

# Supporting Your Climate Engagement Strategy

▶ Monthly data to help you begin talking to companies about the net-zero pathway

We know that navigating today’s rapidly-evolving sustainability landscape can be a daunting task. It can be particularly challenging for institutional investors who want to achieve their climate goals but lack the resources to engage with companies who need help aligning with a net-zero pathway.

At MSCI, we have expanded our index offering to help make this process easier. Our ESG index data files now include climate insights designed to help investors quickly identify which companies are prime candidates for engagement – and to scale engagement efforts across sectors.



**Clients who license our ESG or climate indexes, including our Climate Action Indexes, will automatically receive the insights as part of their index data at no additional cost.**

To learn more about engaging companies on climate change, see our research, [Net-Zero Alignment: Engaging on Climate Change](#).

## Taking the first step toward engagement

Engagement, along with capital allocation, is a key lever for institutional investors pursuing net-zero targets.

But influencing the climate decisions a company makes, whether negotiating renewable energy expenditures or advocating better environmental practices, can be costly and time-consuming.

We have heard from our index subscribers that they want to accelerate progress toward their goals but often lack the resources or expertise to begin interacting with companies. Some may have an advanced climate plan but lack a tool to screen large pools of companies.

MSCI has responded with a set of metrics designed to simplify and speed this process, equipping investors – as well as insurers and corporates – with data they need to help achieve their climate goals and drive change in the real economy.

## Mobilizing your engagement strategy

**Asset owners** – help organize engagement strategy; identify areas of concerns across sectors

**Asset managers** – help scale engagement efforts; demonstrate accountability to investee companies

**Insurers** – help engage on decarbonization strategies and net-zero pathways for underwriting portfolios

**Corporates** – help gauge market expectations and make peer comparisons

## Guiding your interaction with the right companies

Each month, clients will receive key metrics on carbon emissions disclosure and the existence and validity of emissions reduction targets to reveal which companies are making progress in the low carbon transition and which are not.

For each company in the MSCI ACWI Investable Market Index, MSCI will report whether it has:



- **Disclosed Scope 1, 2 and 3 carbon emissions**



- **Publicly committed to emissions reduction targets**



- **Received Science Based Target validation for some of its targets**

These metrics can serve as a starting point for investors seeking to identify outliers and measure progress in a universe of thousands of companies.

Ultimately, our goal is to equip clients with decision helpful data to support their interaction with companies, helping them minimize exclusions and limit climate investment risk as they grow their engagement efforts.

## The data set includes:

Column Names	Description
Calculation Date	Calculation Date
Company Name	Company Name
MSCI Security Code	MSCI Security Code
Sedol	Sedol
Cusip	Cusip
Isin	ISIN
Sector	GICS Sector code
Industry Group	GICS Industry Group code
Industry	GICS Industry code
Sub-industry	GICS Sub-industry code
In ACWI	This field represents whether or not the company forms a part of the ACWI Index
In ACWI Climate Action index	This field represents whether or not the company forms a part of the ACWI Climate Action Index

Column Names	Description
Reports Carbon Emissions Scope 1	This field represents whether or not the company reports Carbon Emissions Scope 1 based on the company's most recently reported or estimated Scope 1 greenhouse gas emissions (if available). Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel as in a furnace or vehicle.
Reports Carbon Emissions Scope 2	This field represents whether or not the company reports Carbon Emissions Scope 2 based on the company's most recently reported or estimated Scope 2 greenhouse gas emissions (if available). Scope 2 emissions are those caused by the generation of electricity purchased by the company.
Reports Carbon Emissions Scope 3	This field represents whether or not the company reports Scope 3 greenhouse gas emissions, as reported. Scope 3 emissions include an array of indirect emissions resulting from activities such as business travel, distribution of products by third parties, and downstream use of a company's products (i.e. by customers). Most reports of Scope 3 emissions include only some portion of these.
Year of Reporting Carbon Emissions S1,S2 and/or S3	This field indicates the most recent fiscal year available for estimated or reported Scope 1, Scope 2, Scope 1+2 and reported Scope 3
Public Carbon Emissions Reduction Target	This field represents whether or not the company has Public Carbon Emissions Reduction Target based on List of IDs for publicly available individual (L1) emission reduction targets that have been collected.
Public Carbon Emissions Target Announcement Date	This field represents the date on which the target was announced by the company.
Verified By Science Based Target Initiative	This field represents whether or not the company has one or more active carbon emissions reduction target/s approved by the Science Based Targets initiative (SBTi).

*\*Other identifiers may be included if a separate/direct license with the providers of these identifiers is in place.*

### **Product Profile and Licensing**

Universe: MSCI ACWI IMI Constituents

Frequency: Monthly

Distribution: Via ESG Modules (Direct (MSCI) delivery + Vendor)



---

## About MSCI

MSCI 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 create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process.

To learn more, please visit [www.msci.com](http://www.msci.com).

The information contained herein (the "Information") may not be reproduced or disseminated in whole or in part without prior written permission from MSCI ESG Research. The Information may not be used to verify or correct other data, to create any derivative works, to create indexes, risk models, or analytics, or in connection with issuing, offering, sponsoring, managing or marketing any securities, portfolios, financial products or other investment vehicles. Historical data and analysis should not be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. MSCI ESG Research is provided by MSCI Inc.'s subsidiary, MSCI ESG Research LLC, a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG Research materials, including materials utilized in any MSCI ESG Indexes or other products, have not been submitted to, nor received approval from, the United States Securities and Exchange Commission or any other regulatory body. None of the Information or MSCI index or other product or service constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy. Further, none of the Information is intended to constitute a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. MSCI ESG and climate ratings, research and data are produced by MSCI ESG Research LLC, a subsidiary of MSCI Inc. MSCI ESG Indexes, Analytics and Real Estate are products of MSCI Inc. that utilize information from MSCI ESG Research LLC. MSCI Indexes are administered by MSCI Limited (UK). The Information is provided "as is" and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. NONE OF MSCI INC. OR ANY OF ITS SUBSIDIARIES OR ITS OR THEIR DIRECT OR INDIRECT SUPPLIERS OR ANY THIRD PARTY INVOLVED IN THE MAKING OR COMPILING OF THE INFORMATION (EACH, AN "INFORMATION PROVIDER") MAKES ANY WARRANTIES OR REPRESENTATIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH INFORMATION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES

OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. WITHOUT LIMITING ANY OF THE FOREGOING AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL ANY OF THE INFORMATION PROVIDERS HAVE ANY LIABILITY REGARDING ANY OF THE INFORMATION FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL (INCLUDING LOST PROFITS) OR ANY OTHER DAMAGES EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES. The foregoing shall not exclude or limit any liability that may not by applicable law be excluded or limited. Privacy notice: For information about how MSCI collects and uses personal data, please refer to our Privacy Notice at <https://www.msci.com/privacy-pledge>.

Please note that the issuers mentioned in MSCI ESG Research materials sometimes have commercial relationships with MSCI ESG Research and/or MSCI Inc. (collectively, "MSCI") and that these relationships create potential conflicts of interest. In some cases, the issuers or their affiliates purchase research or other products or services from one or more MSCI affiliates. In other cases, MSCI ESG Research rates financial products such as mutual funds or ETFs that are managed by MSCI's clients or their affiliates, or are based on MSCI Inc. Indexes. In addition, constituents in MSCI Inc. equity indexes include companies that subscribe to MSCI products or services. In some cases, MSCI clients pay fees based in whole or part on the assets they manage. MSCI ESG Research has taken a number of steps to mitigate potential conflicts of interest and safeguard the integrity and independence of its research and ratings. More information about these conflict mitigation measures is available in our Form ADV, available at <https://adviserinfo.sec.gov/firm/summary/169222>.

©2023 MSCI Inc. All rights reserved | CFS0823