. Progress against individual performance goals for our executive officers is reviewed by the Compensation Committee.</p>
<p>Scheduled – some meetings</p>	<p>Reviewing and guiding major plans of action</p> <p>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 quarterly updates from our Enterprise Risk Management Officer on the work of the Enterprise Risk Oversight Committee (EROC). In 2021, this included a review of the governance and risks of ESG data integrity, as well as of opportunities related to reducing the Company's carbon footprint.</p> <p>The EROC oversees the Company's key risk management activities to ensure that the Company is identifying, evaluating and managing risks that may have an impact on the Company's ability to achieve its operational and strategic objectives, including ongoing assessments of climate risks.</p> <p>On a quarterly basis, the Audit Committee is updated on the Company's IT risk program by MSCI's CISO, including an overview of risks and trends, including, if material or likely to have a significant impact, risks that could be caused by climate and extreme weather events. In addition, the Audit Committee receives updates about the results of assessments conducted by outside advisors who provide independent assessments of our IT risk program and our response preparedness.</p> <p>The Chair of the Audit Committee provides a quarterly report to the Board of any key updates, including</p>

		climate-related risks if they are likely to have significant impact to MSCI's operations or financial results.
Scheduled – some meetings	Reviewing and guiding strategy Overseeing major capital expenditures, acquisitions and divestitures	<p>The Strategy Committee ensures that management factors material climate-related risks and opportunities into the Company's strategy.</p> <p>The Strategy Committee also monitors and provides guidance on strategic objectives, including on sustainability-related partnerships and acquisition opportunities such as for those related to climate-related products and services. The Committee meets with MSCI's senior management and Strategy and Corporate Development Team on a quarterly basis to discuss partnership and acquisition opportunities.</p> <p>Through its strategy and budgeting approval process, the Board is presented with investment opportunities that include initiatives that allow MSCI to further establish itself as a leading provider of ESG products, including climate-related products and services. For example, in October 2021, MSCI announced the launch of an analytical tool in partnership with Burgiss that enables institutional asset owners and managers to better understand the impact of climate change on private asset portfolios. This tool, Carbon Footprinting of Private Equity and Debt Funds covers over 15,000 private companies and nearly 4,000 active private equity and debt funds, enabling investors the ability to assess climate-related risks across asset types and align their private- asset portfolios with global temperature targets.</p>

### C1.1d

**(C1.1d) Does your organization have at least one board member with competence on climate-related issues?**

	Board member(s) have competence on climate-related issues
Row 1	Not assessed

### 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
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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 Information Security Officer	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	As important matters arise
Chief Financial Officer (CFO)	Both assessing and managing climate-related risks and opportunities	As important matters arise
Other C-Suite Officer, please specify Chief Human Resources Officer	Both assessing and managing climate-related risks and opportunities	As important matters arise
Other C-Suite Officer, please specify Chief Technology Officer (CTO)	Both assessing and managing climate-related risks and opportunities	As important matters arise
President	Both assessing and managing climate-related risks and opportunities	As important matters arise
Risk manager	Both assessing and managing climate-related risks and opportunities	Quarterly
Corporate responsibility committee	Both assessing and managing climate-related risks and opportunities	Not reported to the board
Risk committee	Both assessing and managing climate-related risks and opportunities	Not reported to the board
Other committee, please specify Corporate Responsibility Policy Committee (CRPC)	Both assessing and managing climate-related risks and opportunities	Not reported to the board

## 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).**

1. As the Chairman of MSCI's Board, MSCI's CEO ensures, through continuous communication, alignment between management and the board on key climate and ESG-related initiatives. MSCI's CEO addressed advancing MSCI's climate capabilities and support for MSCI's clients' transition to more sustainable growth strategies. He spearheaded the pursuit of MSCI's own climate goals and commitment to corporate responsibility. That includes our targeting net-zero carbon emissions throughout our value chain by 2040 and our becoming a founding member of the Net Zero Financial Service Providers Alliance.

2. Three management-level committees oversee climate-related risks: the Corporate Responsibility Policy Committee (CRPC), the Corporate Responsibility Committee (CRC) and the Enterprise Risk Oversight Committee (EROC).

1. **EROC**: The EROC oversees MSCI's risk management activities to ensure we are identifying, evaluating and managing risks that may have an adverse impact on achieving operational and strategic objectives. MSCI's assessment and management of climate-related risks and opportunities, including transition and physical risks, is integrated into our firmwide risk management framework and reporting. The EROC, comprised of MSCI's President and Chief Operating Officer (President), CFO, General Counsel, CHRO, Chief Technology Officer (CTO), Head of Internal Audit and Enterprise Risk Management Officer (ERMO), helps to ensure well-rounded consideration of potential exposures.

2. **CRPC**: In 2021, we enhanced our governance by separating our CRC, which discusses corporate responsibility issues and trends, from the newly created CRPC, a group of Executive Committee members who review strategic proposals regarding corporate responsibility policies, actions and disclosures at least quarterly. Members of the CRPC include MSCI's CRO, CFO, General Counsel, CHRO, Chief Product Officer (CPO) and Head of Index and Global Head of ESG Research.

3. **CRC**: The CRC meets monthly to consider trends, updates on implementation of MSCI's Corporate Responsibility Operating Plan (CROP) and metrics that monitor progress on goals such as carbon targets. The CRC includes representatives from Corporate Responsibility, ESG Research, Information Technology (IT), Data Management, Client Coverage, Human Resources, Corporate Services, Finance, Legal, and Diversity, Equity and Inclusion.

3. MSCI's **President** oversees, among others, our CRO, CTO and CPO, who have varying responsibilities in assessing and managing climate-related risks and opportunities. The President is a member of the EROC.

4. MSCI's **CFO** chairs the EROC; oversees our ERMO, who is responsible for our firmwide risk management framework and reporting, including relating to climate; and leads the strategy and corporate development functions, including in efforts to engage potential strategic partners on ESG commitments.

5. MSCI's **CRO** sets the CRPC's agenda and presents on actions that may be recommended to our CEO, President and COO and/or the Board. As an Executive Committee member, she brings corporate responsibility considerations to senior leadership discussions on business strategy and operations. She provides written updates, including metrics to monitor progress on lowering our carbon footprint, to the Governance Committee prior to each quarterly meeting. The full Board also has access to these updates. In addition, at least twice per year, she presents to the Governance Committee on key initiatives and management's performance against our CROP. In 2021, the CROP was informed by stakeholder feedback to increase transparency around climate. Key developments are shared with the full Board during the Governance Committee's quarterly report to the Board.

- 6. The **Head of Corporate Responsibility** reports to the CRO and leads our officer-level CRC in ensuring cross-functional perspectives on the Company’s actions.
- 7. MSCI’s **CHRO** oversees our Head of Corporate Services (HCS), who manages climate-related matters that impact our supply chain, physical locations and environmental sustainability.
- 8. MSCI’s **CTO** oversees our Business Resiliency team, which assesses the severity, probability and scale of potential extreme climate events in geographies where we operate, and develops, implements, and tests technology systems to support MSCI’s business continuity plans.
- 9. The **ERMO** reports to the CFO and provides quarterly updates to the Audit Committee on the EROC’s work. The ERMO helps ensure the Company is identifying, evaluating and managing climate-related risks and opportunities that may directly or indirectly impact our operations or ability to deliver our products and services.
- 10. MSCI’s **CISO** reports to the CTO and provides quarterly updates to the Audit Committee on our IT risk program, including an overview of risks, if material or likely to have a significant impact, that could be caused by climate and extreme weather events.

### 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
Board Chair	Monetary reward	Emissions reduction target Other (please specify) Environmentally focused products	In 2021, our Chairman and CEO’s goals included championing MSCI’s own climate goals and a strong corporate responsibility platform. He oversaw MSCI’s commitment to become net-zero by 2040 and MSCI becoming a founding member of the Net Zero Financial Service Providers Alliance. In addition, our CEO has specifically addressed advancing MSCI’s climate capabilities and support for clients in the transition to sustainable growth. This included his leadership in MSCI providing the transparency clients need to better integrate ESG and Climate risks and opportunities into their investment processes and the introduction of a series of climate-related tools and solutions such as MSCI’s Implied

			Temperature Rise, Climate Lab and Carbon Footprinting of Private Equity and Debt Funds.
President	Monetary reward	Other (please specify)  Environmentally focused products	<p>MSCI's President's compensation is linked to, among other areas, the management and development of ESG and Climate-related products and services. 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, Index and Real Estate product lines, including ESG and Climate Indexes.</p> <p>In 2021, our President accelerated our technology transformation by strengthening the technology leadership team through key hires in ESG and Climate and Index and by targeting greater investment into critical technology initiatives such as driving progress on cloud migration across multiple product lines including the complete migration of ESG and Climate applications and services. He also supported investments to further the development of thematic relevance scores and Thematic indexes that reflect ESG or Climate considerations.</p> <p>In addition, our President focused on helping our clients build better portfolios by prioritizing focus on new research, including related to ESG and Climate, to provide clarity on key investment problems, and he furthered the development of new ESG and Climate solutions, including through the launch of the first Paris Aligned Fixed Income indexes in the market.</p>
Chief Financial Officer (CFO)	Monetary reward	Behavior change related indicator	<p>Our CFO, who also oversees MSCI's strategy and corporate development functions, is also a member of MSCI's Executive Committee. In 2021, his compensation-related goals included, among other areas, implementing new policies and procedures for engaging with existing and prospective partners to ensure alignment with MSCI's corporate responsibility objectives. Our CFO introduced a partnership Code of Conduct questionnaire to evaluate the ESG practices of prospective partners. He also enhanced review and oversight of climate-related risks.</p>

Other C-Suite Officer	Monetary reward	Behavior change related indicator	<p>Our General Counsel enhances MSCI’s corporate governance and corporate responsibility practices and profile. He is a member of MSCI’s Executive Committee and advises management and the Board on public disclosures, including of ESG and climate metrics.</p> <p>In 2021, his compensation-related goals included advising on and championing increased ESG reporting and related shareholder engagement. In addition, under his leadership, MSCI also expanded engagement with regulators and policymakers by establishing productive relationships and open dialogues with key regulators in multiple jurisdictions, with a focus on enhancing their understanding of the scope, role and uses of our ESG and climate and index products.</p>
Other C-Suite Officer	Monetary reward	Emissions reduction target Behavior change related indicator Environmental criteria included in purchases Supply chain engagement Other (please specify) Environmentally focused products	<p>The CHRO, who is also a member of the Executive Committee, is incentivized through compensation for overseeing the Corporate Services function and the HCS’s actions. Our CHRO has established firmwide goals to support progress toward our positioning MSCI as a place for professionals who want to pursue careers in climate. Initiatives relating to this goal include creating a climate-specific section of the company’s careers website, together with creating a team within our procurement operations that is overseeing engagement with suppliers to assess their climate trajectories.</p>
Management group	Monetary reward	Emissions reduction project Behavior change related indicator Environmental criteria included in purchases Supply chain engagement	<p>The Head of Corporate Services (“HCS”), who reports to the CHRO, is incentivized through compensation for implementing environmental and sustainability initiatives that help us to minimize our environmental impact and progress on our carbon reduction efforts. Senior managers in the Corporate Services Team, including facility managers, senior buyers in the global strategic sourcing and procurement team, as well as the travel department are similarly evaluated and incentivized. The HCS and those that report to him directly and indirectly establish goals and criteria that consider various environmental factors</p>

			<p>and are monitored and linked to their compensation. The goals measure, among other things, progress against emissions reduction targets, support of behavior changes by stakeholders and employees across MSCI, inclusion of environmental criteria in sourcing and purchase decisions and active engagement with our supply chain to drive alignment with our approach to climate change.</p> <p>When selecting new office space, the HCS and facility managers use a comprehensive multi-factor checklist including environmental and other criteria to evaluate a property’s environmental sustainability. These criteria include the availability of renewable energy, accessibility to public transportation, energy efficient building systems, protection of biodiversity and the location’s overall vulnerability to extreme weather events and natural disasters.</p> <p>The HCS and members of the global strategic sourcing and procurement team are evaluated and incentivized for ensuring suppliers are made aware of MSCI’s environmental, climate and carbon objectives, as outlined in MSCI’s Supplier Code of Conduct (SCOC) as well as its Environmental Policy (EP). To ensure the appropriate level of engagement with the supply chain, the HCS has developed a Sustainable Supplier Management (SSM) team within the global strategic sourcing and procurement team.</p>
Facilities manager	Monetary reward	Emissions reduction project Behavior change related indicator Environmental criteria included in purchases	Facility managers report to the HCS and are incentivized to prioritize the availability of renewable energy, accessibility to public transportation, energy efficient building systems, protection of biodiversity and the location’s overall vulnerability to extreme weather events and natural disasters. 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 and design and implementation of environmental and lighting control systems that enable the efficient use of power are additional

			<p>practices that are evaluated.</p> <p>The overall practices of the facility managers 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. This should continue to 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>The global strategic sourcing and procurement team, including the SSM team, reports to the HCS. Their performance and compensation are linked to various performance metrics including, among others, those that measure adherence to sustainability onboarding criteria and active review of suppliers' carbon emissions and demonstrated commitment to science-based targets.</p> <p>Travel managers report to the HCS and are in part evaluated and compensated on how well business travel policies and processes contribute to reduced environmental impact linked to physical travel. Travel managers encourage employees to conduct business in the most environmentally sustainable way possible, including by holding virtual meetings supported by conferencing technologies in lieu of physical trips, planning trips well in advance, bundling multiple short-duration trips into fewer longer-term trips and traveling via rail versus air where possible.</p>
<p>Management group</p>	<p>Monetary reward</p>	<p>Emissions reduction target                      Behavior change related indicator                      Environmental criteria included in purchases                      Supply chain engagement</p>	<p>Under MSCI's pay-for-performance compensation program, the compensation paid to each Executive Committee member consists of a base salary, long-term equity awards and annual cash bonus. These three components are determined by MSCI's overall financial performance during the year and the executive's individual performance. Individual performance is linked to the goals these individuals set during our annual goal setting process. A part of MSCI's overall financial performance is determined by the extent to which</p>

		<p>Other (please specify)</p> <p>Environmentally focused products</p>	<p>MSCI is successful in launching ESG and Climate solutions and expanding existing ones. In addition, Executive Committee members may also include climate-specific goals for individual evaluation set during our annual goal-setting process.</p> <p>The Heads of MSCI's ESG and Climate, Index, Real Estate and Analytics product lines and the Chief Technology Officer are members of MSCI's Executive Committee and report to the President. Examples of the goals introduced by these senior leaders include efforts to enhance MSCI's ESG and Climate product offerings, integrate new and current ESG and Climate capabilities into existing products and provide platforms and flexible technologies that enable users access to MSCI's ESG and Climate products and services.</p> <p>Additionally, the Global Head of Research and Product Development is a member of the MSCI Executive Committee and has compensation-related goals tied to his role in overseeing distribution of ESG and Climate-related research, including through social media and podcasts and conference participation to further understanding of sustainability issues.</p> <p>MSCI's CRO is a member of the Executive Committee. The CRO's goals incentivize her through our compensation structure related to championing a strong corporate responsibility platform. In 2021, she included KPIs relating to the goal of aligning our own decarbonization commitments with our products and further integrating climate considerations into MSCI's operations. During 2021, she helped establish MSCI as a founding member of the Net Zero Financial Service Providers Alliance. The CRO also further integrated climate considerations into our firm's risk management, spearheaded the firm's efforts to reduce our carbon footprint and communicated our net-zero targets and priorities for sustainability both internally and externally.</p>
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## 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 there is a potential to generate a greater than USD 75 million annual impact to MSCI's Adjusted Earnings before Interest, Depreciation and Amortization (EBITDA) as defined in the Company's financial statements due to 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 climate change to have had a substantive 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.**

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**Value chain stage(s) covered**

Direct operations  
Upstream  
Downstream

**Risk management process**

Integrated into multi-disciplinary company-wide risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term  
Medium-term  
Long-term

**Description of process**

We are committed to ensuring that we are identifying, evaluating and managing climate-related risks and opportunities that may directly or indirectly impact our operations or ability to deliver our products and services. Our management team has day-to-day responsibility for identifying, assessing and managing climate-related risks and opportunities, while the MSCI Board of Directors oversees management's execution of these responsibilities.

Our processes for identifying and assessing climate-related risks are multi-pronged in nature and seek to continuously capture insights on those risks we may face in the coming years and decades.

We regularly engage with shareholders, clients and employees and conduct benchmarking analysis to identify the most relevant risks for our business and industry. This includes an annual roadshow with our shareholders that focuses on corporate responsibility issues, which helps us to better understand their areas of interest, including climate-related risks.

Our insights on climate-related risks are also informed by the TCFD guidelines as well as the CDP climate questionnaire.

In addition, we use our Climate VaR model, which aligns with the TCFD's risk categories, to identify and assess MSCI's most probable climate-related facility-level physical and enterprise-level risks. The scenario analysis that we conduct as part of the Climate VaR analysis allows us to assess the impact of climate risks, including physical and transition risks.

We have categorized our climate-related risks using the TCFD framework, including Policy & Legal, Technology, Market, Reputation, Acute Physical and Chronic Physical risks. Consistent with how we evaluate other risks at MSCI, on a quarterly basis, we arrive at an overall risk level (e.g., high, medium, low) for our climate-related risks by considering such risks in terms of potential likelihood and potential impact. In this way, climate-related risks can be viewed relative to other risks that we manage and monitor

as a firm.

We also consider climate-related risks in terms of the time horizon of such an impact – specifically, across the short (less than one year), medium (one to three years) and long term (more than three years). These time horizons align to our business, strategy and financial planning.

We have developed different types of mitigation strategies, involving different teams, to manage climate-related risks depending on the type of risks we face. Our Business Resiliency team, for example, assesses the severity, probability and scale of potential extreme climate events in geographies where we operate, and develops, implements and tests technology systems to support MSCI's business continuity plans. Managing climate-related commercial opportunities occurs 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.

Our processes for identifying, assessing and managing climate-related risks (including transition and physical risks) are integrated into our firmwide risk management framework, thereby ensuring climate-related risks are provided a high-level of transparency, visibility and accountability.

As part of our firmwide risk management framework, we prepare a risk dashboard on a quarterly basis, which provides a high-level summary of our company's enterprise-level risks. We also provide the EROC with risk-specific details, such assessments of impact and likelihood, key mitigating actions and a set of metrics used to assess and measure our progress in managing climate-related risks (e.g., metrics surrounding our carbon footprint, our use of renewables, the proportion of our suppliers with climate commitments, etc.).

Our Board is responsible for overseeing the management of company risks, including those that are climate-related. The Audit Committee receives a quarterly update from the Enterprise Risk Management Officer on, among things, the work of the EROC. In addition, from time to time, the CISO will update the Audit Committee on risks that could be caused by extreme weather events and other effects of a changing climate. In addition, the Governance Committee receives quarterly updates from the CRO, which include progress on our climate goals.

Physical Risk Case Study:

**Situation:** In 2021, as part of our integrated firmwide risk management framework, we strove to improve our insights and quantitatively analyze, climate-related risks we may face in the coming years and decades.

**Task:** MSCI sought to use our proprietary Climate VaR model to assess physical and transition risks and identify potential substantive disruptions to our business from climate

change.

Action: We conducted a Climate VaR model scenario analysis and assessed the results. Specifically:

- 1) our CRO, our HCS and our Head of Corporate Responsibility led the EROC in a review of our climate related scenario analysis, which reflected our climate-related, facility level, physical and enterprise-level transition risks in accordance with the TCFD’s recommendations and
- 2) our Head of Corporate Responsibility and our Head of the Business Resiliency team also provided an update on our physical risk exposure to our Enterprise Risk Management Officer for incorporation in our firm’s quarterly risk dashboarding, which is then shared with EROC, as well as the Audit & Risk Committee.

Result: Our assessment of MSCI’s climate-related risks was updated and integrated into the firm’s risk management framework, thereby increasing the transparency, visibility and accountability of climate-related risks at MSCI. Specifically:

- 1) Our 2021 Climate VaR scenario analysis provided insights on the adverse effects that climate change may have on MSCI’s business operations. The main contributor of physical climate risk for MSCI is tropical cyclones, with an aggregated potential impact of approximately USD 183 million between 2021 and the year 2100, based on an assessment of both transition and physical risks and opportunities. Other physical risks were deemed low (e.g., fluvial flooding, wildfire).
- 2) We evaluated these climate-related risks in terms of potential likelihood and potential impact, so that climate-related risks can be viewed relative to other risks that we manage and monitor. We currently believe there are no potential substantive short-term disruptions to our business from climate change based on the analysis we conducted, and that the aggregated potential impact of physical climate risk does not reach our threshold for a significant financial or strategic risk, defined as greater than USD 75 million annual impact to MSCI’s Adjusted Earnings before Interest, Depreciation and Amortization (EBITDA).

## C2.2a

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

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	1. MSCI is currently not subject to extensive climate-related regulations covering its physical operations. We do, however, strive to comply with all relevant environmental regulations as a baseline for our operations. Corporate Services is responsible for ensuring compliance with applicable environmental laws and regulations. Given that MSCI leases all its office space, the Corporate Services department manages the relationships and contracts with local landlords to oversee compliance with laws and regulations, and we endeavor to secure from our landlords their direct obligation to comply with laws and regulations,

		<p>including climate related. An example of this is for our New York office, we have engaged in conversations with our landlord to understand their progress toward complying with Local Law 97. Under this law, most buildings over 25,000 square feet are required to meet energy efficiency and greenhouse gas emissions limits by 2024, with stricter limits coming into effect in 2030. The goal of this law is to reduce the emissions produced by the city’s largest buildings 40 percent by 2030 and 80 percent by 2050. As a result of these conversations, MSCI understands the steps the landlord is taking to comply with this regulation and will continue to monitor their progress.</p> <p>2. MSCI product groups for ESG Research and Index also track and comply with product-related regulations.</p>
Emerging regulation	Relevant, always included	<p>1. MSCI considers emerging regulation as part of our organization’s climate-related risk assessments. We track proposed regulation that may have an impact on the Company or its disclosures, such as the SEC Proposed Rule on The Enhancement and Standardization of Climate-Related Disclosures for Investors.</p> <p>2. MSCI is currently not subject to extensive climate-related regulations covering its physical operations. We do, however, strive to comply with all relevant environmental regulations as a baseline for our operations. Corporate Services is responsible for ensuring compliance with applicable environmental laws and regulations. Given that MSCI leases all its office space, the Corporate Services department manages the relationships and contracts with local landlords to oversee compliance with laws and regulations, and we endeavor to secure from our landlords their direct obligation to comply with laws and regulations, including climate- related.</p> <p>3. MSCI product groups for ESG Research and Index also track and comply with product-related regulations.</p>
Technology	Relevant, always included	<p>1. MSCI’s IT Disaster Recovery Planning aims to mitigate key risks to its IT infrastructure resulting from climate and extreme weather events, among other disasters. Historically, MSCI has experienced the impact of extreme weather events in some of its office locations, including Mumbai, India (tropical cyclones and monsoon), Norman, Oklahoma (tornadoes) and New York, New York (winter storms). The robust development, testing and refinements to our resiliency plans have successfully mitigated the impact of these events. MSCI routinely conducts tabletop disaster simulation events, including extreme weather events, for every office. A highly illustrative example of our investment into and, the robustness of, our business resilience program was our ability to quickly move virtually all global staff to work from home without material disruption to our operations during the COVID-19 pandemic. This flexibility of locations could also potentially be used</p>

		<p>to mitigate a climate-related issue.</p> <p>2. We identify multiple sources of critical services to reduce the potential impact of supply chain disruptions wherever possible. For example, MSCI operates in co-located data centers in both Europe and the U.S. to enhance our ability to maintain continuity in the event extreme weather or other climate-related risks were to impact one of the locations. Notably, MSCI also partners with Microsoft Azure as a strategic cloud services provider. Azure provides MSCI geographically diverse data center locations, which allow us to mitigate the potential impact of a climate event to any specific site</p>
<p>Legal</p>	<p>Relevant, always included</p>	<p>Our Legal and Compliance Departments evaluates risks resulting from litigation, including the risk of climate-related litigation. While we believe that our exposure to climate-related litigation risk is limited because our direct operations are not a large contributor to GHG emissions, reputational or other loss in credibility could result from, among other things, (i) failure to meet publicly disclosed climate reduction targets or goals or (ii) our misalignment with evolving market standards or standards, metrics, methodologies or other elements of our climate-related solutions. Our Legal Department works together with our Government and Regulatory Affairs Department and our Corporate Responsibility, Enterprise Risk Management and Finance functions to assess the risks and costs associated with expanding disclosure obligations under emerging regulations such as the SEC’s proposed climate rules – The Enhancement and Standardization of Climate-Related Disclosures for Investors.</p> <p>Additionally, our Government and Regulatory Affairs Department, which reports to our General Counsel, also works with the heads of our product lines to advise on: (1) the impact of climate-related regulations on the solutions we offer to our clients and, at times, (2) proposed new products in response to current and emerging regulations. Many of our clients are in the financial services sector and leverage our solutions to help them comply with stakeholder mandates or regulations relating to the integration of climate considerations into their investment decisions.</p> <p>Our Procurement function is also supported by the Legal Department, which reviews our Supplier Code of Conduct and advises on climate-related assurances in vendor contracts.</p> <p>We will continue to monitor and mitigate climate-related legal risks in our operations and products by, among other things, continuing to enhance our controls, enhancing the quality of our data and analysis and appropriately reviewing and allocating risks and liabilities relating to the use our climate-related productions and solutions.</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> <p>A relevant example of a market-related risk is losing market share on our ESG and climate index products should we not adapt our current service offerings to meet evolving client needs. To manage this risk, in 2021, we ran a client consultation regarding enhancements in the climate screens and incorporation of minimum requirements of the EU's Climate Transition Benchmark (CTB) designation.</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 could potentially damage our reputation and our ability to attract and retain clients, as 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.</p>
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 resulting from climate and extreme weather events, among other types of events. MSCI's maintains business critical IT infrastructure operations across multiple primary third-party data centers, which source highly resilient power and telecommunications. For example, MSCI operates in co-located data centers in both Europe and the U.S. to enhance our ability to maintain continuity in the event extreme weather or other climate-related risks were to impact one of the locations. Notably, MSCI also partners with Microsoft Azure as a strategic cloud services provider. Azure provides MSCI geographically diverse data-center locations, which allow us to mitigate the potential impact of a climate event to any specific site.</p> <p>Another risk is disruption to the offices where MSCI employees work and support its clients and operations. Historically, MSCI has experienced the impact of extreme weather events in some of its office locations, including Mumbai, India (tropical cyclones and monsoon), Norman, Oklahoma (tornadoes) and New York, New York (winter storms). To date, the robust development, testing and refinements to our resiliency plans have successfully mitigated the impact of these events. MSCI routinely conducts tabletop disaster simulation events, including extreme weather events, for every office. This flexibility of locations could also potentially be used to mitigate a climate related issue. We identify multiple sources of critical services to reduce the</p>

		<p>potential impact of supply chain disruptions wherever possible.</p> <p>To further assess our climate-related risks, in 2021, MSCI performed a climate-related scenario analysis using MSCI's own Climate VaR model. The analysis guides MSCI's ongoing efforts to enhance 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 tropical cyclones, extreme heat and coastal flooding.</p>
Chronic physical	Relevant, always included	<p>We believe 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 resulting from climate and extreme weather events, among other disasters.</p> <p>To further assess its climate-related risks, in 2021, the CRC performed a climate-related scenario analysis using MSCI's own Climate VaR model. The analysis guides MSCI's ongoing efforts to enhance 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 tropical cyclones, extreme heat and coastal flooding. Risks are mitigated through a cycle of planning, testing and enhancement. We also consider any climate-related impacts through our business resilience process and insurance coverage, including the cost of premiums.</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  
Cyclone, hurricane, typhoon

**Primary potential financial impact**

Increased direct costs

**Company-specific description**

Climate change is expected to increase both the frequency and severity of extreme weather events in many of the regions in which we operate. 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.

In 2021, we used MSCI ESG Research’s Climate VaR Model to conduct a climate-related scenario analysis. This enabled us to analyze climate-related risks and opportunities we may face in the coming years and decades.

Although it does not reach the threshold for a significant financial or strategic risk, defined as greater than USD 75 million annual impact to MSCI’s Adjusted Earnings before Interest, Depreciation and Amortization (EBITDA), based on this scenario analysis, the main contributor of physical climate risk for MSCI is tropical cyclones, with an aggregated potential impact of approximately USD 183 million between 2021 and the year 2100. This is based on an assessment of both transition and physical risks and opportunities – i.e., extreme weather could damage assets at a facility, or the introduction of new climate change policies could require technological change. Other physical risks were deemed low (e.g., fluvial flooding, wildfire, extreme cold, etc.).

Tropical cyclones could have a multitude of adverse effects on MSCI’s business operations, including, but not limited to, those operations in our Manila, Philippines facility. These effects (which are embedded into the methodology used by MSCI ESG Research to estimate the impact of tropical cycles for MSCI) could potentially include business interruption and severe wind and flood damage.

**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)**

183,000,000

**Explanation of financial impact figure**

In 2021, we used MSCI ESG Research's Climate VaR Model to conduct a climate-related scenario analysis. This enabled us to analyze, quantitatively, climate-related risks and opportunities we may face in the coming years and decades. The approach is closely aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) in that it assesses both transition and physical risks and opportunities.

MSCI ESG Research's Climate VaR Model computed the current level of climate-related physical risk from 10 distinct hazards on our facilities (e.g., extreme heat, extreme cold, fluvial flooding, coastal flooding, tropical cyclones, etc.), and how that level of risk may change in the future under different physical risk scenarios. MSCI ESG Research also translated the physical risk from these hazards into costs, or opportunities, calculations for each of our facilities.

Our Climate VaR Model computed two physical risk scenarios:

- 1) an average scenario corresponding to the expected monetary value of the aggregated impact between today's date and in the year 2100, and
- 2) an aggressive scenario, which reflects the severe downside risk corresponding to the 95th percentile of the cost distribution.

Through the lens of the average scenario, the main contributor of physical climate risk for MSCI is tropical cyclones, with an aggregated potential impact of approximately USD 183 million between 2021 and in the year 2100, based on an assessment of both transition and physical risks and opportunities – i.e., extreme weather could damage assets at a company facility, or the introduction of new climate change policies could require technological change.

The methodology used to estimate this potential financial impact is as follows:

To quantify the impact of tropical cyclones, MSCI ESG Research employs the open-source NatCat model CLIMADA to estimate the future impacts of tropical cyclones. CLIMADA uses a stochastic hurricane generator based on an extensive set of historical hurricanes and a set of regionally calibrated damage functions. We employ climate-model based projections of the future frequency and intensity of tropical cyclones to accordingly modify the generated set of cyclone tracks.

**Cost of response to risk**

2,000,000

**Description of response and explanation of cost calculation**

We regularly assess and take steps to improve our response to all climate-related risks, including those relating to tropical cyclones. We maintain a dedicated Business

Resiliency team. MSCI’s Business Resilience Strategy considers the extent to which the physical risks of climate change may impact MSCI’s operations, including whether these risks could potentially impact our IT and physical infrastructure and/or our ability to provide clients with products and services. We also regularly evaluate the potential for supply-chain disruption, including climate-related impacts over both short- and long-term horizons. Wherever possible, we identify multiple sources of critical services to reduce the potential impact of supply-chain disruptions. Our estimated annual cost in responding to all climate-related risks, including those relating to tropical cyclones, is approximately USD 2.0 million. This is based on two key components:

1) MSCI annually assesses and obtains comprehensive third-party insurance to mitigate the impact of damage to physical facilities and business disruptions from all hazards, including climate-related causes. The estimated cost of this insurance premium is approximately USD 250,000.

2) MSCI’s Business Continuity Plan group maintains and tests our business resiliency plans, which helps reduce the impact of disruptions caused by all hazards, including climate-related causes. The estimated cost of this group and its related expenses is approximately USD 1,700,000.

Physical Risk Response Case Study: Situation: In 2021, the scenario analysis conducted as part of our Climate VaR analysis revealed that MSCI’s global facilities are exposed to climate-related physical risk from various hazards, including tropical cyclones, extreme heat and coastal flooding.

Task: To improve existing business continuity plans, our Business Resiliency team identified the need to enhance continuous, internal monitoring and reporting of actual climate-related events across all locations where MSCI already has business operations.

Action: In 2021, our Business Resiliency team designed and developed an internal report that captures global events that had either impacted, or had the potential to impact, MSCI’s Business Operations (e.g., natural disasters, climate-related event).

Result: We efficiently developed a “Climate Risk Trend Report,” which captures climate and extreme weather threats throughout the year and assists in improving Business Continuity plans.

## Comment

## 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.**

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### 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, investors and issuers use our climate data and tools to support their investment decision making. This includes measuring and reporting on climate risk exposure, implementing low-carbon and fossil-fuel-free strategies, factoring climate change research into risk management processes and engaging companies and external stakeholders, to better align with a net-zero trajectory.

Our Climate Solutions give clients access to a wide range of tools and data, designed to enable them to address a variety of needs such as:

- (1) Climate and net-zero solutions empowering investors to analyze and report on their portfolios' exposures to transition and physical climate risk.
- (2) Climate indexes for both equity and fixed income that aim to meet the variety of needs of institutional investors who wish to address climate change.
- (3) Climate Lab Enterprise that enables a comprehensive view of climate risk across enterprises, strategies, portfolios and companies. And that allows clients to visualize transition and physical risk, emissions and scenarios to assess alignment and track progress toward climate goals.
- (4) Private assets climate solutions allowing investors to understand and manage their climate impact and risk across their private-asset investments.
- (5) Real estate climate solutions helping real estate investors integrate climate, performance and risk analysis to build more sustainable portfolios.

MSCI ESG Research products are a key growth pillar for MSCI because of the growing investor appetite for managing ESG & Climate risks and opportunities by provides a range of capabilities to clients across the entire investment ecosystem

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)**

50,000,000

**Potential financial impact figure – maximum (currency)**

80,000,000

**Explanation of financial impact figure**

MSCI does not provide run rate guidance or long-term targets for any of its product lines. As of December 31, 2021, the run rate (as defined in MSCI's financial statements) for our ESG and Climate product line was approximately USD 200 million, reflecting a recent historical growth rate of 30% to 40%. For illustration of the potential incremental opportunity and assuming this historical growth-rate range, the result is an incremental annual opportunity in the range of \$50 to \$80 million in run rate. These projections should not be relied upon as indicative of future results.

**Cost to realize opportunity**

50,000,000

**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 & Climate performance. We work with clients through consultations to understand their ESG & Climate investment objectives and incorporate their feedback into our products.

Based on the 17.9% margin reported for the ESG and Climate product line in our FY 2021 Earnings Release, the implied incremental cost associated with the potential incremental opportunity detailed above would be in the range of \$40 to \$65 million per year.

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.

Product and Services Opportunity Response (Case Study)

Case Study – Launched Climate Lab in 2021

Situation - Owners and managers of assets are looking for consistent and robust climate data, tools and scenario analysis to enable them to measure and manage transition and physical risks, identify sustainable investment opportunities and align their investments with the goal of transitioning to an economy that removes as much greenhouse gas from the atmosphere as it puts in. Getting there will demand an insight to climate data and models and how climate risk could affect the portfolios, an understanding of companies' climate trajectories and the capacity to track and report progress.

Task: Institutional investors are looking for tools and services to help them with their net-zero alignment.

Action: In 2021, we launched Climate Lab, a first-in-kind visualization dashboard that combines our climate data with our analytical risk and portfolio management capabilities. Climate Lab provides a comprehensive set of climate data and analytics, helping explore transition and physical risk, emission, temperature data and scenario analysis along with powerful forecasting tools to help investors measure, monitor and manage climate risk and the shift to sustainable growth consistently across companies, portfolios and at enterprise level.

Result: As of June 13, 2022, approximately 200 clients had access to our Climate Lab Company platform.

**Comment**

## C3. Business Strategy

### C3.1

**(C3.1) Does your organization’s strategy include a transition plan that aligns with a 1.5°C world?**

**Row 1**

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**Transition plan**

No, but our strategy has been influenced by climate-related risks and opportunities, and we are developing a transition plan within two years

**Explain why your organization does not have a transition plan that aligns with a 1.5°C world and any plans to develop one in the future**

Over the past couple of years, MSCI has been expanding its climate commitment. In 2020, we defined a carbon reduction target aligned with science-based methodology and committed to reduce Scopes 1 and 2 by 50% and Scope 3 by 20% by 2035 using 2019 as our baseline. In 2021, we committed to net-zero before 2040 throughout our value chain. In the first half of 2022, we committed to have our carbon target certified by the SBTi and submitted our enhanced near-term and long-term target for SBTi certification. While developing those commitments, we have identified levers at our disposal and are taking necessary steps to fulfil this commitment.

For Scopes 1 and 2, our main levers are:

- Reduce the number and size of our offices.
- Reduce electricity consumption in existing offices.
- Manage new office growth toward locations with renewable electricity access.
- Purchase Energy Attribute Certificates (EACs) to support growth in availability of renewable electricity and to lower our Scope 2 emissions

For Scope 3, our levers include:

- Engage and influence our suppliers to set similar climate goals as ours.
- Encourage virtual meetings in lieu of physical travel; manage physical travel to rigorous sustainable travel practices.
- Reduce the need for employees to commute to offices; encourage sustainable work-from-home practices.

We are now working on developing a formal climate transition plan that we expect will evolve over time to align with the latest science, the emergence of new and greener technologies, and as new data becomes available. As we revise our plan and receive additional stakeholder input, we intend to make our approach transparent by regularly reporting our progress.

### C3.2

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

Use of climate-related scenario analysis to inform strategy	
Row 1	Yes, qualitative and quantitative

### C3.2a

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

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters, assumptions, analytical choices
Transition scenarios Customized publicly	Company-wide	2.1°C - 3°C	In 2021, we conducted a climate-related scenario analysis to quantitatively analyze the climate-related risks and opportunities using MSCI ESG Research’s Climate VaR Model (CVAR). MSCI ESG Research

<p>available transition scenario</p>			<p>comprehensively assesses future climate-change risks and opportunities, which include transition risks and opportunities related to greenhouse gas (GHG) emission limitations and physical risks and opportunities from climate change.</p> <p>i) CVaR aims to provide a quantitative and forward-looking analysis on how climate change may affect a company's market valuation.</p> <p>ii) Costs are calculated out to the end of the century.</p> <p>iii) The model sets the current level of climate-related physical risk from ten hazards to companies' facilities and how that may change under future different scenarios. The physical risk from these hazards is converted into costs or opportunities for each company facility.</p> <p>iv) Based on the physical risk assessments, tropical cyclones pose the greatest risk to MSCI's office locations, especially in Manila and Tokyo and extreme heat and coastal flooding risk exposure may slightly increase at some office locations.</p> <p>v) An example of how the CVAR results directly influenced MSCI's business objectives and strategy is 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 on Pune for several reasons, including those related to longer-term climate risks.</p> <p>In addition, MSCI has developed the Implied Temperature Rise (ITR), which is aligned with recommendations published by the TCFD Portfolio Alignment Team. ITR indicates how much the world's temperature would increase if the whole economy had the same carbon overshoot or undershoot as the company in question.</p>
<p>Transition scenarios Customized publicly available transition scenario</p>	<p>Company-wide</p>	<p>1.6°C – 2°C</p>	<p>In 2021, we conducted a climate-related scenario analysis to quantitatively analyze the climate-related risks and opportunities using MSCI ESG Research's Climate VaR Model (CVAR). MSCI ESG Research comprehensively assesses future climate-change risks and opportunities, which include transition risks and opportunities related to greenhouse gas (GHG) emission limitations and physical risks and opportunities from climate change.</p>



			<p>i) CVaR aims to provide a quantitative and forward-looking analysis on how climate change may affect a company's market valuation.</p> <p>ii) Costs are calculated out to the end of the century.</p> <p>iii) The model sets the current level of climate-related physical risk from ten hazards to companies' facilities and how that may change under future different scenarios. The physical risk from these hazards is converted into costs or opportunities for each company facility.</p> <p>iv) Based on the physical risk assessments, tropical cyclones pose the greatest risk to MSCI's office locations, especially in Manila and Tokyo and extreme heat and coastal flooding risk exposure may slightly increase at some office locations.</p> <p>v) An example of how the CVAR results directly influenced MSCI's business objectives and strategy is 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 on Pune for several reasons, including those related to longer-term climate risks.</p> <p>In addition, MSCI has developed the Implied Temperature Rise (ITR), which is aligned with recommendations published by the TCFD Portfolio Alignment Team. ITR indicates how much the world's temperature would increase if the whole economy had the same carbon overshoot or undershoot as the company in question.</p>
<p>Transition scenarios Customized publicly available transition scenario</p>	<p>Company-wide</p>	<p>1.5°C</p>	<p>In 2021, we conducted a climate-related scenario analysis to quantitatively analyze the climate-related risks and opportunities using MSCI ESG Research's Climate VaR Model (CVAR). MSCI ESG Research comprehensively assesses future climate-change risks and opportunities, which include transition risks and opportunities related to greenhouse gas (GHG) emission limitations and physical risks and opportunities from climate change.</p> <p>i) CVaR aims to provide a quantitative and forward-looking analysis on how climate change may affect a company's market valuation.</p> <p>ii) Costs are calculated out to the end of the century.</p>

			<p>iii) The model sets the current level of climate-related physical risk from ten hazards to companies' facilities and how that may change under future different scenarios. The physical risk from these hazards is converted into costs or opportunities for each company facility.</p> <p>iv) Based on the physical risk assessments, tropical cyclones pose the greatest risk to MSCI's office locations, especially in Manila and Tokyo and extreme heat and coastal flooding risk exposure may slightly increase at some office locations.</p> <p>v) An example of how the CVAR results directly influenced MSCI's business objectives and strategy is 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 on Pune for several reasons, including those related to longer-term climate risks.</p> <p>In addition, MSCI has developed the Implied Temperature Rise (ITR), which is aligned with recommendations published by the TCFD Portfolio Alignment Team. ITR indicates how much the world's temperature would increase if the whole economy had the same carbon overshoot or undershoot as the company in question.</p>
<p>Physical climate scenarios Customized publicly available physical scenario</p>	<p>Company-wide</p>	<p>4.1°C and above</p>	<p>In 2021, we conducted a climate-related scenario analysis to quantitatively analyze the climate-related risks and opportunities using MSCI ESG Research's Climate VaR Model (CVAR). MSCI ESG Research comprehensively assesses future climate-change risks and opportunities, which include transition risks and opportunities related to greenhouse gas (GHG) emission limitations and physical risks and opportunities from climate change.</p> <p>i) CVaR aims to provide a quantitative and forward-looking analysis on how climate change may affect a company's market valuation.</p> <p>ii) Costs are calculated out to the end of the century.</p> <p>iii) The model sets the current level of climate-related physical risk from ten hazards to companies' facilities and how that may change under future different scenarios. The physical risk from these hazards is converted into costs or opportunities for</p>

			<p>each company facility.</p> <p>iv) Based on the physical risk assessments, tropical cyclones pose the greatest risk to MSCI's office locations, especially in Manila and Tokyo and extreme heat and coastal flooding risk exposure may slightly increase at some office locations.</p> <p>v) An example of how the CVAR results directly influenced MSCI's business objectives and strategy is 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 on Pune for several reasons, including those related to longer-term climate risks.</p> <p>In addition, MSCI has developed the Implied Temperature Rise (ITR), which is aligned with recommendations published by the TCFD Portfolio Alignment Team. ITR indicates how much the world's temperature would increase if the whole economy had the same carbon overshoot or undershoot as the company in question.</p>
Physical climate scenarios Customized publicly available physical scenario	Company-wide	3.1°C - 4°C	<p>In 2021, we conducted a climate-related scenario analysis to quantitatively analyze the climate-related risks and opportunities using MSCI ESG Research's Climate VaR Model (CVAR). MSCI ESG Research comprehensively assesses future climate-change risks and opportunities, which include transition risks and opportunities related to greenhouse gas (GHG) emission limitations and physical risks and opportunities from climate change.</p> <p>i) CVaR aims to provide a quantitative and forward-looking analysis on how climate change may affect a company's market valuation.</p> <p>ii) Costs are calculated out to the end of the century.</p> <p>iii) The model sets the current level of climate-related physical risk from ten hazards to companies' facilities and how that may change under future different scenarios. The physical risk from these hazards is converted into costs or opportunities for each company facility.</p> <p>iv) Based on the physical risk assessments, tropical cyclones pose the greatest risk to MSCI's office locations, especially in Manila and Tokyo and extreme heat and coastal flooding risk exposure</p>

		<p>may slightly increase at some office locations.</p> <p>v) An example of how the CVAR results directly influenced MSCI's business objectives and strategy is 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 on Pune for several reasons, including those related to longer-term climate risks.</p> <p>In addition, MSCI has developed the Implied Temperature Rise (ITR), which is aligned with recommendations published by the TCFD Portfolio Alignment Team. ITR indicates how much the world's temperature would increase if the whole economy had the same carbon overshoot or undershoot as the company in question.</p>
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### C3.2b

**(C3.2b) Provide details of the focal questions your organization seeks to address by using climate-related scenario analysis, and summarize the results with respect to these questions.**

**Row 1**

**Focal questions**

While conducting scenario analysis we try to answer the following questions:

1. How resilient is MSCI to the different climate scenario analyses?
2. What are the major climate risks MSCI faces?
3. What is MSCI's exposure to extreme weather events?
4. Which MSCI's offices are the most exposed to physical risks?
5. Where can we potentially expand our presence and/or open new locations?
6. What is MSCI's climate transition trajectory?

**Results of the climate-related scenario analysis with respect to the focal questions**

MSCI uses MSCI ESG Research's Climate VaR Model to assess the resilience of its business model under several scenarios and answer its focal questions. In addition, MSCI ESG Research has developed Implied Temperature Rise, a metric designed to show the temperature alignment of companies, portfolios and funds with global climate targets. MSCI Inc. is the ultimate parent company of MSCI ESG Research. The disclosure of the Climate VaR model and implied temperature rise analysis included herein for MSCI Inc. were conducted in the same manner and based on the same information available for other companies that are not affiliated with MSCI Inc., but have not been independently reviewed or audited. Due to the affiliate relationship and the potential for a conflict of interest, this report should not be relied upon as an

independent analysis of MSCI Inc. with respect to the use of the Climate VaR or Implied Temperature Rise.

1. Overall, we found that the MSCI aggregate Climate VaR is -1.32%, which means that the Company’s valuation can be reduced by -1.32% in a 2° mid-range and aggressive physical risks scenario. We believe that the nature of MSCI’s business as a service provider of tools and solutions to the investment industry helps limit many common physical risks of climate change in even aggressive scenarios.
2. Looking more closely at the Climate VaR result, we identified that the main contributor is physical risks, as -0.05% of the Climate VaR, comes from policy risks, while -1.27% comes from physical risks. This analysis reports an impact on valuation that is limited and would come mainly from tropical cyclones, extreme heat and coastal flooding. Taken together, the analysis suggests these impacts would lower MSCI’s valuation by 1.27% in an aggressive scenario.
3. While focusing on physical risks and assessing MSCI’s exposure to 10 different hazards, we found that tropical cyclones present the greatest risk to our facilities.
4. The analysis at the facility level revealed that Manila, the Philippines, is our office with the largest exposure to tropical cyclones.
5. While assessing all hazards, we specifically identified the offices with the greatest exposure to physical risks to help inform office location and expansion/contraction decisions.
6. MSCI ESG Research’s Implied Temperature Rise analysis indicates MSCI’s Implied Temperature Rise is 1.3°C, indicating how much the temperature of the world would increase if the whole economy had the same carbon undershoot as MSCI.

### 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	The growing focus by investors on taking climate change into account has led to a strategic focus on climate in our product development. We offer climate solutions across our product lines, across asset classes, and to support a growing number of client types and use cases. Since launching our major climate product, the MSCI Low Carbon indexes in 2015, we have observed a growing interest from investors in climate-related issues. This demand, which influences MSCI’s short- and long-term business strategy, has resulted in the diversification and expansion of our offerings.

		<p>The emergence of climate-disclosure frameworks and climate-related financial and transparency regulation has also increased demand for climate-related stress testing and scenario analysis. Our Climate Risk Center, which we established following MSCI's acquisition of Carbon Delta in 2019, comprises specialists who are dedicated to the development of intuitive, forward-looking tools designed to help investors measure and manage risks associated with climate change, to identify climate-related opportunities for innovation and positive impact and to make environmental sustainability part of their long-term investment strategy. This team has doubled in the last two years and MSCI will continue to invest in the growth of our climate-related products.</p> <p>We anticipate continuing to expand and enhance our climate and ESG -related products and services. MSCI's climate indexes, metrics, data and analytical tools, together with our ESG research and ratings, are some of our most strategically important and highest-growth offerings. They address growing demand from investors, companies and financial intermediaries for making climate change part of their investment decision. We are focused on being an influential thought leader on climate-related considerations for the investment industry.</p>
<p>Supply chain and/or value chain</p>	<p>Yes</p>	<p>MSCI regularly evaluates the potential for disruptions to our supply chain. New business-critical suppliers are evaluated by MSCI's Information Security, BCP and Sustainable Supplier Management teams to ensure they pass rigorous onboarding requirements. This review includes understanding the potential for disruption in both the short, medium and long term due to various factors, including climate, weather-related and other physical risks. We analyse our suppliers' resiliency and business continuity plans to deal with various risks, including temperature extremes, storm damage, coastal flooding and other physical climate risks which may disrupt their operations and in turn may directly or indirectly impact our operations or ability to deliver our products and services.</p> <p>We identify multiple sources of critical services to reduce the potential impact of supply chain disruptions wherever possible. For example, MSCI operates in co-located data centers in both Europe and the U.S. to enhance our ability to maintain continuity in the event extreme weather or other climate-related risks were to impact one of the locations.</p>

		<p>Notably, MSCI also partners with Microsoft Azure as a strategic cloud services provider. Azure provides MSCI geographically diverse data-center locations, which allow us to mitigate the potential impact of a climate event to any specific site. We work to reduce our reliance on extended supply chains with the goal of improving resilience and lowering costs. As examples, we use regional and local re-distributors for technology hardware and software; when deciding whether to leverage consultants and contingent workers in support of any business-critical operations, we identify their respective locations; and we emphasize local and regional sourcing for furniture, fixtures and office supplies for our offices around the world.</p> <p>When selecting new office space, we follow a comprehensive checklist to account for a building’s vulnerability to extreme weather events and natural disasters as well as the availability of renewable electricity as well as such features as proximity to public transportation, energy-efficient core building systems and controls to reduce electricity consumption. We purchase energy-efficient and sustainable products for our offices, including supplies made from recycled and low-environmental-impact materials.</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&amp;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&amp;D investments include the following:</p> <ul style="list-style-type: none"> <li>• Implied Temperature Rise (ITR), a forward-looking metric, designed to show the temperature alignment of companies, portfolios and funds with global climate targets. Investors can use ITR to set decarbonization targets and support engagement on climate risk. In October 2021, we made the MSCI ITR data of over 2,900 companies publicly available via an open search tool on msci.com. We have since expanded the public availability of ITR to include MSCI indexes and thousands of funds. The measure is also designed to support reporting for the Task Force on</li> </ul>

		<p>Climate-related Financial Disclosures (TCFD).</p> <ul style="list-style-type: none"> <li>• Climate Lab Enterprise, which combines a comprehensive set of climate data and analytics with powerful forecasting tools to help investors measure, manage and monitor climate risk and the shift to sustainable growth consistently across companies, portfolios and enterprises.</li> <li>• The MSCI Net-Zero Tracker, a quarterly report on progress by the world’s listed companies in curbing climate risk. The Net-Zero Knowledge Hub is an open educational resource (website) provided by MSCI.</li> </ul>
<p>Operations</p>	<p>Yes</p>	<p>To reduce climate risks related to our own operations, MSCI has started to align our business operations model with the global goal of limiting the rise in average temperatures to 1.5°C above preindustrial levels. Our strategic and operational decision-making consider climate change, with the goal of aligning our operations with achieving net-zero emissions and encouraging our suppliers to do the same. MSCI has developed an Environmental Policy which is reviewed and updated on at least an annual basis, or more frequently as priorities and/or relevant regulations change. It was last reviewed and updated in August 2021. The implementation of the policy is managed and monitored by the Global Corporate Services Department (GCSD). The policy outlines the environmental, including climate and carbon, principles which guide our strategic and operational decisions. Climate and carbon factors weigh into decisions taken in support of the policy. MSCI fully supports and enables all its employees to adopt hybrid-work patterns. Our support of this has led the GCSD to reduce and/or eliminate the need for office space in some locations. This reduction trend continued during 2021, as demonstrated by reducing the size of four MSCI offices located in Hong Kong; San Francisco, California; Boston, Massachusetts; and Norman, Oklahoma. These actions reduced the combined size of these locations by 42%. The result of these changes to our office footprint, coupled with adoption of permanent support of hybrid work, have resulted in the continuing trend of lowering the carbon footprint of our physical operations. We are currently evaluating additional opportunities to implement further office-size reductions.</p> <p>MSCI also 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 new location and new office selection process. We investigate the availability of renewable energy options, apply MSCI ESG Research’s</p>



		Climate Value-at-Risk (Climate VaR) quantitative tools and conduct a comprehensive site selection checklist (nearly 50 criteria are considered) to evaluate all potential new locations and/or to select physical buildings for proposed MSCI offices.
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### 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 Indirect costs Acquisitions and divestments Assets Liabilities	<p>As part of MSCI’s short-, medium- and long-term strategic and 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. As part of this financial planning, MSCI evaluates the impact of climate change on MSCI’s direct costs. Examples of how climate-related costs have impacted financial planning costs are:</p> <ul style="list-style-type: none"> <li>• Direct costs of investing in technology to reduce MSCI’s Scope 3 greenhouse gas emissions by:                             <ul style="list-style-type: none"> <li>A) automating labor-intensive processes</li> <li>B) strengthening the firm’s virtual meeting tools to support increased use of virtual meetings so we travel less while maintaining high levels of client engagement</li> </ul> </li> <li>• Direct costs of developing policies and practices to promote environmental sustainability and efficiencies, including prioritizing LEED- and BREEAM-certified office space when entering into new leases</li> </ul> <p>A similar process exists to review opportunities for acquisitions and divestments. 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>We also consider any climate-related impacts through our business resilience process and insurance coverage, including the cost of premiums, etc.</p> <p>MSCI’s financial planning process includes an evaluation of changes in client demand for climate-related solutions. MSCI has had, and expects</p>

		to continue to have, positive revenue growth from climate-related products.
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## 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)**

Scope 1

Scope 2

**Scope 2 accounting method**

Market-based

**Scope 3 category(ies)**

**Base year**

2019

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

272

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

4,196

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

4,468

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

100

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

100

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2035

**Targeted reduction from base year (%)**

50

**Total emissions in target year covered by target in all selected Scopes (metric tons CO<sub>2</sub>e) [auto-calculated]**

2,234

**Scope 1 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

160.14

**Scope 2 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

963.7

**Scope 3 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO<sub>2</sub>e)**

1,124

**% of target achieved relative to base year [auto-calculated]**

149.6866606983

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

This target is company-wide and covers 100% of our Scope 1 + 2 emissions.

**Plan for achieving target, and progress made to the end of the reporting year**

To achieve reductions, we plan to reduce our operational footprint, continue improving our operational energy efficiency and will continue to increase our sourcing of renewable electricity. The progress curve is likely to be incremental over time.

**List the emissions reduction initiatives which contributed most to achieving this target**

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**Target reference number**

Abs 2

**Year target was set**

2020

**Target coverage**

Company-wide

**Scope(s)**

Scope 3

**Scope 2 accounting method**

**Scope 3 category(ies)**

Category 1: Purchased goods and services

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

Category 5: Waste generated in operations

Category 6: Business travel

Category 7: Employee commuting

Category 11: Use of sold products

Category 13: Downstream leased assets

**Base year**

2019

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

**Base year Scope 3 emissions covered by target (metric tons CO2e)**

38,387

**Total base year emissions covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)**

38,387

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

**Base year Scope 3 emissions covered by target as % of total base year emissions in Scope 3 (in all Scope 3 categories)**

100

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

100

**Target year**

2035

**Targeted reduction from base year (%)**

20

**Total emissions in target year covered by target in all selected Scopes (metric tons CO<sub>2</sub>e) [auto-calculated]**

30,709.6

**Scope 1 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

**Scope 2 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

**Scope 3 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)**

37,631

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO<sub>2</sub>e)**

37,631

**% of target achieved relative to base year [auto-calculated]**

9.8470836481

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

**Target ambition**

Well-below 2°C aligned

**Please explain target coverage and identify any exclusions**

This target is company-wide and covers 100% of our Scope 3 emissions.

**Plan for achieving target, and progress made to the end of the reporting year**

We plan to drive emissions reductions in our supply chain through supplier engagement and procuring low-carbon products. We are pursuing remote working opportunities where possible for our office staff. We are also minimizing business travel and shifting to lower-carbon modes of business travel where possible. We also plan to incentivize the procurement of renewable energy at our downstream leased offices. The progress curve is likely to be incremental over time.

**List the emissions reduction initiatives which contributed most to achieving this target**

## C4.2

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

Net-zero target(s)

## C4.2c

**(C4.2c) Provide details of your net-zero target(s).**

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**Target reference number**

NZ1

**Target coverage**

Company-wide

**Absolute/intensity emission target(s) linked to this net-zero target**

Abs1

Abs2

**Target year for achieving net zero**

2040

**Is this a science-based target?**

Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

**Please explain target coverage and identify any exclusions**

This target is company-wide and covers 100% of both our Scope 1, Scope 2 and Scope 3 emissions.

**Do you intend to neutralize any unabated emissions with permanent carbon removals at the target year?**

Yes

**Planned milestones and/or near-term investments for neutralization at target year**

MSCI has not yet finalized plans to invest in neutralization activities. We are currently evaluating different carbon removal / offset options.

**Planned actions to mitigate emissions beyond your value chain (optional)**

### 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*	4	288.91
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

Other, please specify

Site consolidation/closure

**Estimated annual CO2e savings (metric tonnes CO2e)**

288.91

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 1

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

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

1,700,000

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

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

In 2021, MSCI downsized four of its leased offices (Hong Kong; Norman, Oklahoma; San Francisco; and Boston) by a total of 21,899 SQFT to reduce its carbon footprint. Emissions reduction is calculated by multiplying LB Scope 1&2 total emissions per square foot at each facility by total reduction in square feet (e.g., (241 mtons CO2e/12,927 SQFT (Norman site))\*10,737 SQFT (Reduction in SQFT at Norman from 2020-2021)).

### C4.3c

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

Method	Comment
Dedicated budget for energy efficiency	<ul style="list-style-type: none"> <li>- MSCI's new Zurich office (LEED Gold and Minergie certification) and a new floor in our Budapest office (Leed Platinum certification) were built to include LED lighting that is motion sensor controlled.</li> <li>- 81% electricity in all MSCI offices comes from renewable sources, there is strong focus to switch to green energy where possible. Renewable energy credits have been purchased for most office locations.</li> <li>- We introduced a sustainability checklist to rate new potential office buildings to ensure new spaces are built at the highest energy standards.</li> <li>- Effective footprint management: MSCI introduced hybrid working and plans to downsize existing spaces or move to smaller ones wherever the lease agreement allows.</li> <li>- We added numerous Sustainable Travel guidelines to our Travel Policy,</li> </ul>



	<p>including:</p> <ul style="list-style-type: none"> <li>o Guidance to book virtual meetings instead of traveling</li> <li>o Mandatory use of rail instead of air where available; clearly have identified top city pairs for MSCI travelers where rail is available.</li> <li>o Requirement to book economy class instead of business class</li> <li>o Use of public transportation in lieu of car or ride services or taxis</li> <li>o When rental cars are required, use of EVs or hybrid cars when available; renewed our agreement with AVIS to include a corporate rate on their hybrid fleet.</li> <li>o Requirement to select MSCI preferred hotels which are selected based on several criteria, including the hotels' sustainability and climate practices</li> <li>o Included carbon emissions for flight and rail on our online travel booking tool at the time of booking/sale, options are prioritized based on emissions. Rules and popups are configured in the tool to clearly enforce the sustainable travel policy. Carbon emissions are also included in Pre-Travel Approval Forms to make emissions clearly visible for the relevant approving manager.</li> </ul>
<p>Employee engagement</p>	<ul style="list-style-type: none"> <li>o As of December 2021, there were Climate Action Networks in 22 offices (Monterrey, London, Mumbai, Berkeley, San Francisco, Tokyo, Chicago, Budapest, Norman, Boston, Hong Kong, Paris, Manila, Singapore, Sydney, Zurich, Beijing, Frankfurt, Geneva, Milan, New York and Toronto). These groups operate with approved budgets and are responsible for organizing local events, awareness sessions, ted talks, quizzes for staff to support employee education. All MSCI rented offices have selective waste management practices in place.</li> <li>o MSCI's office cleaning companies use environment friendly, bio-degradable cleaning products.</li> <li>o All office events are required to use catering featuring local, preferably organic sources.</li> <li>o The travel team maintains a Sustainable Travel SharePoint site to provide awareness, educate travelers and provide sustainable travel tips (e.g. the use of Triplt to track individual travel-related emissions).</li> </ul>

## C4.5

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products?**

Yes

## C4.5a

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products.**

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### Level of aggregation

Group of products or services

**Taxonomy used to classify product(s) or service(s) as low-carbon**

Low-Carbon Investment (LCI) Registry Taxonomy

**Type of product(s) or service(s)**

Other

Other, please specify

ESG & Climate index equity and fixed income indexes

**Description of product(s) or service(s)**

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 MSCI Climate Paris Aligned Indexes.

We also provide a circular economy series which includes Renewables & Energy Efficiency, Sustainable Water Transition, Sharing Economy, Plastics Transition and Natural Resources.

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 use 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).

Calculation note: MSCI does not disclose the revenue of these indexes.

The run rate, as defined in MSCI's financial statements, for MSCI's ESG and Climate related ESG Research and Index products, was USD 354 million in 2021 which represents about 16% of MSCI run rate in 2021.

**Have you estimated the avoided emissions of this low-carbon product(s) or service(s)**

No

**Methodology used to calculate avoided emissions**

**Life cycle stage(s) covered for the low-carbon product(s) or services(s)**

**Functional unit used**

**Reference product/service or baseline scenario used**

**Life cycle stage(s) covered for the reference product/service or baseline scenario**

**Estimated avoided emissions (metric tons CO<sub>2</sub>e per functional unit) compared to reference product/service or baseline scenario**

**Explain your calculation of avoided emissions, including any assumptions**

**Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year**

16

## C5. Emissions methodology

### C5.1

**(C5.1) Is this your first year of reporting emissions data to CDP?**

No

#### C5.1a

**(C5.1a) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

Row 1

**Has there been a structural change?**

Yes, an acquisition

**Name of organization(s) acquired, divested from, or merged with**

Real Capital Analytics (RCA)

**Details of structural change(s), including completion dates**

Acquired by MSCI in September 2021

#### C5.1b

**(C5.1b) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

	<b>Change(s) in methodology, boundary, and/or reporting year definition?</b>	<b>Details of methodology, boundary, and/or reporting year definition change(s)</b>
Row 1	Yes, a change in boundary	During 2021 reporting, it was determined that MSCI did not have operational control over five office sites (co-working spaces) that had previously been included in the reporting boundary. These sites were excluded from the 2021 boundary, and the impact was immaterial. Excluded sites include; Sao Paulo, Brazil; Portland,

	Maine; Potsdam, Germany; Stockholm, Sweden; and Barcelona, Spain.
--	---

## C5.1c

**(C5.1c) Have your organization’s base year emissions been recalculated as result of the changes or errors reported in C5.1a and C5.1b?**

	Base year recalculation	Base year emissions recalculation policy, including significance threshold
Row 1	Yes	Significant is defined as a cumulative change (+/-) of five percent (5%) or larger in MSCI's total base-year emissions (both Scope 1 and Scope 2) on a CO2-e basis. However, to achieve comprehensive and transparent emissions reporting MSCI re-calculated our base-year emissions to include the RCA acquisition, despite it falling below the 5% threshold.

## C5.2

**(C5.2) Provide your base year and base year emissions.**

### 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)**

7,767

**Comment**

### Scope 2 (market-based)

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

4,196

**Comment**

**Scope 3 category 1: Purchased goods and services**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

27,762

**Comment**

**Scope 3 category 2: Capital goods**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

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

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

609

**Comment**

#### **Scope 3 category 4: Upstream transportation and distribution**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

#### **Scope 3 category 5: Waste generated in operations**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

676

**Comment**

#### **Scope 3 category 6: Business travel**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

4,417

**Comment**

#### **Scope 3 category 7: Employee commuting**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

2,568

**Comment**

**Scope 3 category 8: Upstream leased assets**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 9: Downstream transportation and distribution**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 10: Processing of sold products**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3 category 11: Use of sold products**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

1,938

**Comment**

**Scope 3 category 12: End of life treatment of sold products**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 13: Downstream leased assets**

---

**Base year start**

January 1, 2019

**Base year end**

December 31, 2019

**Base year emissions (metric tons CO<sub>2</sub>e)**

417

**Comment**

**Scope 3 category 14: Franchises**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO<sub>2</sub>e)**

**Comment**

**Scope 3 category 15: Investments**

---

**Base year start**



**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3: Other (upstream)**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

**Scope 3: Other (downstream)**

---

**Base year start**

**Base year end**

**Base year emissions (metric tons CO2e)**

**Comment**

### **C5.3**

**(C5.3) 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 CO<sub>2</sub>e?**

**Reporting year**

---

**Gross global Scope 1 emissions (metric tons CO<sub>2</sub>e)**

160

**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 CO<sub>2</sub>e?**

**Reporting year**

---

**Scope 2, location-based**

6,480

**Scope 2, market-based (if applicable)**

964

**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

**Emissions in reporting year (metric tons CO<sub>2</sub>e)**

30,156

**Emissions calculation methodology**

Spend-based method

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

0

**Please explain**

Financial spend data was provided from internal MSCI databases for purchased goods and services (PG&S) categories. The financial data was used 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.

### Capital goods

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

MSCI's internal databases do not differentiate between capital goods and purchased goods and services. As such, per guidance from the GHG Protocol, all emissions associated with purchases are accounted for in C1 - Purchased Goods & Services.

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

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO<sub>2</sub>e)**

1,878

**Emissions calculation methodology**

Fuel-based method

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

0

**Please explain**

Emissions are calculated using Defra's Well-to-tank (WTT) and transmission and distribution (T&D) emissions for fuels and electric power for MSCI's 2021 inventory.

**Upstream transportation and distribution**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Upstream transport is not relevant to MSCI's business activities. MSCI does not provide any durable products that require shipment. All of MSCI's products are either digital or service-based. Emissions from the use of digital products is captured in the Use of Sold Goods Scope 3 category. Emissions from the transportation of employees on their way to provide services are captured in the Business Travel Scope 3 category. Emissions from shipments of goods that facilitate the delivery of MSCI's services (e.g., office equipment) are captured in the Purchased Goods and Services category.

**Waste generated in operations**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

202

**Emissions calculation methodology**

Waste-type-specific method

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

0

**Please explain**

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

**Business travel**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

399

**Emissions calculation methodology**

Distance-based method

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

0

**Please explain**

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.

**Employee commuting**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

1,539

**Emissions calculation methodology**

Distance-based method

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

0

**Please explain**

This category includes employees commuting to the office and estimates of employee home-working for 2021. 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 home-working 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.

**Upstream leased assets**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

MSCI has evaluated all upstream leased assets (office spaces) and has determined that we exhibit operational control at these sites. Therefore, all upstream leased assets have been included in MSCI's Scope 1 and 2 emissions figures and are not considered relevant for Scope 3.

**Downstream transportation and distribution**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

Downstream transport is not relevant to MSCI's business activities. MSCI does not provide any durable products that require shipment. All of MSCI's products are either digital or service based. Emissions from the use of digital products is captured in the Use of Sold Goods Scope 3 category. Emissions from the transportation of employees on their way to provide services are captured in the Business Travel Scope 3 category. Emissions from shipments of goods that facilitate the delivery of MSCI's services (e.g., office equipment) are captured in the Purchased Goods and Services category.

**Processing of sold products**

---

**Evaluation status**

Not relevant, explanation provided

**Please explain**

MSCI does not sell products that require further processing downstream. All of MSCI's products are either digital or services based. Emissions from the use of digital products is captured in the Use of Sold Goods Scope 3 category.

**Use of sold products**

---

**Evaluation status**

Relevant, calculated

**Emissions in reporting year (metric tons CO2e)**

3,044

**Emissions calculation methodology**

Methodology for direct use phase emissions, please specify  
 involves breaking down the use phase, measuring emissions per product, and aggregating emissions

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

0

**Please explain**

MSCI evaluated user login statistics for all file transfers and webpage engagement. Data-center usage is accounted for in Scopes 1 and 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.

## 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). All of MSCI's products are either digital or services based. Emissions from the use of digital products is captured in the Use of Sold Goods Scope 3 category.

## Downstream leased assets

---

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

413

### Emissions calculation methodology

Asset-specific method

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

0

### Please explain

MSCI used total square footage of downstream leased assets (not included in Scopes 1 and 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).

## 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 involved in the operation of investments (such as equity and debt investments or project finance).

**Other (upstream)**

---

**Evaluation status**

Not evaluated

**Please explain**

No Other (upstream).

**Other (downstream)**

---

**Evaluation status**

Not evaluated

**Please explain**

No Other (downstream).

## 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 CO<sub>2</sub>e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

0.00000055

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

1,124

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

2,043,544,000

**Scope 2 figure used**



Market-based

**% change from previous year**

74.28

**Direction of change**

Decreased

**Reason for change**

Last year's (2020) Scope 1 and Scope 2 (market-based) emissions totaled 3,624.58 mtCO<sub>2</sub>e. Therefore  $3,624.58 / \$1,695,390,000 = 0.000002138$ . This year's (2021) Scope 1 and Scope 2 (market-based) emissions totaled 1,124 mtCO<sub>2</sub>e. Therefore,  $1,124 / \$2,043,544,000 = 0.000000550$ . The reason for the change was primarily attributed to MSCI's emissions-reduction activities, including an intentional effort to downsize office footprint across our operations and increased renewable energy purchasing at office locations. Additionally, there was a 21% increase in MSCI's total revenue from 2020-2021.

**Intensity figure**

0.2612

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO<sub>2</sub>e)**

1,124

**Metric denominator**

full time equivalent (FTE) employee

**Metric denominator: Unit total**

4,303

**Scope 2 figure used**

Market-based

**% change from previous year**

73.82

**Direction of change**

Decreased

**Reason for change**

Last year's (2020) Scope 1 and Scope 2 (market-based) emissions totaled 3,624.58 mtCO<sub>2</sub>e. Therefore,  $3,624.58 / 3,633 = 0.99768$ . This year's (2021) Scope 1 and Scope 2 (market-based) emissions totaled 1,124 mtCO<sub>2</sub>e. Therefore,  $1,124 / 4,303 = 0.2612$ . The reason for the change was primarily attributed to a reduction in office occupancy due to the COVID-19 pandemic, increased renewable energy purchasing at office locations 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	159.84	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	0.12	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	0.17	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)
Canada	3.16
China	3
France	0.24
Hungary	0.2
India	11.74
Mexico	2.81
Philippines	12.01
United Arab Emirates	0.29
United Kingdom of Great Britain and Northern Ireland	11.72
United States of America	114.97

### 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
Ann Arbor	8.84	42.289387	-83.746735
Beijing	0.37	39.923599	116.360397
Berkeley	28.26	37.870673	-122.270904
Budapest	0.2	47.52056	19.06436
Chicago	4.39	41.877443	-87.635733
Dubai	0.29	25.17868	55.22482
Hong Kong	0.96	22.271727	114.178162
London	11.72	51.51981	-0.077342
Manila	12.01	42.4729	-73.164146
Monterrey	2.81	25.64767	-100.3529
Mumbai	7.04	19.161806	72.857589
New York	7.81	40.713406	-74.011943
Norman	61.49	35.183685	-97.438296
Paris	0.24	48.873281	2.305578
Pune	4.69	18.520283	73.932422
San Francisco	4.18	37.792886	-122.397979
Shanghai	1.67	31.232398	121.507949
Toronto	3.16	43.649251	-79.380776

## 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)
Australia	28	28
Canada	5	0
China	294	99
Republic of Korea	10	10
France	3	0
Germany	17	14
Hungary	99	0
India	885	163
Italy	7	1

Japan	85	85
Mexico	227	227
Philippines	297	0
Singapore	18	8
Sweden	1	1
Switzerland	65	1
Taiwan, China	1	1
United Arab Emirates	163	163
United Kingdom of Great Britain and Northern Ireland	141	80
United States of America	4,135	83

## 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)
Ann Arbor	11.26	0
Beijing	19.23	0
Berkeley	45.48	0
Boston (1)	2.95	0
Boston (2)	83.26	4.12
Budapest	98.5	0
Chicago	18.06	0
Dubai	162.61	162.61
Frankfurt	16.95	13.84
Geneva	1.51	0
Geneva DC1 - Safehost	29.27	0
Geneva DC2 - GTT	33.88	0
Hong Kong	43.72	99.13
Hong Kong DC1 - Telstra	186.58	0
Las Vegas DC1 - Switch NAP4	1,571.9	0

Las Vegas DC2 - Switch NAP8	2,006.35	0
London (1)	136.69	79.76
London (2)	1.28	0
London (3)	2.73	0
Lulea	0.05	0.09
Manila	297.4	0
Milan	7.09	1.21
Monterrey	227.07	227.07
Mumbai	781.59	163.45
New York (1)	89.91	0
New York (2)	81.26	0
Norman	179.28	79.13
Paris	3.42	0.17
Pune	103.27	0
San Francisco (1)	11.93	0
San Francisco (2)	4.49	0
San Jose	28.6	0
Seoul	10.24	10.24
Shanghai	43.33	0
Singapore	18.45	0
Stockholm	0.47	0.86
Sydney	28.42	28.42
Taipei	0.72	0.72
Tokyo	84.66	84.66
Toronto	4.69	0
Zurich - Freigutstrasse	0.2	0.2
Zurich - Prime Tower	0.52	0.52

## 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	1,577.12	Decreased	42.75	MSCI procures renewable energy in the form of unbundled RECs at four of its five data centers. In both CY 2020 and CY 2021, 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. Additionally, MSCI purchased unbundled EACs for global office locations in 2021. The newly purchased EACs covered 1,577 mtons of CO2e. Emissions savings from EACs were calculated by multiplying the volume of EACs purchased (in terms of MWh) by the appropriate market-based emissions factor. The formula used to calculate the Emissions value (percentage) column was as follows: (Change in Scope 1+2 emissions attributed to new renewable energy purchases [1,577 mtons CO2e]) / (Previous-year Scope 1+2 emissions [3,689.203]) X 100 = -42.75%.
Other emissions reduction activities	288.91	Decreased	7.83	MSCI's emissions were reduced by 288.91 MTCO2e between 2020 and 2021 as a result of downsizing four office locations; Norman, San Francisco, Boston and Hong Kong. Total square footage for the four offices decreased from 52,169 square feet in 2020 to 30,270 in 2021. The formula used to calculate the Emissions value (percentage) column was as follows: (Change in Scope 1+2 emissions attributed to office downsizing [288.91

				mtons CO2e] / (Previous-year Scope 1+2 emissions [3,689.203]) X 100 = -7.83%.
Divestment	0	No change	0	N/A
Acquisitions	114.39	Increased	3.1	MSCI acquired Real Capital Analytics (RCA) in September 2021. RCA consists of five sites with electric power. Scope 2 emissions from the acquisition of RCA increased by 114.39 mtons CO2e and were calculated by multiplying electric power consumption volume by the appropriate market-based emissions factor for each site. The formula used to calculate the Emissions value (percentage) column was as follows: (Change in Scope 1+2 emissions attributed to new renewable energy purchases [114.39 mtons CO2e] / (Previous-year Scope 1+2 emissions [3,689.203]) X 100 = 3.10%.
Mergers	0	No change	0	N/A
Change in output	0	No change	0	N/A
Change in methodology	0	No change	0	N/A
Change in boundary	0	No change	0	N/A
Change in physical operating conditions	0	No change	0	N/A
Unidentified	813.69	Decreased	22.06	Emissions decreased by 2,565 metric tons CO2e from 2020-2021. 1752 metric tons CO2e of this reduction can be attributed to changes in renewable energy, office downsizing and additional sites, which leaves 813.69 metric tons CO2e decrease unidentified (2,565-1,752 = 813). The formula used to calculate the Emissions value (percentage) column was as follows: (Change in Scope 1+2 emissions that is unidentified [813.69 mtons CO2e] /

				(Previous year Scope 1+2 emissions [3,689.203]) X 100 = -22.06%.
Other	0	No change	0	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	796.49	796.49
Consumption of purchased or acquired electricity		16,324.35	970.14	17,294.49
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	2,563.94	2,563.94
Total energy consumption		16,324.35	4,383.96	20,708.3

## 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.**

**Sustainable biomass**

---

**Heating value**

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**Comment**

**Other biomass**

---

**Heating value**

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**Comment**

**Other renewable fuels (e.g. renewable hydrogen)**

---

**Heating value**

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**Comment**

**Coal**

---

**Heating value**

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**Comment**

**Oil**

---

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

219.31

**MWh fuel consumed for self-generation of electricity**

219.31

**MWh fuel consumed for self-generation of heat**

0

**Comment**

Diesel fuel

**Gas**

---

**Heating value**

HHV

**Total fuel MWh consumed by the organization**

577.18

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

577.18

**Comment**

Natural gas

**Other non-renewable fuels (e.g. non-renewable hydrogen)**

---

**Heating value**

**Total fuel MWh consumed by the organization**

0

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

0

**Comment**

**Total fuel**

---

**Heating value**

**Total fuel MWh consumed by the organization**

796.49

**MWh fuel consumed for self-generation of electricity**

219.31

**MWh fuel consumed for self-generation of heat**

577.18

**Comment**

## C8.2e

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

---

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Electricity

**Low-carbon technology type**

Low-carbon energy mix, please specify

Unknown

**Country/area of low-carbon energy consumption**

United States of America

**Tracking instrument used**

Contract

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

9,281.02

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

United States of America

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Low carbon here represents low-carbon energy procured by the Las Vegas data centers in which MSCI leases space.

---

**Sourcing method**

Green electricity products from an energy supplier (e.g. green tariffs)

**Energy carrier**

Electricity

**Low-carbon technology type**

Low-carbon energy mix, please specify  
Unknown

**Country/area of low-carbon energy consumption**

Switzerland

**Tracking instrument used**

Contract

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

2,599.53

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Switzerland

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

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

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Electricity

**Low-carbon technology type**

Low-carbon energy mix, please specify

Unknown

**Country/area of low-carbon energy consumption**

United States of America

**Tracking instrument used**

US-REC

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

1,653.66

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

United States of America

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Low carbon here represents the renewable energy procured by MSCI for office sites in the U.S. and Canada.

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Electricity

**Low-carbon technology type**

Low-carbon energy mix, please specify

Unknown

**Country/area of low-carbon energy consumption**

United Kingdom of Great Britain and Northern Ireland

**Tracking instrument used**

I-REC

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

289.68

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

United Kingdom of Great Britain and Northern Ireland

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Low carbon here represents the renewable energy procured by MSCI for sites in the U.K.

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Electricity

**Low-carbon technology type**

Low-carbon energy mix, please specify  
Unknown

**Country/area of low-carbon energy consumption**

India

**Tracking instrument used**

I-REC

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

994

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

India

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Low carbon here represents the renewable energy procured by MSCI for sites in India.

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Electricity

**Low-carbon technology type**

Low-carbon energy mix, please specify  
Unknown

**Country/area of low-carbon energy consumption**

China

**Tracking instrument used**

I-REC

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

468.72

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

China

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Low carbon here represents the renewable energy procured by MSCI for sites in China.

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Electricity

**Low-carbon technology type**

Low-carbon energy mix, please specify  
Unknown

**Country/area of low-carbon energy consumption**

Philippines

**Tracking instrument used**

I-REC

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**



440.59

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Philippines

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Low carbon here represents the renewable energy procured by MSCI for sites in the Philippines.

---

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Electricity

**Low-carbon technology type**

Low-carbon energy mix, please specify

Unknown

**Country/area of low-carbon energy consumption**

Germany

**Tracking instrument used**

I-REC

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

568.87

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Germany

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Low carbon here represents the renewable energy procured by MSCI for sites in Europe that are located in Association of Issuing Bodies (AIB) member countries. It also represents the renewable energy procured by the Geneva data centers in which MSCI leases space.

**Sourcing method**

Unbundled energy attribute certificates (EACs) purchase

**Energy carrier**

Electricity

**Low-carbon technology type**

Low-carbon energy mix, please specify  
Unknown

**Country/area of low-carbon energy consumption**

Singapore

**Tracking instrument used**

I-REC

**Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)**

28.28

**Country/area of origin (generation) of the low-carbon energy or energy attribute**

Singapore

**Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)**

**Comment**

Low carbon here represents the renewable energy procured by MSCI for sites in Singapore.

**C8.2g**

**(C8.2g) Provide a breakdown of your non-fuel energy consumption by country.**

**Country/area**

Australia

**Consumption of electricity (MWh)**

41.34

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

41.34

---

**Country/area**

Canada

**Consumption of electricity (MWh)**

36.14

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

36.14

---

**Country/area**

China

**Consumption of electricity (MWh)**

468.72

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

468.72

---

**Country/area**

Republic of Korea

**Consumption of electricity (MWh)**

19.81

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

19.81

---

**Country/area**

France

**Consumption of electricity (MWh)**

63.5

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

63.5

---

**Country/area**

Germany

**Consumption of electricity (MWh)**

9.01

**Consumption of heat, steam, and cooling (MWh)**

78.74

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

87.75

---

**Country/area**

Hungary

**Consumption of electricity (MWh)**

430.3

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

430.3

---

**Country/area**

India

**Consumption of electricity (MWh)**

994

**Consumption of heat, steam, and cooling (MWh)**

909.36

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

1,903.36

---

**Country/area**

Italy

**Consumption of electricity (MWh)**

24.78

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

24.78

---

**Country/area**

Japan

**Consumption of electricity (MWh)**

41.46

**Consumption of heat, steam, and cooling (MWh)**

358.31

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

399.77

---

**Country/area**

Mexico

**Consumption of electricity (MWh)**

570.05

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

570.05

---

**Country/area**

Philippines

**Consumption of electricity (MWh)**

440.59

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

440.59

---

**Country/area**

Singapore

**Consumption of electricity (MWh)**

28.28

**Consumption of heat, steam, and cooling (MWh)**

41.78

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

70.06

---

**Country/area**

Sweden

**Consumption of electricity (MWh)**

40.72

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

40.72

---

**Country/area**

Switzerland

**Consumption of electricity (MWh)**

2,690.69

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

2,690.69

---

**Country/area**

Taiwan, China

**Consumption of electricity (MWh)**

1.29

**Consumption of heat, steam, and cooling (MWh)**

0

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

1.29

---

**Country/area**

United Arab Emirates

**Consumption of electricity (MWh)**

205.61

**Consumption of heat, steam, and cooling (MWh)**

326.92

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

532.53

---

**Country/area**

United Kingdom of Great Britain and Northern Ireland

**Consumption of electricity (MWh)**

289.68

**Consumption of heat, steam, and cooling (MWh)**

443.76

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

733.44

---

**Country/area**

United States of America

**Consumption of electricity (MWh)**

10,898.53

**Consumption of heat, steam, and cooling (MWh)**

458.45

**Total non-fuel energy consumption (MWh) [Auto-calculated]**

11,356.98

## 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**

**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**

**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**

**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 - CY2021 CDP Verification Statement Final - issued 20220613.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 - CY2021 CDP Verification Statement Final - issued 20220613.pdf

**Page/section reference**

Whole Document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Waste generated in operations

**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 - CY2021 CDP Verification Statement Final - issued 20220613.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 - CY2021 CDP Verification Statement Final - issued 20220613.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 - CY2021 CDP Verification Statement Final - issued 20220613.pdf

**Page/section reference**

Whole Document

**Relevant standard**

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Use of sold products

**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 - CY2021 CDP Verification Statement Final - issued 20220613.pdf

**Page/section reference**

Whole Document

**Relevant standard**

ISO14064-3

**Proportion of reported emissions verified (%)**

100

---

**Scope 3 category**

Scope 3: Downstream leased assets

**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 - CY2021 CDP Verification Statement Final - issued 20220613.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/clients

Yes, other partners in the value chain

### C12.1a

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

---

**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**

13

**% total procurement spend (direct and indirect)**

73

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

69

**Rationale for the coverage of your engagement**

Suppliers contribute to the majority of MSCI’s Scope 3 emissions. Therefore in 2021 we analyzed where our suppliers stand in their environmental journey to identify which suppliers require further engagement to encourage them to implement emissions-reduction initiatives. A supplier segmentation framework was developed to segment suppliers based on their criticality, risk and amount of annual spend. Suppliers representing most of MSCI’s annual spend were selected to be part of the initial engagement. Emails were sent to suppliers emphasizing MSCI’s commitment to reach net-zero emissions by 2040 and requesting them to acknowledge MSCI’s Supplier Code of Conduct (SCOC), which sets out MSCI’s values and expectations, including environmental and climate commitments we expect suppliers to adhere to. A comprehensive set of ESG-related questions, including ones on climate and carbon, was also shared to gather their responses. Based on the environmental-related information from suppliers, top suppliers by spend without clear climate and carbon targets were selected for a pilot engagement process. Meetings with these suppliers were held to discuss their plans and to stress the importance of their alignment with our climate goals. In 2022, engagement with suppliers that have not set science-based targets continues, with the objective being to meet with all top suppliers. Senior stakeholders across the firm, including members of our Executive Committee, are joining in these discussions to emphasize the critical nature of these conversations.

**Impact of engagement, including measures of success**

Engagement conducted in Q3 and Q4 in 2021 resulted in 38% of our suppliers by spend acknowledging our SCOC, with an additional 8% sharing they have their own codes of conduct that they believe very closely align with MSCI’s. Nearly 50% by spend have responded to all questions in our questionnaire.

As a result of our analysis and engagement activities, MSCI determined that 44% of our 2021 spend was with suppliers with confirmed SBTi targets/commitments and/or who are members of GFANZ.

We will continue these activities during 2022, with the objective of increasing spend with suppliers with science-based commitments to be greater than 50%.

**Comment**

---

**Type of engagement**

Other, please specify

Climate change is integrated into supplier evaluation processes

**Details of engagement**

Other, please specify

Code of conduct featuring climate change KPIs

**% 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 about which 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 February 2022 (<https://www.msci.com/who-we-are/corporate-responsibility/operate-sustainably>) and:

Summarizes MSCI’s principles for sourcing and collaborating on its products, goods, functions, data, technology, activities and/or services with its Suppliers (for purposes of this Code, a “Supplier” is a third-party vendor, distributor, channel partner, provider, agent, contractor and/or other key alliance supplier);

Defines the conduct MSCI expects from its Suppliers; and sets out MSCI’s values and expectations, including sourcing principles, as well as the labor, human rights, environmental, legal and regulatory compliance principles we expect Suppliers to uphold.

All new suppliers are evaluated across multiple parameters, including their commitment toward managing their climate impact. Suppliers are expected to take steps to understand their climate risks, to minimize their impact and to implement policies and carbon-reduction targets to reduce their direct and indirect greenhouse gas emissions to reach net-zero emissions before 2040.

In connection with this effort, MSCI expects Suppliers to track and disclose their energy consumption and all relevant/available Scope 1, 2 and 3 greenhouse gas emissions at each location and/or corporate level. Public reporting on annual performance and progress toward established targets is strongly encouraged.

To help with this effort, an ESG questionnaire for suppliers was created in 2021 and recently was integrated as part of MSCI’s formal Supplier Onboarding Process. New suppliers are asked to complete the ESG questionnaire and MSCI employees are



encouraged to consider suppliers' environmental practices as factors in the supplier selection criteria to help MSCI reach its net-zero goal by 2040.

**Impact of engagement, including measures of success**

During 2021 a pilot group of suppliers was asked to complete the ESG questionnaire as part of the Supplier Onboarding Process to allow us to test all procedures, familiarize internal stakeholders with all requirements and to implement a structured plan to expand engagement throughout 2022. Our objective is to increase both our number of suppliers and spend with suppliers that have clear commitments to implement emissions-reduction initiatives. We measure our impact by having all new significant (by spend) suppliers to complete the ESG questions so MSCI can clearly understand where the suppliers stand in their environmental and climate journey and to enable us to make selections and/or decide whether it's required to hold additional engagement decisions with existing and proposed new suppliers.

**Comment**

**C12.1b**

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

---

**Type of engagement & Details of engagement**

Collaboration & innovation

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 is addressed at financial institutions that represent MSCI's core client segment (in particular, asset managers and asset owners, which represent approximately 80% of the total climate run rate, as defined in the Company's financial statements); it asserts how capital markets participants must be a powerful and positive force to drive the 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 achievement of a net-zero economy by 2050.

Our client coverage team has organized C-level meetings involving members of our executive committee with key clients — large asset owners and asset managers — to discuss their climate strategy, to share examples of leading climate risk management practices from their peers and discuss how MSCI climate solutions can support them on

their net-zero journey.

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 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 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. We conduct formal consultations with clients to solicit feedback on emerging trends and needs and to introduce proposed methodology enhancements, new solutions and tools. A client engagement campaign was conducted from July 2021 onward, educating and seeking feedback on a new portfolio alignment measure — the Implied Temperature Rise (ITR) — that was launched in September 2021 and exposed publicly on our website for over 2,900 listed companies.

### **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 Indexes. Our ESG products include Ratings, Screening and ESG-Related Indexes as well as climate products. These are some of our most strategically important and highest-growth product offerings. A threshold of success would entail a 20% increase in run rate from previous year. Measures of customer subscription include:

The run rate for MSCI's ESG and Climate-related ESG Research and Index products was USD 354 million in 2021 compared with USD 225 million in 2020, representing a 58% increase from the prior year (run rate is defined in the Company's financial statements).

Measures of our industry recognition include:

- MSCI ESG Research has been recognized as a "Gold Standard Data Provider" by the Deep Data Delivery Standard since 2016.
- MSCI was the Winner of the 'Best Green Bond Index' 2017, 2018, 2019, 2020, 2021 and 2022: The Bloomberg MSCI Green Bond Index voted 'Best Index' for the sixth consecutive year — Environmental Finance Green Bond Awards
- MSCI was the winner of 'Best ESG Index provider of the Year' 2022 – ESG Investing Awards 2022
- MSCI has won two awards at the ETF Express US Awards 2021 — Best Index Provider — Emerging Markets ETFs and Best Index Provider — ESG ETFs.
- MSCI's Implied Temperature Rise has won the "ESG Assessment Tool of the Year" — investment decisions and insights category in Environmental Finance's Sustainable Investment Awards 2022.

## **C12.1d**

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

MSCI's employees: MSCI includes its employees in the firm's execution of climate-related engagement strategy. Specifically:

1. Local employee-driven Climate Action Network groups have been established in MSCI's offices. As of December 2021, there were 22 of these groups, representing 86% of our employee base. These Climate Action Network groups aim to increase awareness of regional staff around environmental issues and manage them over time, including through behavior change. Examples of activities in 2021 included a global leadership event on the history of climate science, and local educational sessions on reducing plastic waste, household waste management, greening personal finances, a commute-to-work innovation challenge and Earth Day walking tours.

2. Global Corporate Services Department (GCSD). GCSD employees are incentivized to take environmental and climate factors into consideration when evaluating new locations for MSCI offices and when acquiring new office space. A comprehensive, data-driven analysis using both primary and secondary research sources evaluates all new locations (countries and cities.) Key criteria include climate risk factors and the availability of renewable energy when comparing and selecting such locations. When evaluating opening new, or relocating existing, physical offices, a multi-point checklist is used to evaluate and compare commercial office buildings. Factors used in decision making include the availability of sustainable and energy-efficient building systems and materials, control systems to support the efficient consumption of power, availability of convenient public transport for employee commuting and the existence of local and landlord supported recycling initiatives. The GCSD purchases energy-efficient products as well as sustainably sourced furniture and other building materials for MSCI's offices. Sustainable products include recycled and low environmental-impact supplies. Single-use plastic items have been eliminated across all offices. These practices have contributed to an overall reduction trend in emissions and the continued selection of lower-impact equipment and materials will result in further reductions over time. GCSD employees engage with all landlords and property managers to ensure these best practices are consistently followed.

3. Sustainable Supplier Management team (SSM). MSCI has created an SSM team within our Global Strategic Sourcing (GSS) organization. The SSM team evaluates MSCI's suppliers (including all third-party vendors, distributors, channel partners, providers, agents, contractors and/or other key alliance suppliers) and engages with them to outline MSCI's values and expectations, including the environmental, climate, labor, human rights, legal and regulatory compliance principles we expect them to uphold. New suppliers go through a rigorous onboarding process that includes identifying their commitment to reducing their emissions as demonstrated by their adoption of science-based targets. Existing suppliers are also subject to similar review and engagement discussions. One measure of the impact of this process is that 44% of MSCI's 2021 spend was with suppliers that have made such climate and emission reduction commitments. During 2022, MSCI has launched a process to hold direct discussions with suppliers which do not have clearly defined carbon reduction targets or commitments. These discussions include members of the GSS organization as well as senior-level MSCI management and other business stakeholders.

## C12.2

### **(C12.2) Do your suppliers have to meet climate-related requirements as part of your organization’s purchasing process?**

Yes, suppliers have to meet climate-related requirements, but they are not included in our supplier contracts

## C12.2a

### **(C12.2a) Provide details of the climate-related requirements that suppliers have to meet as part of your organization’s purchasing process and the compliance mechanisms in place.**

#### **Climate-related requirement**

Setting a science-based emissions reduction target

#### **Description of this climate related requirement**

Within MSCI’s Supplier Code of Conduct we outline the practices, including-climate related, we expect from suppliers. These include:

- Compliance with applicable environmental laws, regulations, and standards.
- Development, adoption, monitoring, and disclosure of climate-related strategies, policies, risk management and targets.
- Active stewardship of natural resources.
- Responsible waste management.
- Preservation of biodiversity.
- Responsible water management.

MSCI requires suppliers to complete a comprehensive onboarding questionnaire detailing their compliance to these practices. On a quarterly basis, MSCI also reviews its suppliers’ public climate commitments, specifically, whether they have climate and carbon targets, ideally certified by SBTi.org or that they have committed to obtain such certification, and/or whether they are a member of GFANZ or NZFSPA, since membership in those organizations carries with it a commitment to adopt science-based targets. Currently MSCI retains but engages with suppliers who are found to not fully comply with these practices.

#### **% suppliers by procurement spend that have to comply with this climate-related requirement**

100

#### **% suppliers by procurement spend in compliance with this climate-related requirement**

44

#### **Mechanisms for monitoring compliance with this climate-related requirement**

Supplier self-assessment  
 First-party verification  
 Grievance mechanism/Whistleblowing hotline  
 Supplier scorecard or rating

**Response to supplier non-compliance with this climate-related requirement**

Retain and engage

## C12.3

**(C12.3) Does your organization engage in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate?**

Row 1

**Direct or indirect engagement that could influence policy, law, or regulation that may impact the climate**

Yes, we engage directly with policy makers

**Does your organization have a public commitment or position statement to conduct your engagement activities in line with the goals of the Paris Agreement?**

No, and we do not plan to have one in the next two years

**Describe the process(es) your organization has in place to ensure that your engagement activities are consistent with your overall climate change strategy**

Ensuring consistency is ultimately the responsibility of supervisors 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. 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. Additionally, the Government and Regulatory Affairs team reviews consultation responses/comment letters for consistency with the firm's position.

## C12.3a

**(C12.3a) On what policy, law, or regulation that may impact the climate has your organization been engaging directly with policy makers in the reporting year?**

**Focus of policy, law, or regulation that may impact the climate**

Mandatory climate-related reporting

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Proposed Guidance for New York Domestic Insurers on Managing the Financial Risks from Climate Change.

**Policy, law, or regulation geographic coverage**

Sub-national

**Country/region the policy, law, or regulation applies to**

United States of America

**Your organization's position on the policy, law, or regulation**

Support with minor exceptions

**Description of engagement with policy makers**

MSCI responded to a request for public comment in relation to the Proposed Guidance for New York Domestic Insurers on Managing the Financial Risks from Climate Change. This response provided support for addressing climate change, provided research statistics around disclosure by insurers and suggested what elements of climate risk disclosure may be useful to assess climate risk. This process was followed by a discussion with the New York State Department of Financial Services (DFS) about our response.

**Details of exceptions (if applicable) and your organization's proposed alternative approach to the policy, law or regulation**

The following alternative approaches were suggested by MSCI and incorporated in the final guidance document by DFS:

- a. MSCI suggested that technology exists today to quantitatively assess the resilience of investment portfolios to climate transition and physical risks under a range of scenarios viz., NGFS climate scenarios.
- b. MSCI suggested that the Board of the insurers should have an oversight of their climate commitments and monitor the performance of the insurer against the said targets.

**Have you evaluated whether your organization's engagement is aligned with the goals of the Paris Agreement?**

No, we have not evaluated

## 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).**

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**Publication**

In mainstream reports

**Status**

Complete

**Attach the document**

 2022 Proxy\_BMK.pdf

**Page/Section reference**

Pg 12 - 13; Pg 34 – 37; Pg 42; Pg 45 - 48;

**Content elements**

Governance  
Strategy  
Emission targets

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

 SFDR Report.pdf

**Page/Section reference**

The whole document relates to MSCI's GHG emissions performance and other key environmental metrics.

**Content elements**

Emissions figures  
Emission targets  
Other metrics

**Comment**

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**Publication**

In voluntary communications

**Status**

Underway – previous year attached

**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.

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

 SDG-Report.pdf

**Page/Section reference**

Page 6, SDG 13 – Climate Action

**Content elements**

Strategy  
Emissions figures  
Other metrics

**Comment**

## C15. Biodiversity

### C15.1

**(C15.1) Is there board-level oversight and/or executive management-level responsibility for biodiversity-related issues within your organization?**



Board-level oversight and/or executive management-level responsibility for biodiversity-related issues	
Row 1	No, and we do not plan to have both within the next two years

## C15.2

**(C15.2) Has your organization made a public commitment and/or endorsed any initiatives related to biodiversity?**

	Indicate whether your organization made a public commitment or endorsed any initiatives related to biodiversity	Initiatives endorsed
Row 1	Yes, we have endorsed initiatives only	Other, please specify MSCI is a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, is a global and multi-disciplinary consultative network of institutional supporters who share the vision and mission of the TNFD.

## C15.3

**(C15.3) Does your organization assess the impact of its value chain on biodiversity?**

Does your organization assess the impact of its value chain on biodiversity?	
Row 1	No, and we do not plan to assess biodiversity-related impacts within the next two years

## C15.4

**(C15.4) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?**

	Have you taken any actions in the reporting period to progress your biodiversity-related commitments?	Type of action taken to progress biodiversity-related commitments
Row 1	Yes, we are taking actions to progress our biodiversity-related commitments	Other, please specify Building selection criteria. Supplier Code of Conduct. Environmental Policy. MSCI includes biodiversity in data sets in products such as our ESG Ratings.

## C15.5

**(C15.5) Does your organization use biodiversity indicators to monitor performance across its activities?**

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
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Row 1	No	
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## C15.6

**(C15.6) Have you published information about your organization’s response to biodiversity-related issues for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

Report type	Content elements	Attach the document and indicate where in the document the relevant biodiversity information is located
No publications		

## C16. 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.**

*MSCI ESG and climate ratings, research and data are produced by MSCI ESG Research LLC (“MSCI ESG Research”), a subsidiary of MSCI Inc. MSCI ESG Indexes, Analytics and Real Estate are products of MSCI Inc. that use information from MSCI ESG Research LLC. MSCI Indexes are administered by MSCI Limited (UK).*

*Affiliate Conflicts Disclosure: MSCI ESG Research has developed a fully automated and forward-looking financial climate risk model called Climate Value-at-Risk (“Climate VaR”) that was used to quantitatively analyze certain climate-related risks and opportunities included in this report for MSCI Inc. In addition, MSCI ESG Research has developed Implied Temperature Rise, a metric designed to show the temperature alignment of companies, portfolios and funds with global climate targets. MSCI Inc. is the ultimate parent company of MSCI ESG Research. The disclosure of the Climate VaR model and Implied Temperature Rise score included herein for MSCI Inc. were conducted in the same manner and based on the same information available for other companies not affiliated with MSCI Inc., but have not been independently reviewed or audited. Due to the affiliate relationship and the potential for a conflict of interest, this report should not be relied upon as an independent analysis of MSCI Inc. with respect to the use of the Climate VaR or Implied Temperature Rise.*

*This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, estimates, projections, scenario analysis, statements relating to our business plans, objectives or expected operating results and statements regarding corporate responsibility and climate-related plans, goals and potential impacts. 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.*

*The inclusion of information in this report regarding climate opportunities and risks should not be construed as a characterization regarding the materiality or financial impact of that information with respect to MSCI for purposes of U.S. securities laws or otherwise. 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 Dec. 31, 2021, filed with the Securities and Exchange Commission (“SEC”) on Feb. 11, 2022, 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 report 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.*

## C16.1

**(C16.1) 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)