

Equities

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# Uni-Global - Equities Eurozone

ESG REPORT

May 2022



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# PORTFOLIO INTRODUCTION

Morningstar Sustainability Rating



High

- ▶ Portfolio: **Uni-Global - Equities Eurozone**
- ▶ Benchmark: **MSCI European Monetary Union**
- ▶ Investment Universe: **Unigestion EuroZone1**
- ▶ Currency: **EUR**





ESG

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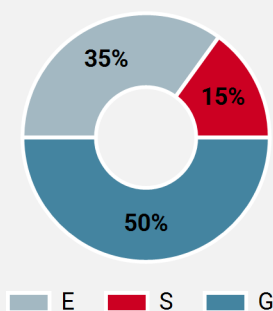
# ESG

## Material ESG Issues and Opportunities

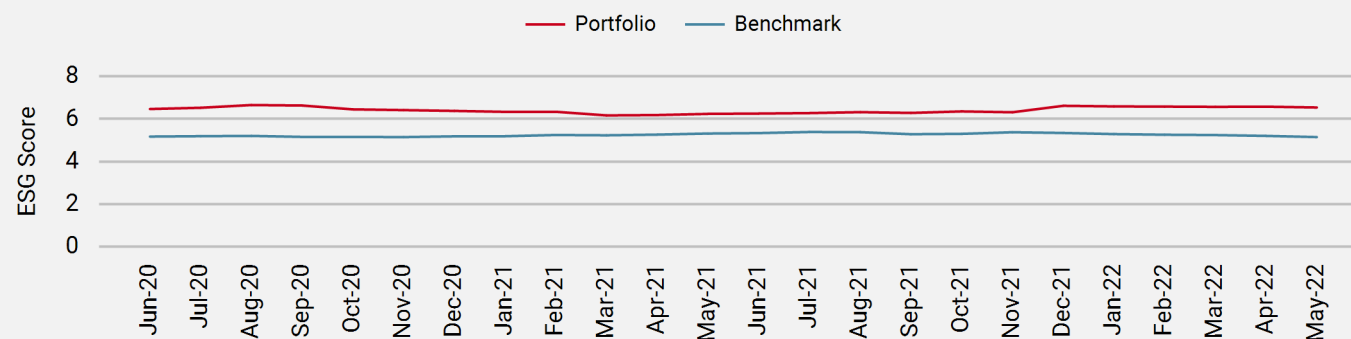
### ESG Score<sup>1</sup> by Pillar

Score	Portfolio	Benchmark
E	6.44	4.97
S	6.04	5.00
G	6.49	5.08
<b>ESG</b>	<b>6.84</b>	<b>5.38</b>
Coverage	100.0%	100.0%

### Weighting Scheme



### Historical ESG Score



### ESG Trend<sup>2</sup>

	Portfolio	Benchmark
Positive	15.40%	21.40 %
Stable	84.60%	76.50 %
Negative	-	1.65 %
Not Rated	-	0.45 %
	100.00%	100.00%

<sup>1</sup> Unigestion ESG Score (stock level) is a proprietary computation shown in percentile (10 is the best, 0 being the worst). The score is aggregated based on position weight.

<sup>2</sup> Negative (positive) trend indicates downgrade (upgrade) in ESG score. If no noteworthy change, the trend is considered to be stable. Portfolio ESG trend is computed on position weight basis.

**Portfolio** refers to Uni-Global - Equities Eurozone while **Benchmark** refers to MSCI European Monetary Union.

Sources: Unigestion, MSCI, Sustainalytics



# ESG

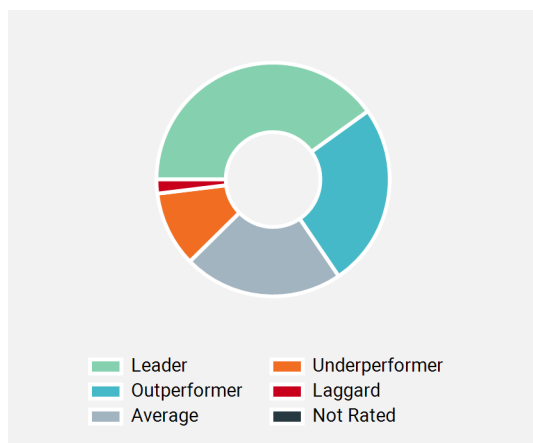
## Distribution of ESG Scores

ESG Score by Category

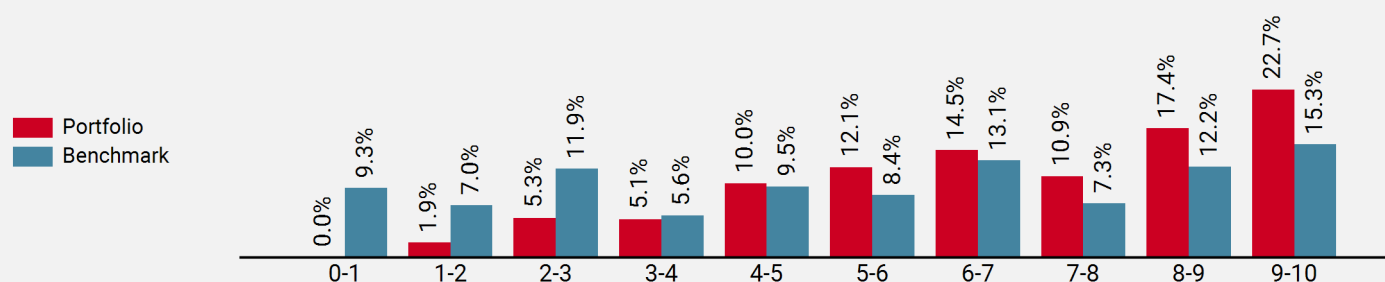
	Portfolio	Benchmark
Leader	40.07%	27.43 %
Outperformer	25.43%	20.36 %
Average	22.14%	17.89 %
Underperformer	10.43%	17.51 %
Laggard	1.93%	16.34 %
Not Rated	-	0.45 %

ESG Score Breakdown by Sector

Sector	Leader	Outperformer	Average	Underperformer	Laggard	Not Rated
Communication Services	3.83%	7.79 %	0.80%	-	-	-
Consumer Discretionary	8.86%	2.45 %	-	-	0.25%	-
Consumer Staples	-	2.07 %	5.37%	6.42%	1.52%	-
Energy	-	-	-	-	0.16%	-
Financials	13.00%	3.83 %	-	-	-	-
Health Care	-	3.13 %	6.77%	1.87%	-	-
Industrials	4.71%	2.55 %	2.83%	1.09%	-	-
Information Technology	4.68%	2.38 %	0.54%	-	-	-
Materials	-	-	5.83%	1.05%	-	-
Real Estate	2.65%	-	-	-	-	-
Utilities	2.33%	1.22 %	-	-	-	-



ESG Score Distribution



Above table shows the ESG score distribution of the portfolio compared to that of the benchmark.  
**Portfolio** refers to Uni-Global - Equities Eurozone while **Benchmark** refers to MSCI European Monetary Union.

Sources: Unigestion, MSCI, Sustainalytics



# ESG

## Best/Worst Contributors

Best	Rank	Name	Sector	Weight	Company ESG Score	Portfolio ESG Contribution	Relative Position
	1	NN Group N.V.	Financials	2.881%	8.05	0.23	Leader
	2	Publicis Groupe SA	Communication Services	2.392%	8.93	0.21	Leader
	3	LVMH Moët Hennessy Louis Vuitton SE	Consumer Discretionary	2.725%	7.80	0.21	Leader
	4	ORANGE	Communication Services	3.064%	6.55	0.20	Outperformer
	5	Caixabank SA	Financials	2.349%	8.31	0.20	Leader

Worst	Rank	Name	Sector	Weight	Company ESG Score	Portfolio ESG Contribution	Relative Position
	1	Repsol SA	Energy	0.161%	1.53	0.00	Laggard
	2	Ferrari NV	Consumer Discretionary	0.247%	1.57	0.00	Laggard
	3	Waertsilae Corporation	Industrials	0.199%	3.33	0.01	Underperformer
	4	Grifols S A	Health Care	0.219%	3.16	0.01	Underperformer
	5	Koninklijke Philips NV	Health Care	0.290%	3.20	0.01	Underperformer

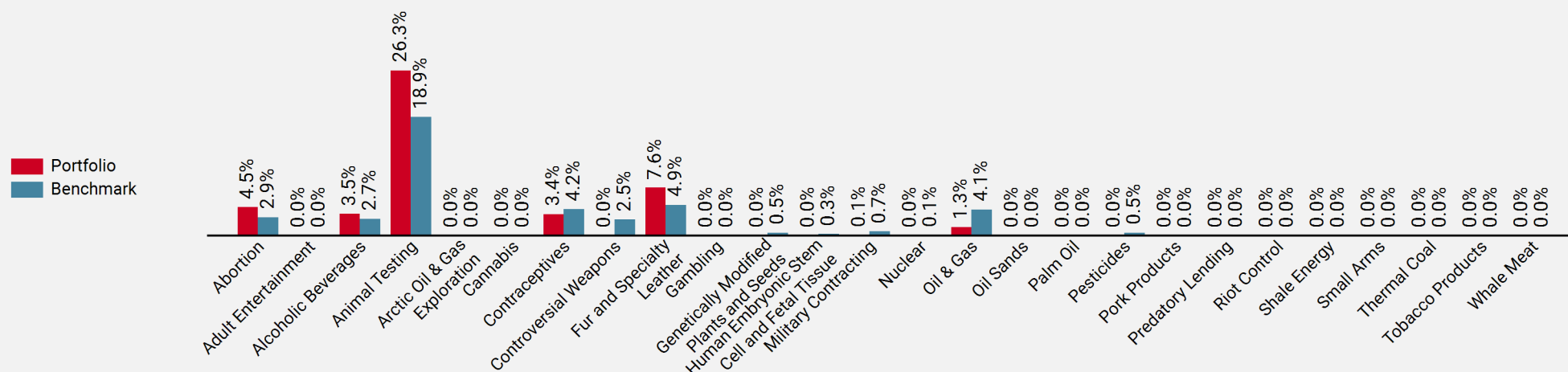
Best (worst) performers in terms of contribution to portfolio ESG score, where the score is aggregated on the basis of weight. Stocks are ranked from best to worst in terms of their contribution, where higher contribution corresponds to better performance. Portfolio ESG Contribution is quoted as the increase in portfolio ESG score from investment in the stock.

Sources: Unigestion, MSCI, Sustainalytics



## Controversial Business Activities

Controversial Activities Breakdown (%)



### Tobacco

	Portfolio	Benchmark
Production	-	-
Related Products & Services	0.01%	0.01 %
Retail	0.10%	0.12 %

### Oil & Gas

	Portfolio	Benchmark
Energy Generation	0.01%	0.67 %
Production	1.23%	3.23 %
Supporting Products/Services	0.36%	0.77 %

Note: Company level involvement in the business activity is the share of revenue made from said business activity. The total levels for each involvement is the weighted average of involvement levels in percentage of revenue and weight of the portfolio or benchmark. Exposure levels below 10% of revenue share are treated as insignificant.

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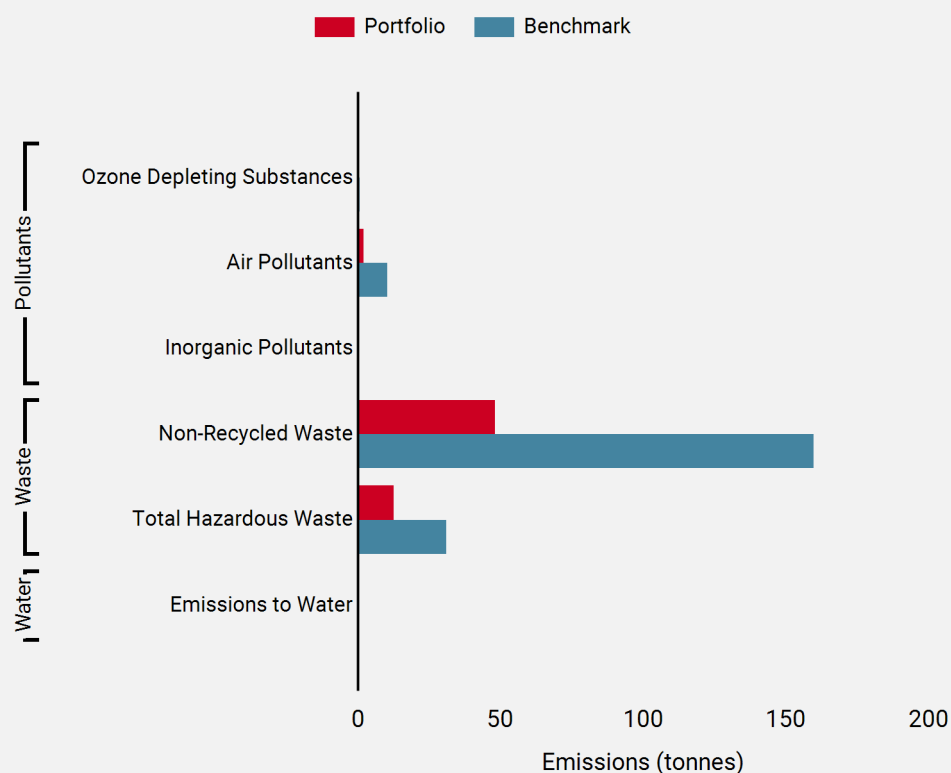
Sources: Unigestion, MSCI, Sustainalytics



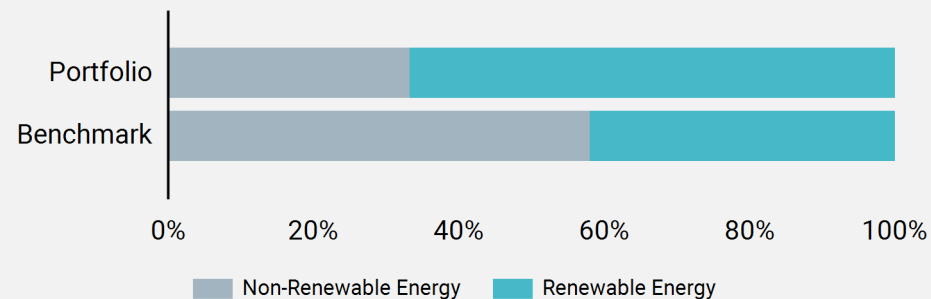


## Climate KPIs (ex GHG Emissions)

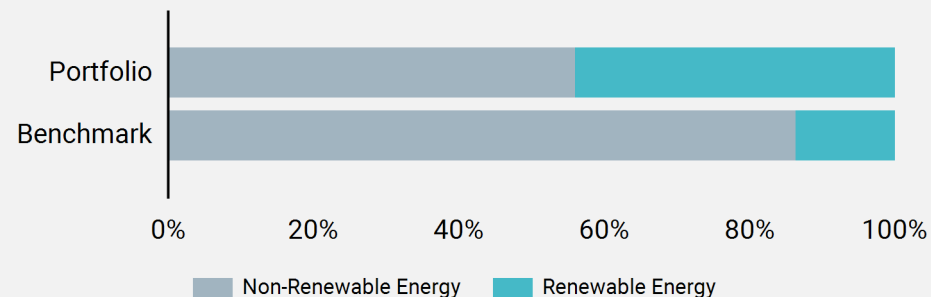
### Pollutants, Waste & Emissions to Water



### Energy Production



### Energy Consumption



Note: Emissions to water include acid and metal emissions, nutrients and organic pollutants, as well as pesticides and fertilizers. Exposure is computed based on ownership. All emissions are measured in tonnes. Energy production/consumption for renewable and non-renewable sources are expressed in GWh and apportioned to portfolio based on ownership.

**Portfolio** refers to Uni-Global - Equities Eurozone while **Benchmark** refers to MSCI European Monetary Union.

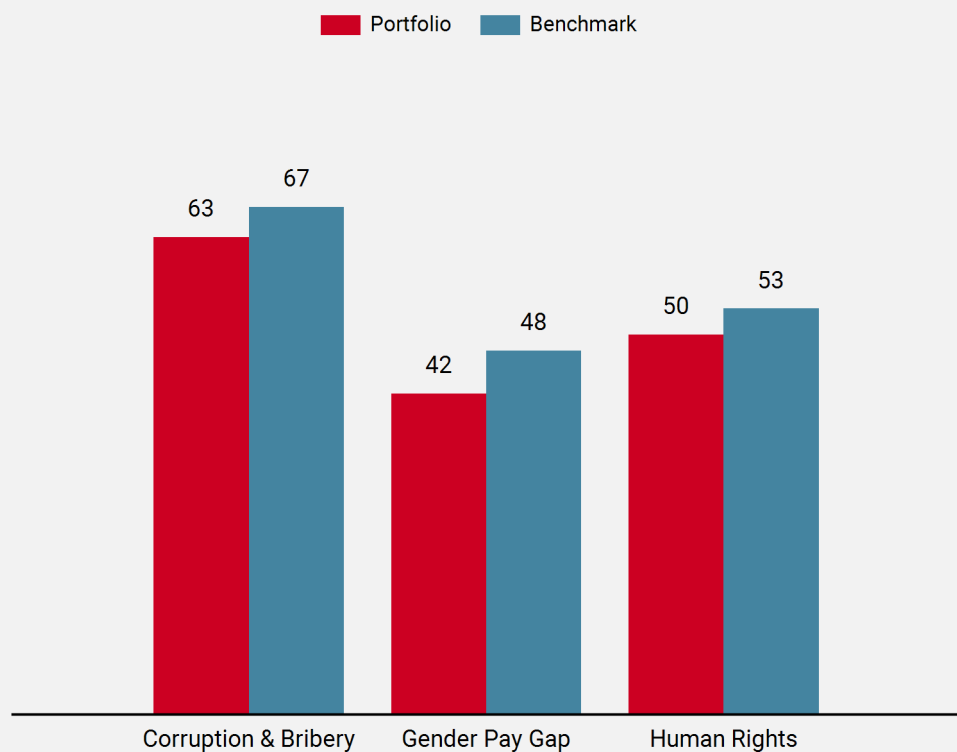
Sources: Unigestion, MSCI, Trucost



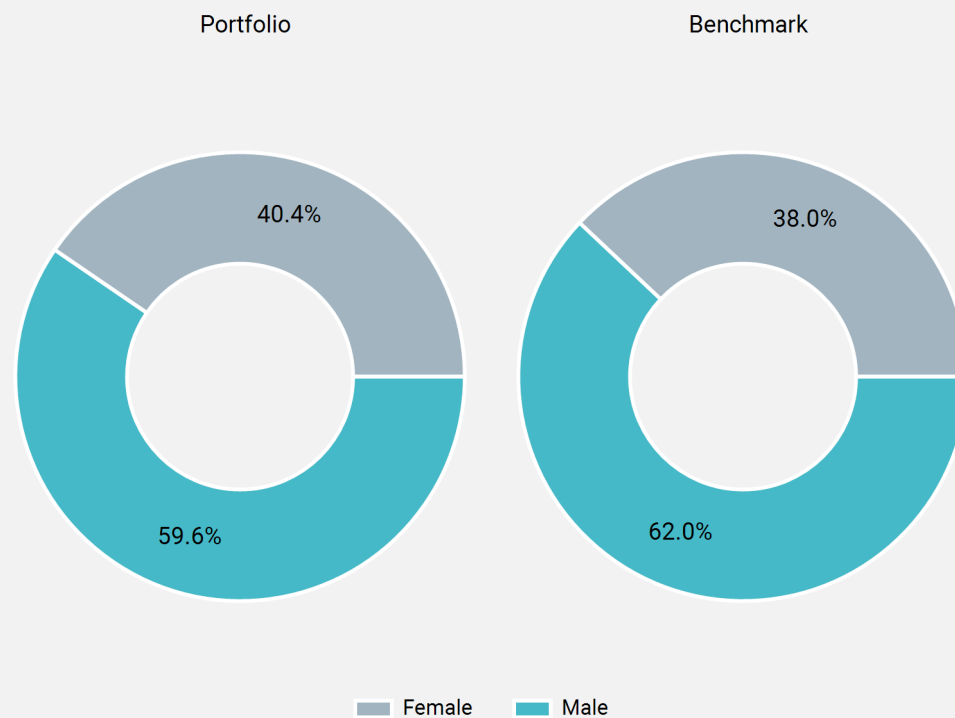
# ESG

## Social KPIs

### Social KPIs<sup>1</sup>



### Board Composition by Gender



<sup>1</sup> Score-based social KPIs: corruption & bribery and gender pay gap. Company level score is between 0 and 100, where higher score indicates better performance. The total score is the weighted average of the constituent scores.

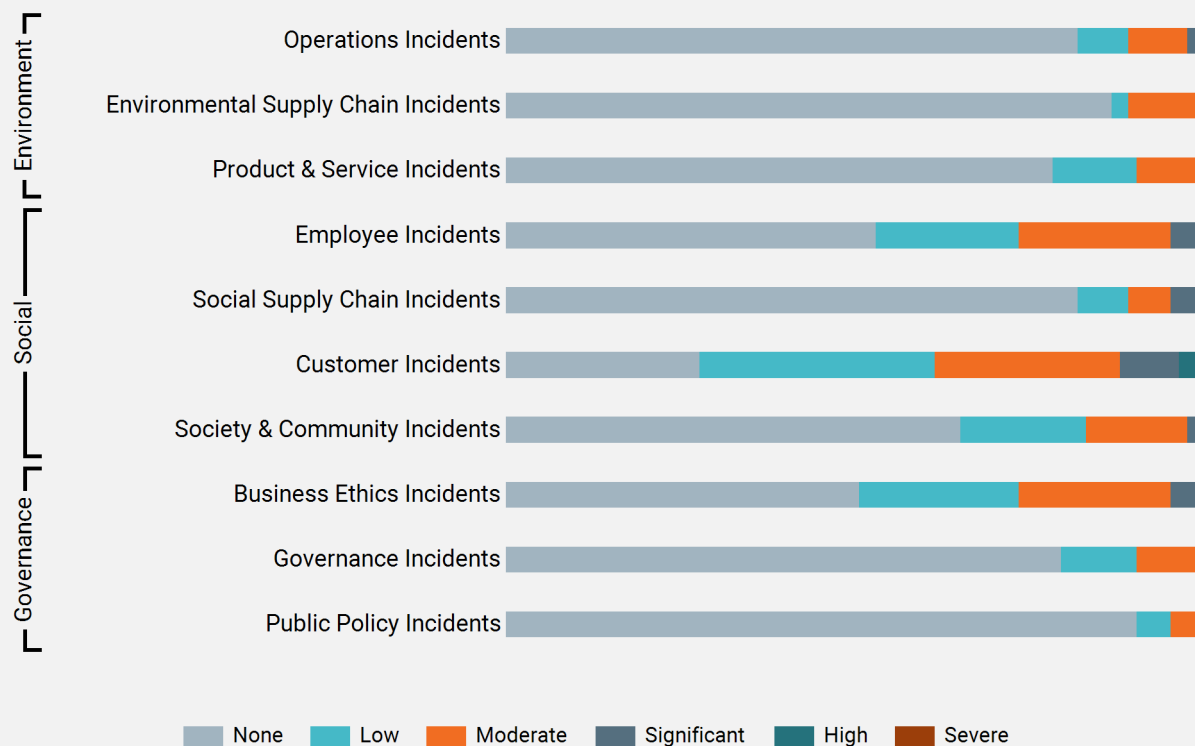
**Portfolio** refers to Uni-Global - Equities Eurozone while **Benchmark** refers to MSCI European Monetary Union.

Sources: Unigestion, MSCI, Trucost



## Controversies

### Controversy<sup>1</sup> breakdown of Portfolio Constituent



### Controversy by Category (# of companies)

	Portfolio	Benchmark
Severe	-	1
High	2	6
Significant	12	51
Moderate	36	95
Low	19	35
None	13	44
No Coverage	-	1

### UN Global Compact<sup>2</sup> (% based on weight)

	Portfolio	Benchmark
Compliant	96.89%	94.09 %
Watchlist	3.11%	5.73 %
Non-Compliant	-	-
No Coverage	-	0.18 %

<sup>1</sup> Controversy categories (5): low, moderate, significant, high and severe. Chart displays controversy breakdown by constituents. The category 'none' indicates no controversy at company level.

<sup>2</sup> Compliance check with UN Global Compact (10 principles). 'Watchlist': risk of contributing to severe or systemic and/or systematic violations of the principles.

**Portfolio** refers to Uni-Global - Equities Eurozone while **Benchmark** refers to MSCI European Monetary Union.

Sources: Unigestion, MSCI, Sustainalytics



# ESG

## Exclusions

Our Responsible Investment Policy considers two pillars of bottom-up considerations:

### Pillar I: Norm-Based Screening

Exclude companies associated with key social or environmental issues. According to the European Sustainable Investment Forum, it is the “screening of investments according to their compliance with international standards

### Pillar II: Exclusionary Screening

Exclude companies from an investment universe based on our expectations regarding specific ESG-related risks.

Exclusions	Companies <sup>1</sup>	Weight <sup>2</sup>
Pillar I	Adult Entertainment	-
	Controversial Weapons	5
	Predatory Lending	-
	Thermal Coal	1
	Tobacco	-
	UNGC Non-compliant	-
Pillar II	High-carbon Emitters	6
	Non-covered	23
	Severe Controversy	1
	Worst-in-class	9
Total (unique)		45
Universe		512
% Universe		8.79%
		6.06%

<sup>1</sup> Number of companies excluded as a result of screening

<sup>2</sup> Weight excluded as a result of screening

**Universe** refers to Unigestion EuroZone1.

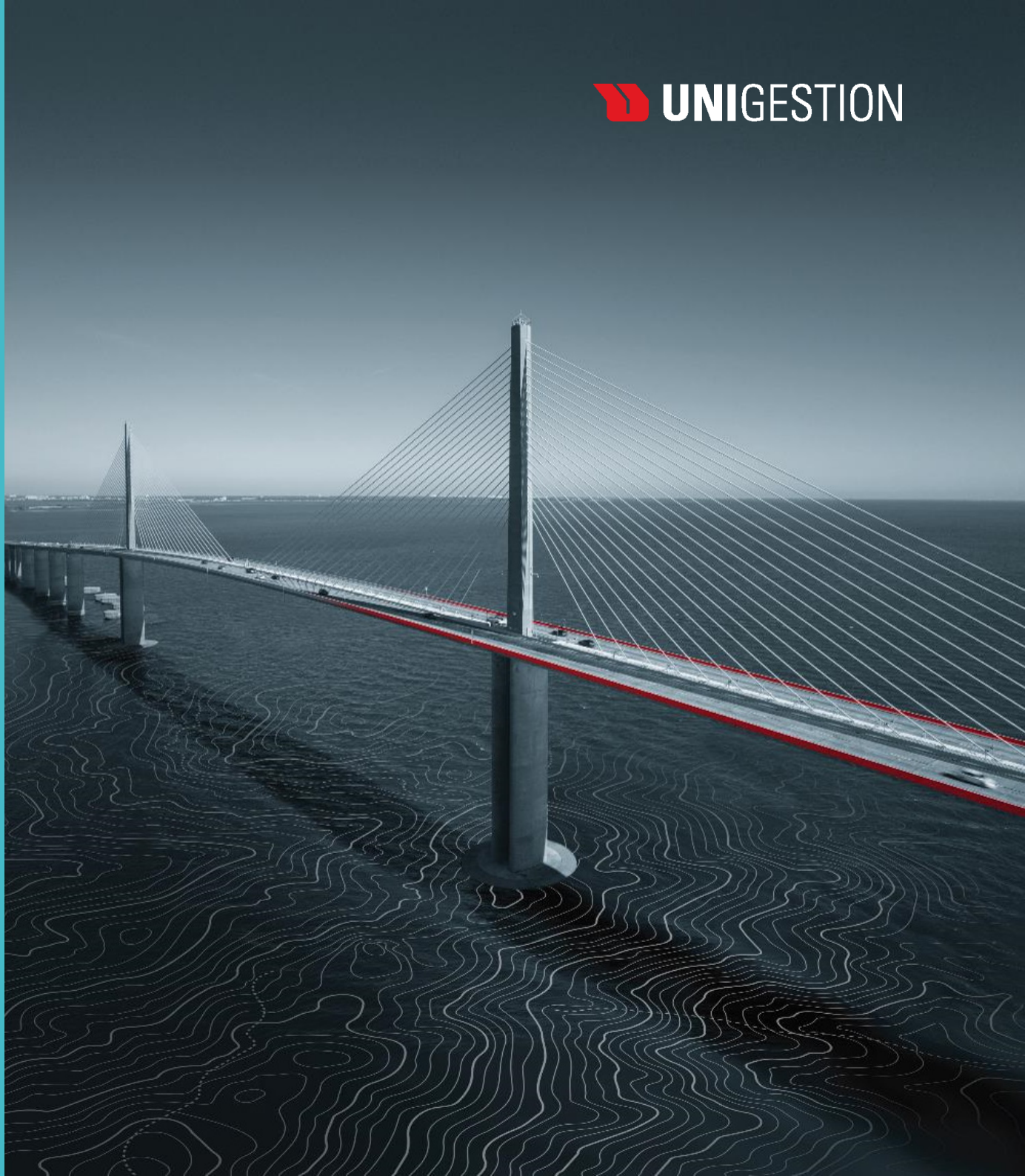
Sources: Unigestion, MSCI, Sustainalytics





# FUND SPECIFIC ESG OBJECTIVES

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# FUND SPECIFIC ESG OBJECTIVES

## Environmental Performance

The fund has additional ESG objectives.

The fund monitors and provides information on other sustainability performance objectives considered as follows:

- Improve GHG Intensity (tCO<sub>2</sub>e/USD m revenues). This metric includes Scope1, Scope2 and Scope3.

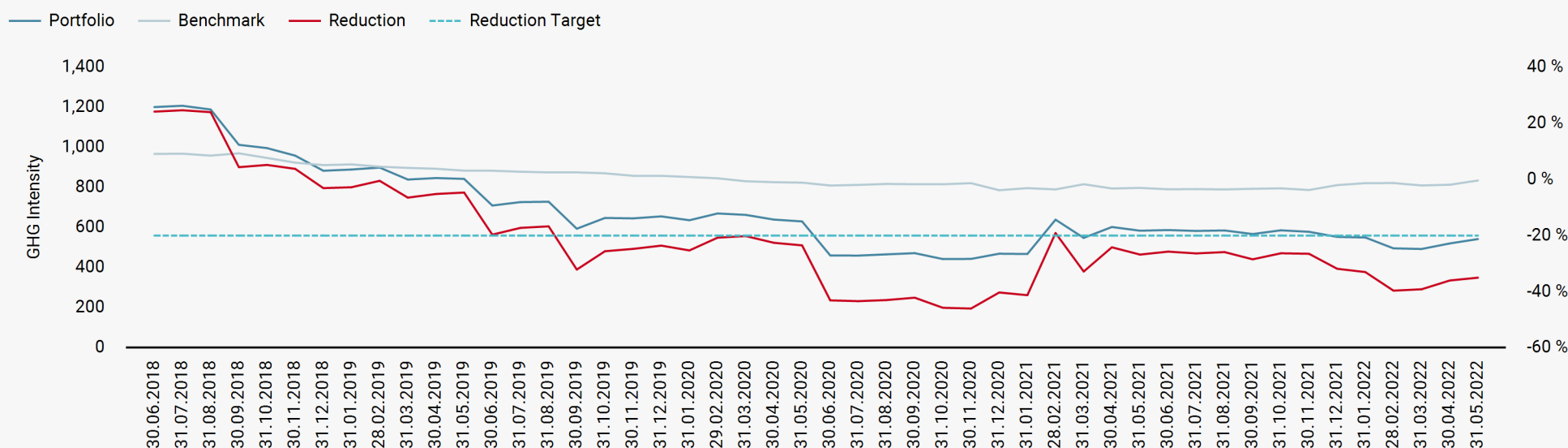
### Action:

Maintain at worst 20% below the market reference level.

We exclude companies with excessive GHG Intensity (8'000 tCO<sub>2</sub>e/USD m revenues).

Engage with companies and participate in collaborative engagement initiatives to promote carbon emissions disclosure and setting/monitoring on emissions reductions targets.

GHG Intensity intervals	0-200	200-400	400-800	800-1200	1200-1600	1600-2000	2000-4000	4000-6000	6000-8000	8000+	Coverage
Portfolio	47.90 %	21.35 %	17.66 %	3.71 %	3.20 %	2.48 %	0.50 %	0.16 %	3.03 %	0.00 %	100.00 %
Benchmark	32.71 %	19.79 %	19.45 %	5.76 %	7.78 %	2.08 %	9.05 %	1.96 %	0.81 %	0.59 %	100.00 %



Disclaimer: Criteria actively monitored as of June 2020

Sources: Unigestion, Trucost

Engagement cases of past 12 months:

Ryanair Holdings PLC, Kone Oyj, Wartsila Oyj; Stora Enso, NN Investments, Enagas, LEG Immobilien



# FUND SPECIFIC ESG OBJECTIVES

## Social Performance

- Improve Fairness ratio (Average Executive Pay as Percent Average Personnel Expense)
- Reduce severity of Employee incidents/controversies (Controversy range is from 0 to 5, 5 is the most severe controversy)

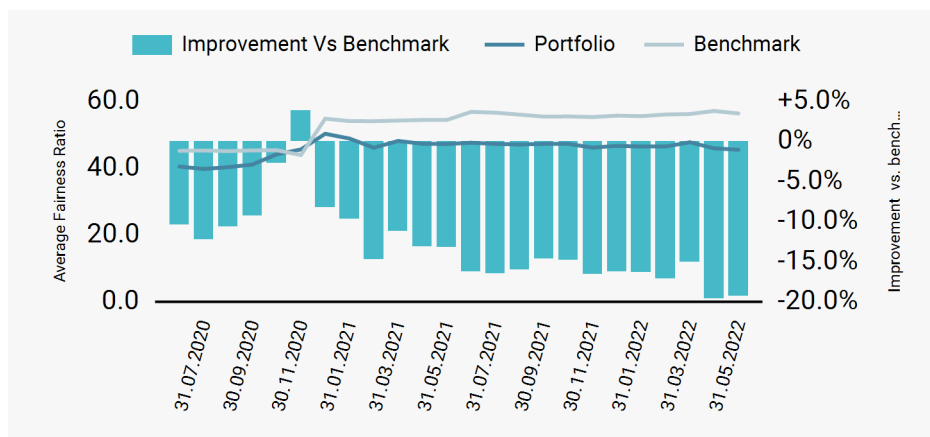
### Action:

Aim to have an average fairness ratio better than the market reference, or a portion of the portfolio allocated to the worst decile below the market reference weight.

Aim to have an average incident controversy score better than the market reference.

Companies with a fairness ratio in the worst decile of the universe or with considerable employee incidents controversies will be reviewed as potential engagement cases on those topics.

Fairness Ratio	# companies in worst decile	% Weight	Coverage
Universe	38	13.70 %	89.32 %
Portfolio	8	12.94 %	93.33 %
Benchmark	29	15.69 %	92.80 %



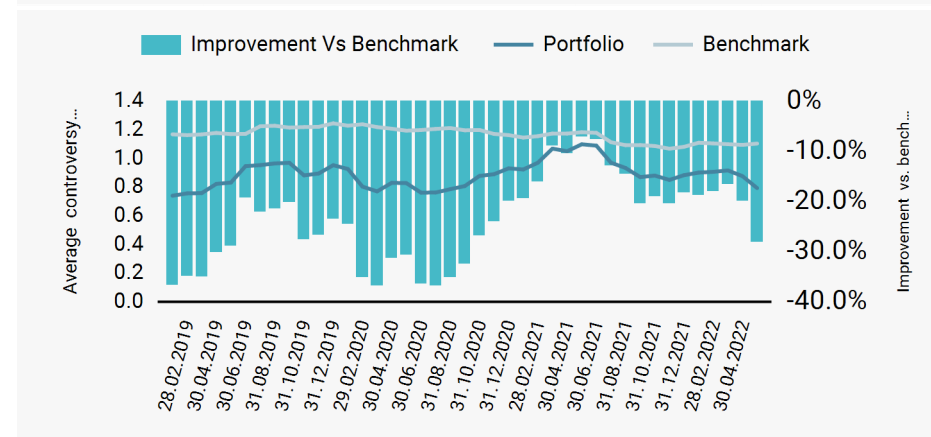
\* negative means better.

Engagement cases of past 12 months:  
Industria De Diseno Textil Inditex SA, Iberdrola, Heineken, Bureau Veritas, Danone.

Disclaimer: Criteria actively monitored as of June 2020

Sources: Unigestion, Bloomberg, Sustainalytics

Employee Incidents	# companies with considerable employee incidents	% Weight	Highest severity	Coverage
Universe	12	4.45 %	4	98.89 %
Portfolio	3	5.13 %	3	100.00 %
Benchmark	11	4.66 %	4	99.39 %



\* negative means better.

Engagement cases of past 12 months:  
Heineken



# FUND SPECIFIC ESG OBJECTIVES

## Governance Considerations

- Improve Independence of boards.

According to Sustainability Policy Recommendations obtained from ISS, the boards of ``Non-controlled`` companies are expected to comprise of over 50 percent independent members (excluding employee shareholder representatives), while ``Controlled`` companies are expected to comprise of at least one-third independent board members (some exceptions may apply in different countries. For these we follow ISS recommendations).

### Action:

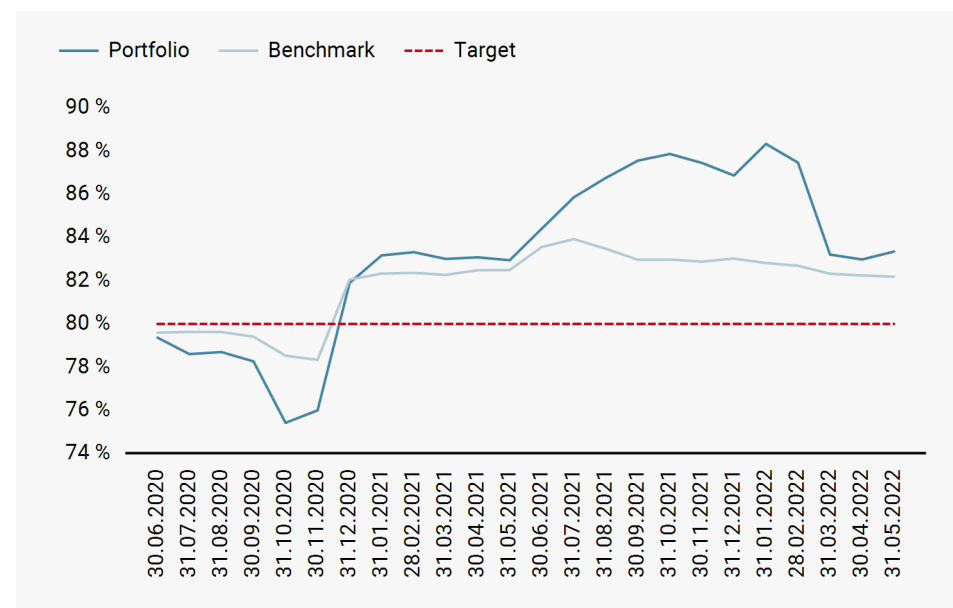
Aim to have at least 80% of the portfolio invested in companies with at least 50% of independent board members.

Companies with a lower level of board independence than described above will be reviewed as potential engagement cases. Unigestion systematically votes against the appointment of directors which prevents the achievement of a sufficient board independence level as described above.

Board Independence	# companies with insufficient board independence	% Weight	Coverage
Universe	110	17.86 %	93.82 %
Portfolio	10	14.04 %	97.39 %
Benchmark	53	15.19 %	97.37 %

Engagement cases of past 12 months:

Deutsche Telekom AG, Hannover Rueck SE, Etablissements Franz Colruyt SA, Hermes International SA



Disclaimer: Criteria actively monitored as of June 2020

Sources: Unigestion, Bloomberg





# FUND SPECIFIC ESG OBJECTIVES

## Human Rights Considerations

- Enhance practices of companies towards Human Rights and improve severity of controversies concerning human rights (Controversy range is from 0 to 5, 5 is the most severe controversy)

### Action:

Exclude companies that are considered non-compliant according to UNGC principles.

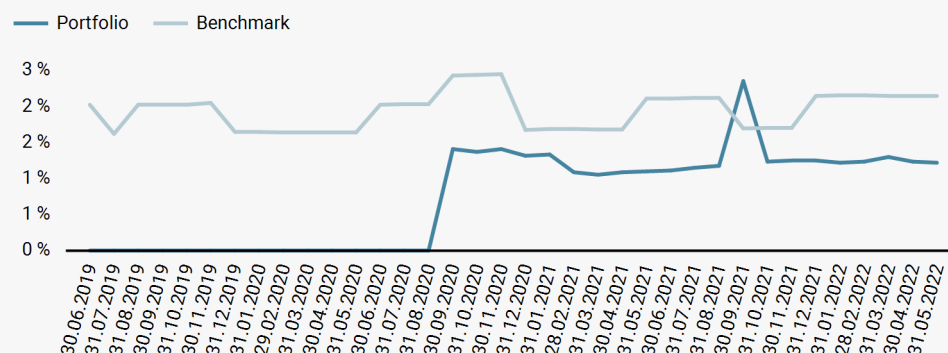
Seek to allocate a lower portion of the portfolio weight to companies in Breach or on the WatchList than the market reference portion.

Aim to have an average human rights controversy score lower than the market reference.

Target for engagement Companies that are put on WatchList for UNGC compliance to have more clarity on the issue raised, and enquire and monitor about the measures taken and the progresses achieved to get out of the WatchList. Companies with considerable human rights controversies will be reviewed as potential engagement cases.

UNGC	Portfolio	Universe	Benchmark
Coverage # stocks	100.00 %	96.48 %	99.14 %
Coverage % weight	100.00 %	98.84 %	99.39 %
Compliant(# Stocks)	81	491	228
Watchlist(# Stocks)	1	3	3
Non-Compliant(# Stocks)	0	0	0
Compliant(% Weight)	96.89 %	95.45 %	95.28 %
Watchlist(% Weight)	3.11 %	3.39 %	4.11 %
Non-Compliant(% Weight)	0.00 %	1.16 %	0.61 %

### Weights allocated to NonCompliant/WatchList stocks

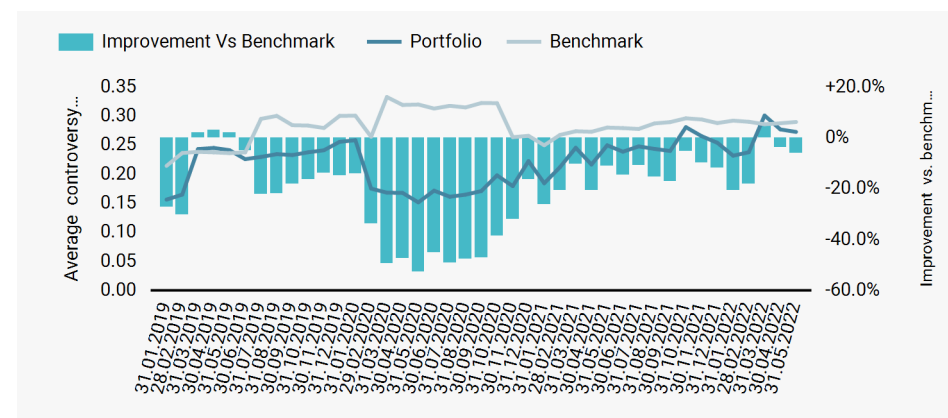


\* The aim is for the portfolio level to remain below the benchmark.

Disclaimer: Criteria actively monitored as of June 2020

Sources: Unigestion, Sustainalytics

Human Rights	# companies with considerable human right controversies	% Weight	Highest severity	Coverage
Universe	5	1.60 %	3	98.89 %
Portfolio	3	4.91 %	3	100.00 %
Benchmark	3	1.29 %	3	99.39 %



Engagement cases of past 12 months:  
Heineken



# TCFD Reporting

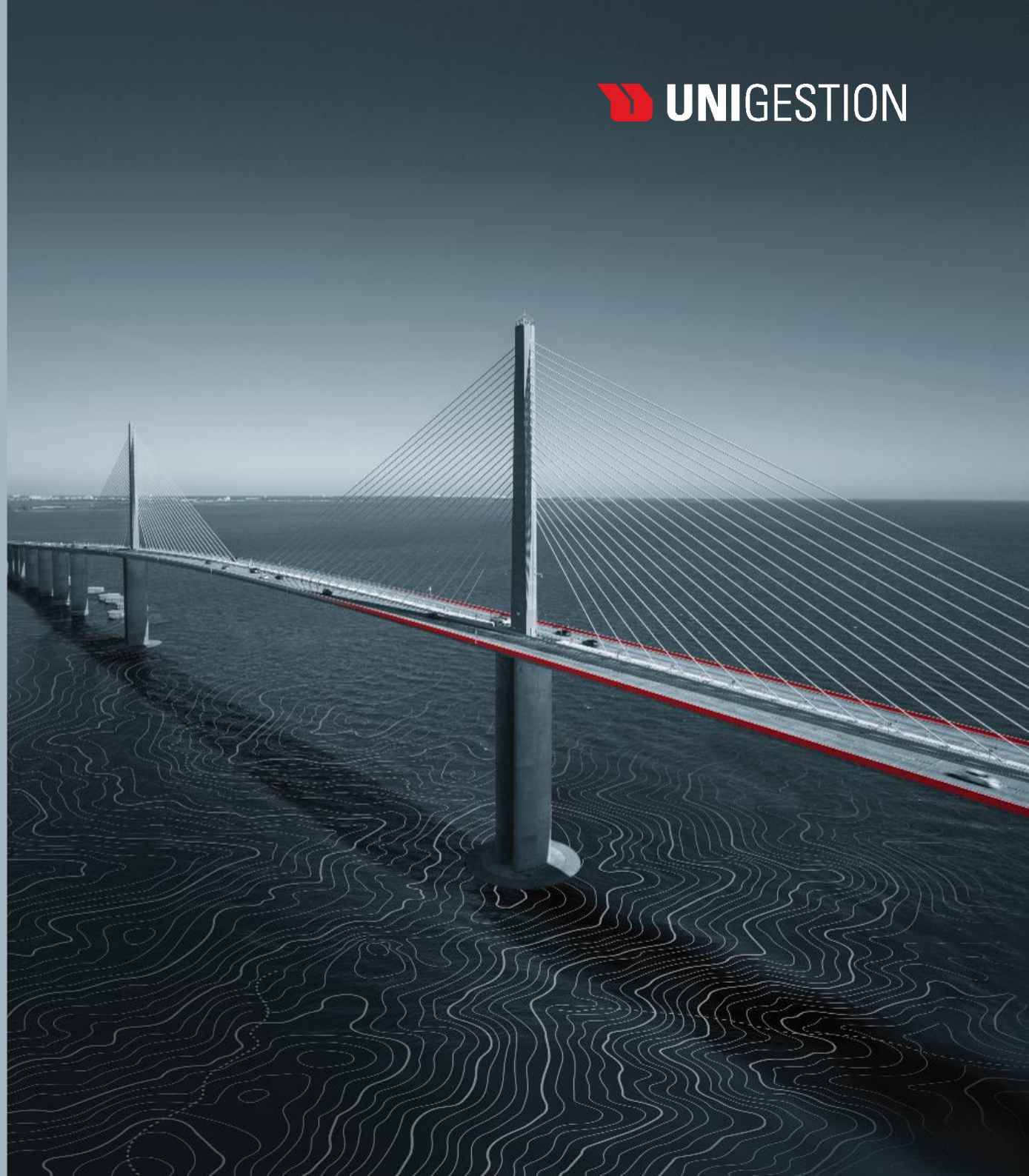
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# Current Emissions

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# CURRENT EMISSIONS

## Introduction

The aim of this section is to assess the carbon performance of the portfolio. Firstly, the greenhouse gas (GHG) emissions held within the portfolio are quantified. This is done by apportioning company level GHG emissions to portfolio by ownership. In other words, if the portfolio holds x% of a company, it also holds x% of its emissions. Compared to using pure weights, this computation method paints a more accurate picture of portfolio emissions. To enable cross-company comparison in terms of emissions, GHG intensity is also presented. This metric counts GHG emissions as a multiple of revenue, correcting for possible company size bias.

Emissions are quoted in tonnes of CO2 equivalents (tCO2e) and apportioned by ownership. Ownership is the ratio of value of holdings to market capitalization or enterprise value. Emissions include scopes 1, 2 and 3 (upstream and downstream).

Scope 1 emissions for a company are considered to be estimated when they are not disclosed and therefore have to be modelled.

GHG intensity is the total scopes 1, 2 and 3 (upstream and downstream) emissions normalized by company revenues and then aggregated using weighted-average carbon intensity (WACI) method (sums product of each holding's weight with the company level GHG Intensity).

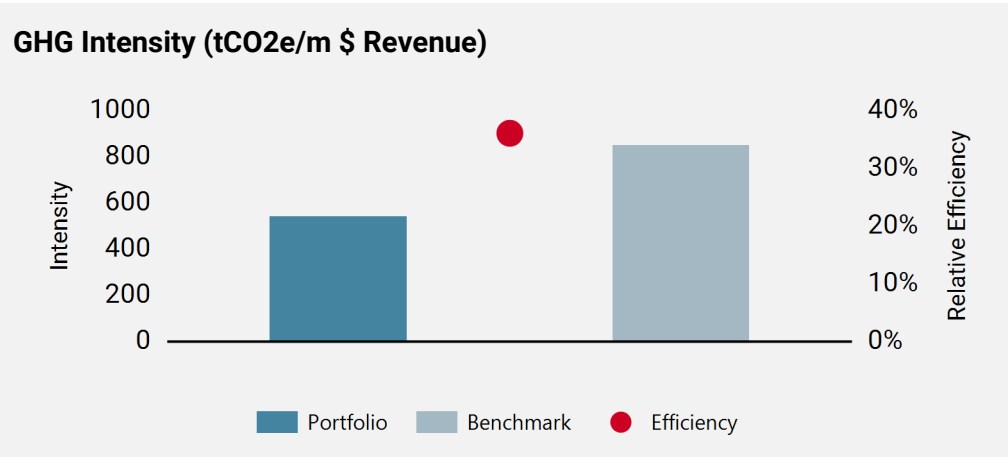
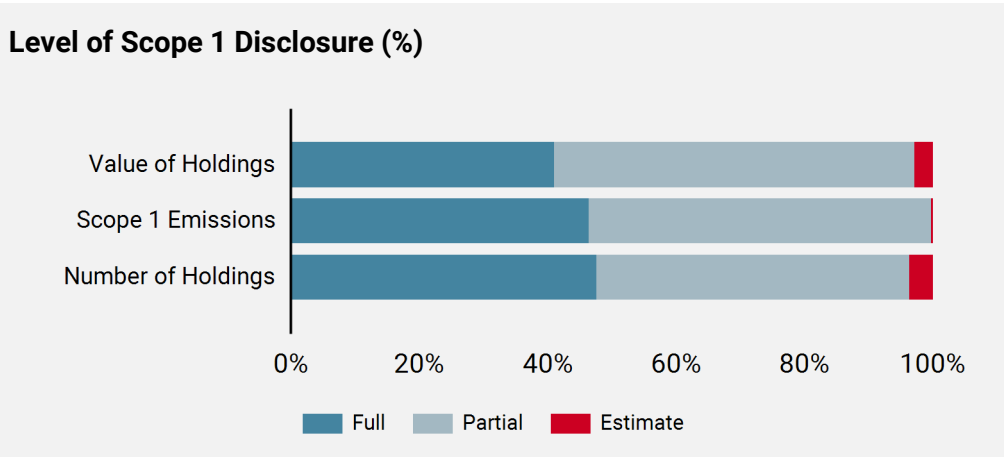
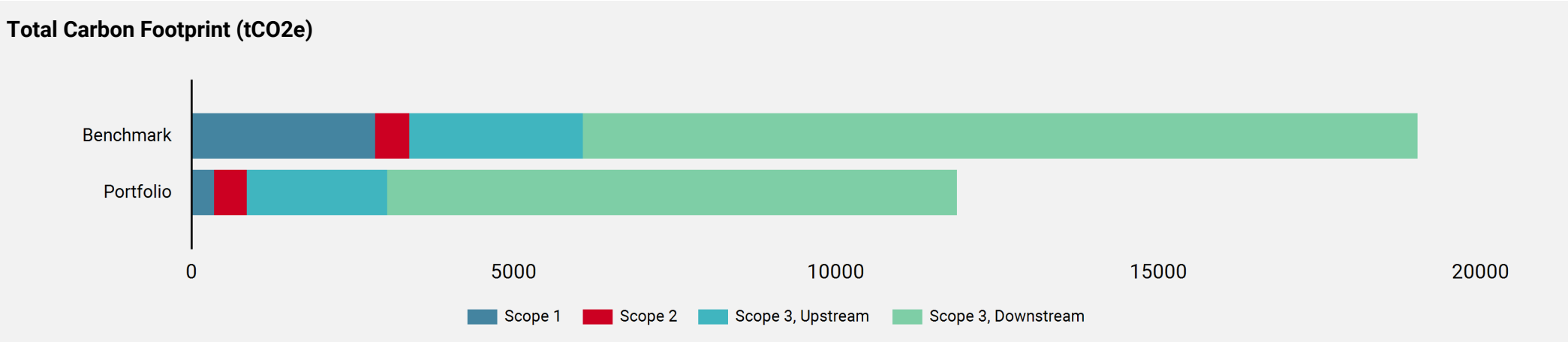
Relative efficiency refers to the efficiency of portfolio versus the benchmark in terms of GHG intensity ( $Relative\ Efficiency = 1 - (Portfolio\ GHG\ Intensity) / (Benchmark\ GHG\ Intensity)$ )





# GHG EMISSIONS

## Carbon Footprint and Intensity



**Portfolio** refers to Uni-Global - Equities Eurozone while **Benchmark** refers to MSCI European Monetary Union.

Sources: Unigestion, MSCI, Sustainalytics



# GHG EMISSIONS

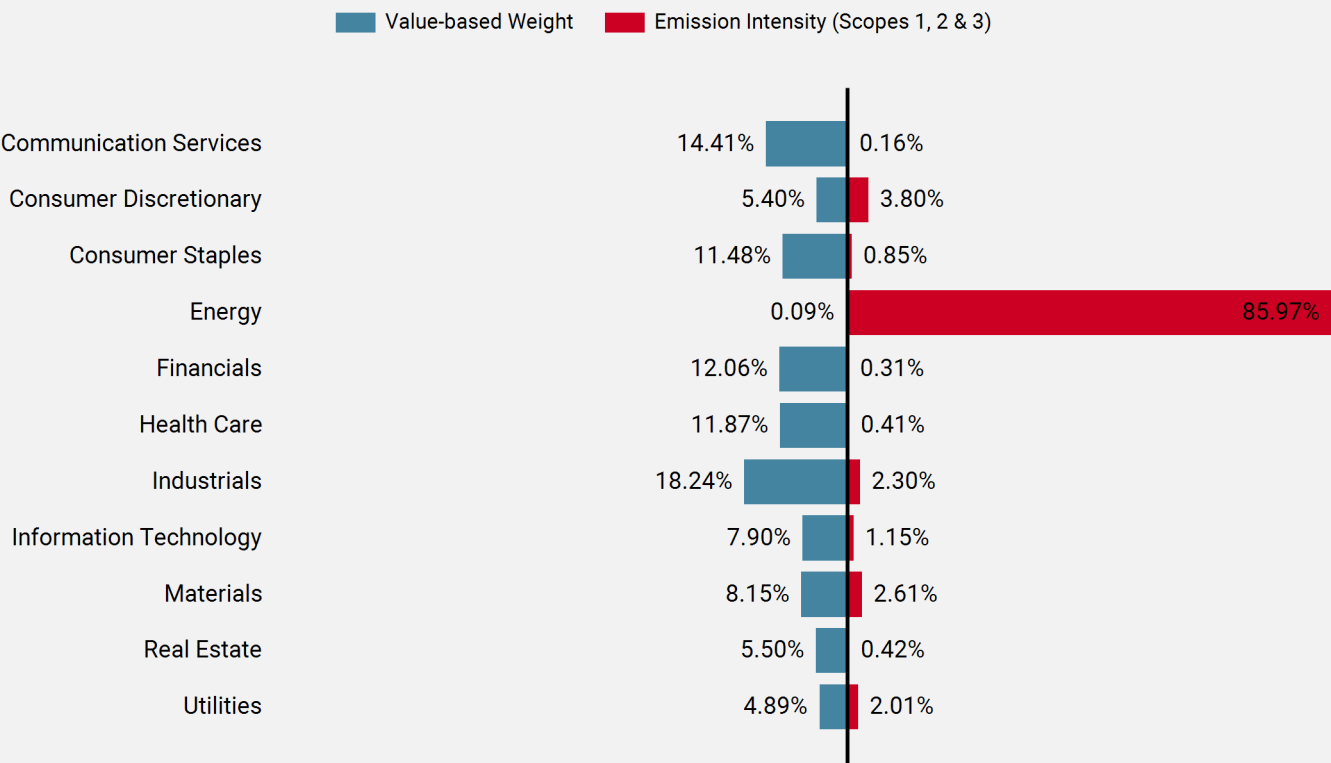
The following chart shows the value-based weight of each GICS sector in the portfolio, in comparison to the contribution of the sector to portfolio GHG

Value-based weight is the weight based on ownership within a company.

To estimate carbon contribution, total emission intensity, scopes 1, 2 and 3 (upstream and downstream) are used.

The contribution is estimated on ownership basis.

## Sector Value vs Carbon Contribution



Sources: Unigestion, MSCI, Trucost



# GHG EMISSIONS

## Best/Worst Contributors

Best	Name	Sector	Ownership Weight <sup>1</sup>	Carbon Weight <sup>2</sup>	GHG Intensity (tCO2e/mUSD)	GHG Intensity Contribution	Disclosure
	Capgemini SE	Information Technology	0.15%	0.09%	47.116	-0.011%	Exact Value from CDP
	Deutsche Telekom AG	Communication Services	0.10%	0.27%	144.078	-0.023%	Exact Value from CDP
	Allianz SE	Financials	0.29%	0.10%	55.0158	-0.025%	Value derived from data provided in CDP
	Axa, Paris	Financials	0.32%	0.11%	58.6054	-0.030%	Exact Value from CDP
	Kering	Consumer Discretionary	0.25%	0.16%	87.841	-0.035%	Exact Value from CDP

Worst	Name	Sector	Ownership Weight <sup>1</sup>	Carbon Weight <sup>2</sup>	GHG Intensity (tCO2e/mUSD)	GHG Intensity Contribution	Disclosure
	Knorr-Bremse Aktiengesellschaft	Industrials	1.64%	14.47%	7802.25	-20.297%	Exact Value from CDP
	CIE Generale Des Etablissements Michelin SA, Clermont-Ferrand	Consumer Discretionary	1.52%	11.36%	6123.08	-14.778%	Exact Value from CDP
	Be Semiconductor Industries NV	Information Technology	3.80%	1.38%	742.174	-4.477%	Derived from previous year
	Covestro AG	Materials	2.18%	2.16%	1164.03	-4.022%	Value derived from data provided in Environmental/CSR
	GEA Group AG	Industrials	0.90%	4.49%	2418.51	-3.467%	Value derived from data provided in CDP

Best (worst) performers in terms of contribution to portfolio GHG intensity, where GHG intensity is aggregated on the basis of ownership. Stocks are ranked from best to worst in terms of their contribution, where higher contribution corresponds to worse performance. GHG Intensity Contribution is quoted as the decrease in portfolio GHG intensity in case of full divestment from the stock.

<sup>1</sup> Ownership weight indicates the ownership-based weight in the portfolio.

<sup>2</sup> Carbon weight indicates the GHG intensity share as a percentage of portfolio GHG intensity

Sources: Unigestion, MSCI, Trucost



# Fossil Fuels

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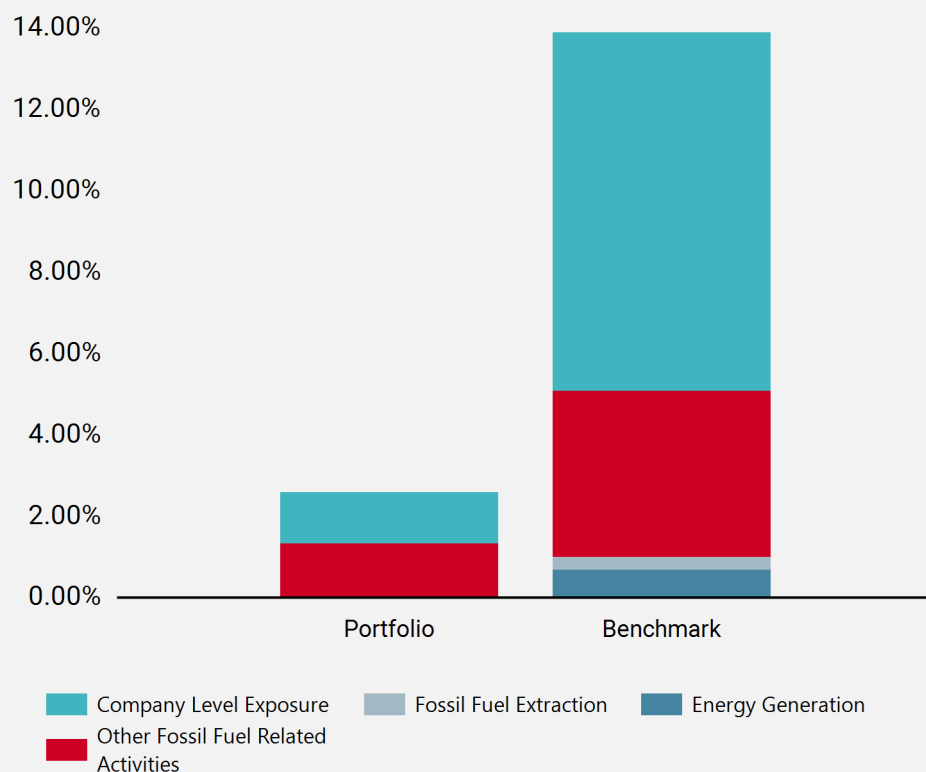




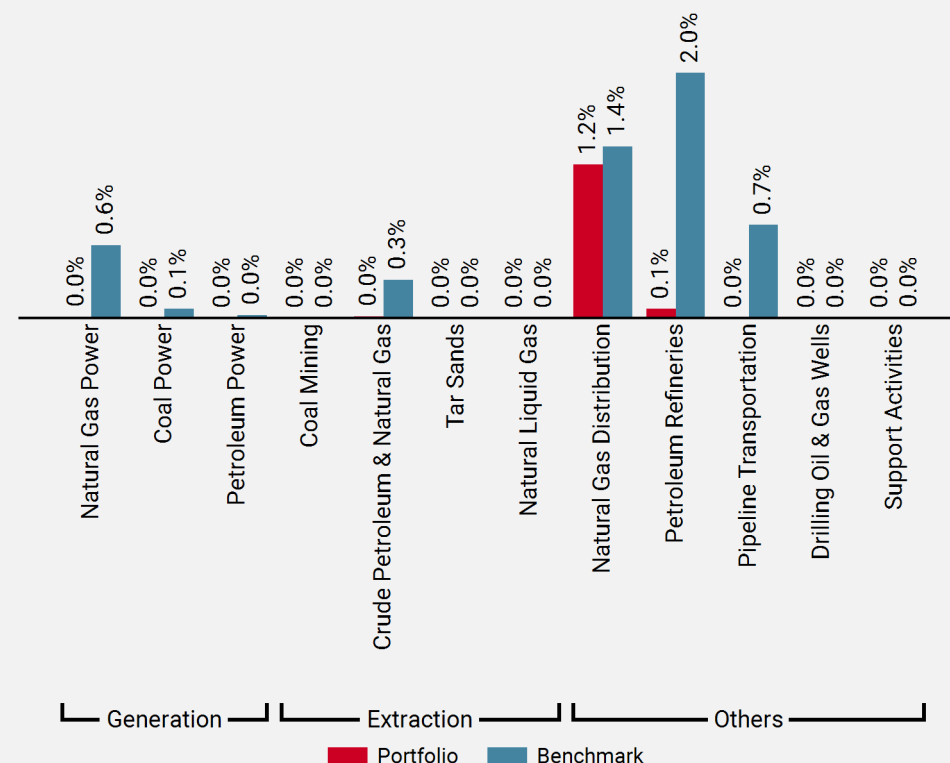
# FOSSIL FUELS

## Fossil Fuels Related Activities

Fossil Fuels Activities by Revenues<sup>1</sup> (%)



Fossil Fuels Revenues by Industry



<sup>1</sup> Portfolio exposure to revenues from fossil fuel related activities, where exposure is computed based on weight. Three categories of fossil fuel activities: Generation, Extraction and Others. Others include distribution, refinement, pipeline transportation, drilling of wells and fossil fuel supporting activities. Company level exposure (bar height) is the level of exposure to companies involved in fossil fuel related activities in terms of their total weight in the portfolio or benchmark. The remaining sections of the bars indicate weighted average revenue exposure to indicated activity.

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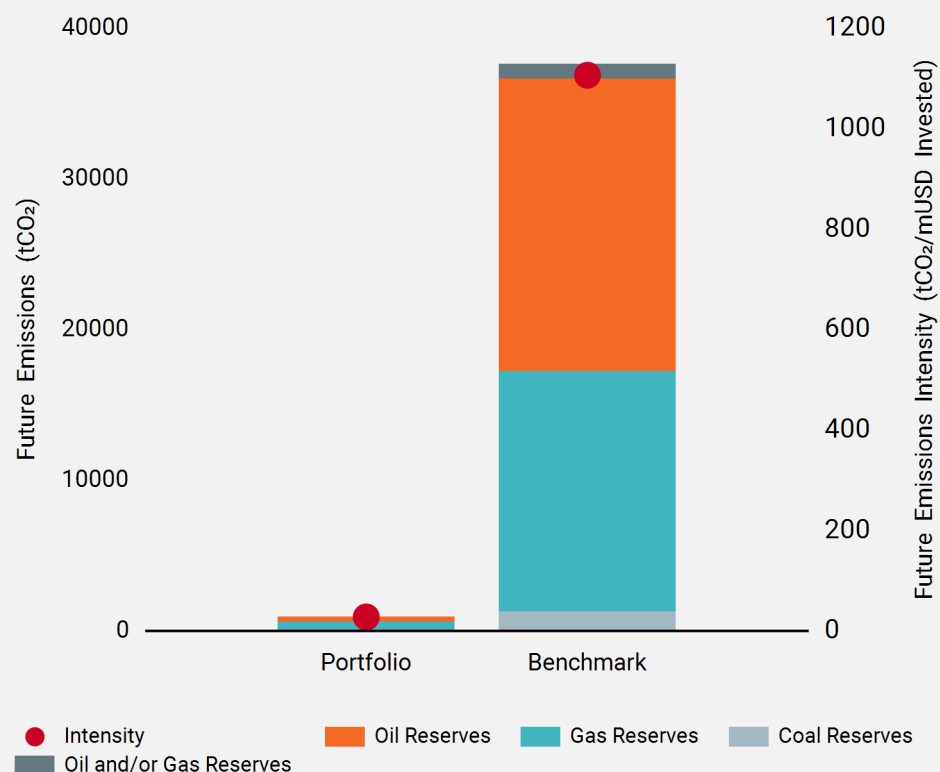
Sources: Unigestion, MSCI, Trucost



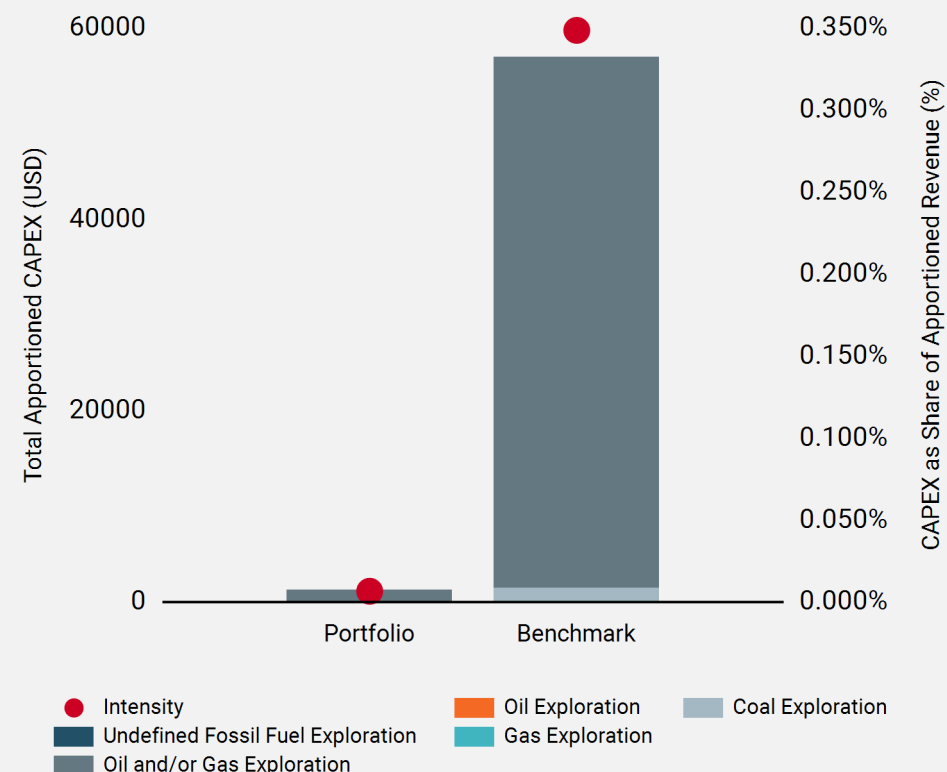
# FOSSIL FUELS

## Embedded Emissions in Reserves and Exploration Expenditures

Emissions Embedded in Reserves<sup>1</sup>



Fossil Fuels CAPEX<sup>2</sup>



<sup>1</sup> Appportioned GHG emissions embedded in fossil fuel reserves. Emissions are aggregated to portfolio on the basis of ownership.

<sup>2</sup> Capital expenditure (CAPEX) reserved for further exploration of fossil fuels: coal, oil and gas. CAPEX is aggregated to portfolio based on ownership.

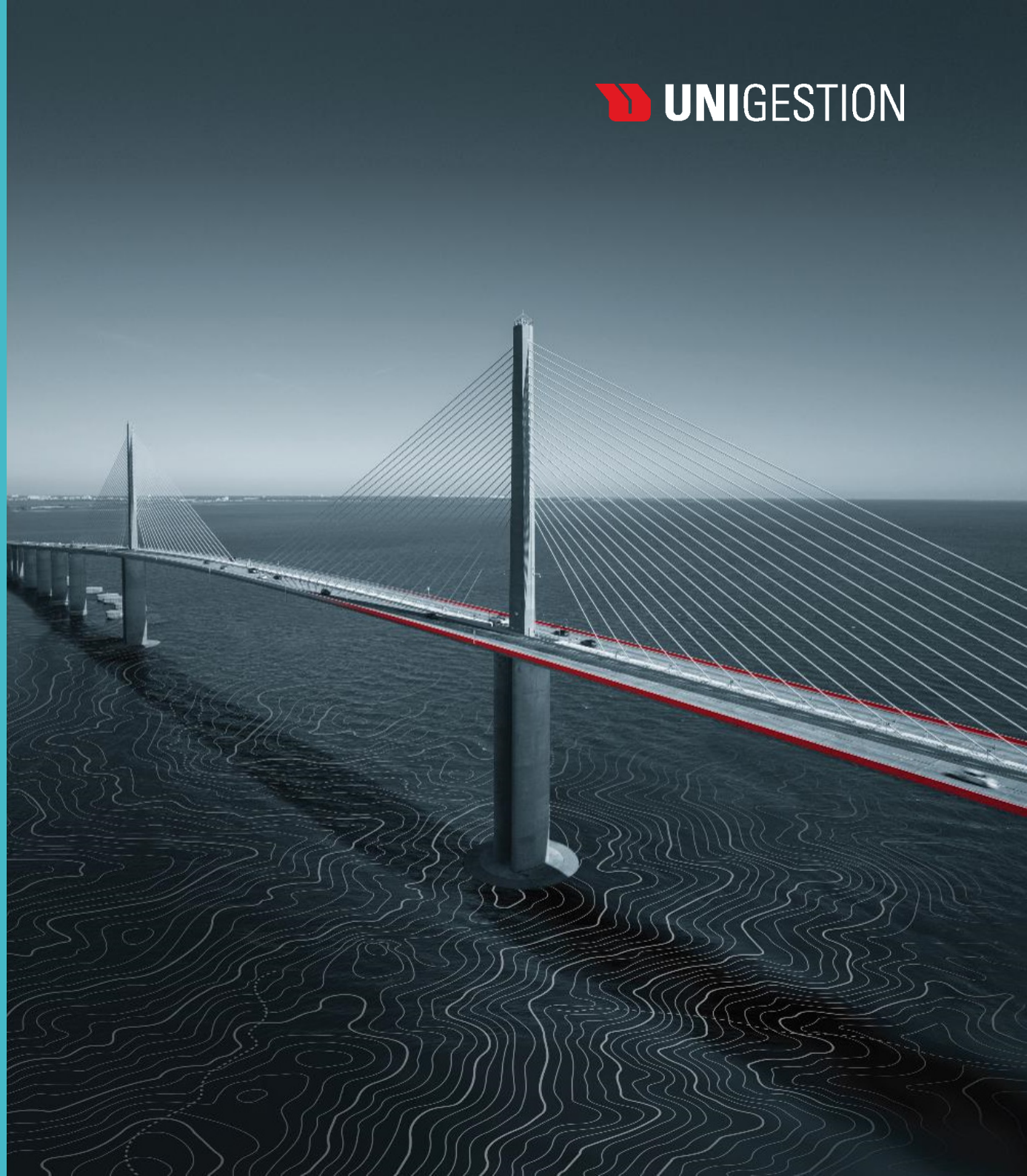
**Portfolio** refers to Uni-Global - Equities Eurozone while **Benchmark** refers to MSCI European Monetary Union.

Sources: Unigestion, MSCI, Trucost



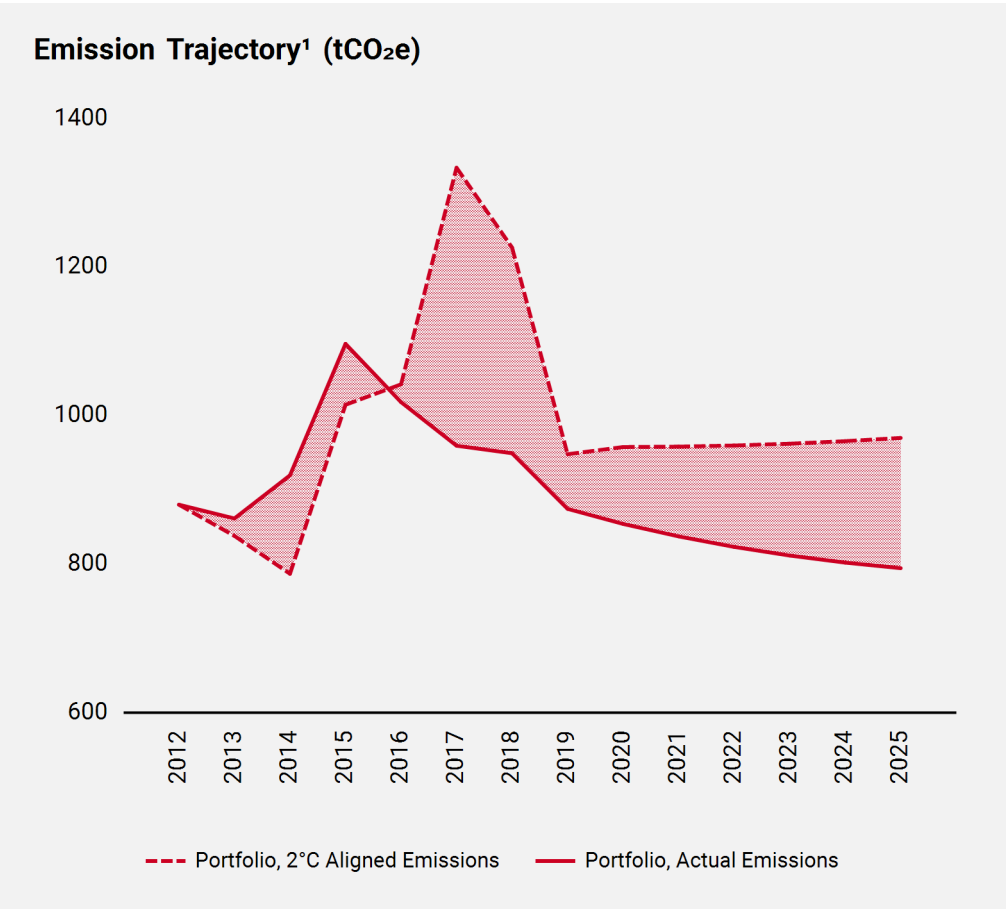
# Temperature Assessment

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# TEMPERATURE ASSESSMENT

## Emissions Pathway Assessment



### Warming Level

	< 2°C
Tonnes Carbon (Under)/Over	-1782
Percent of Total (Under)/Over	-12.88%
Carbon/mInvested (Under)/Over	-53

Warming level is determined on whether portfolio emissions are above or below the emission budgets linked to different warming scenarios, such as 2°C.

Above emission metrics are in reference to the 2°C budget.

<sup>1</sup> Combination of historical and forward-looking emission data. Dashed line shows the 2°C compatible emission trajectory. Assessment on whether portfolio emissions are above or below the emission budget linked to warming scenario of 2°C.  
**Portfolio** refers to Uni-Global - Equities Eurozone.

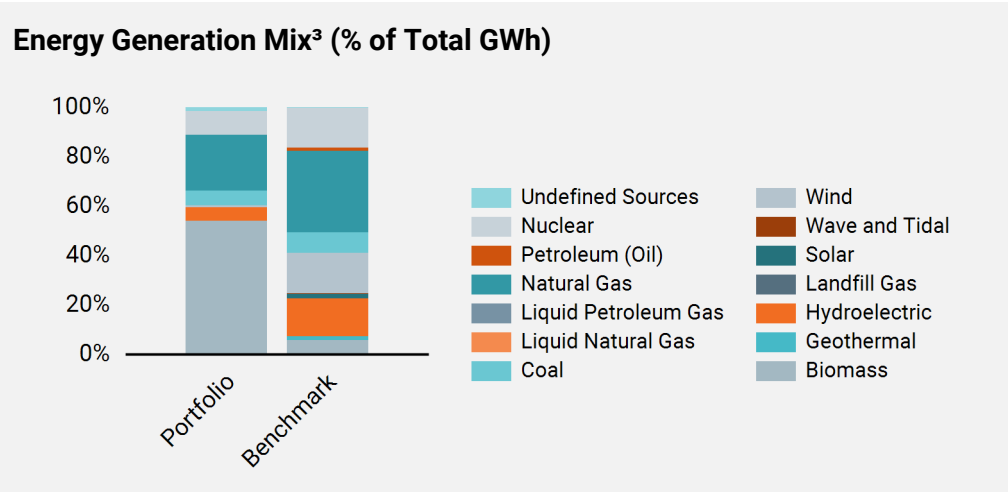
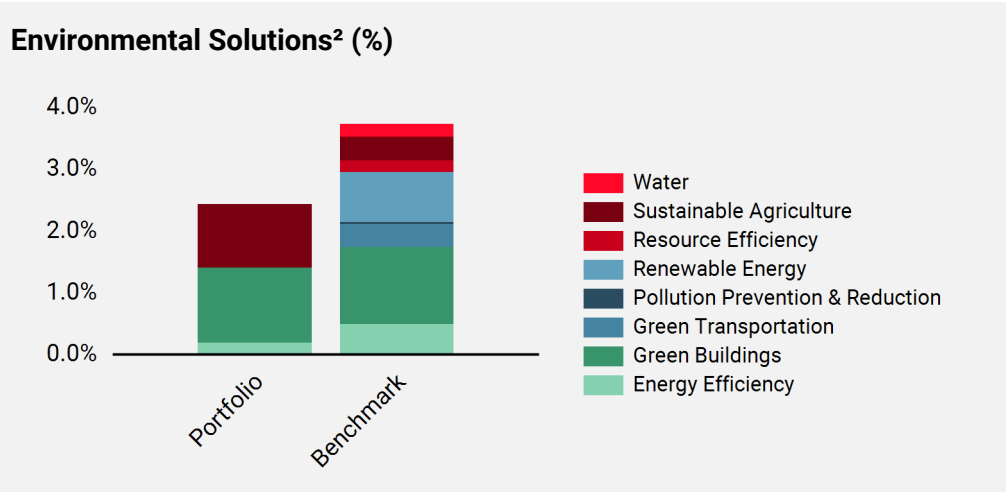
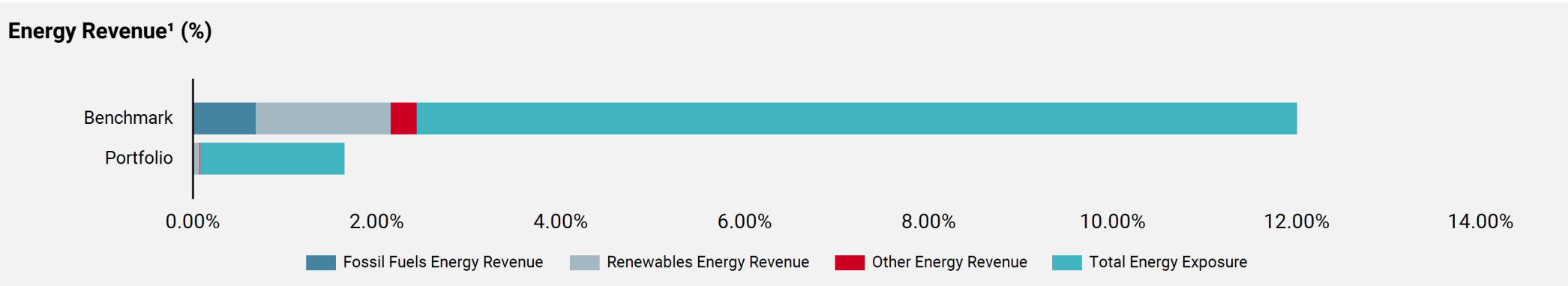
Sources: Unigestion, Trucost





# TEMPERATURE ASSESSMENT

## 'Brown' and 'Green' Revenues



<sup>1</sup> Compares portfolio's exposure to 'brown' and 'green' energy related revenues on the basis of weight. Nuclear energy is categorized as other. Total energy exposure (bar height) indicates the total weight in the portfolio/benchmark of companies with energy-related revenues. The remaining sections of the bars indicate the weighted average revenue exposure to indicated energy category.

<sup>2</sup> Revenue exposure to 'green' activities grouped into 8 categories. Exposure is computed using company revenue share generated by 'green' activities and apportioned by portfolio weight.

<sup>3</sup> Compares energy generation mix in GWh apportioned on ownership basis.

**Portfolio** refers to Uni-Global - Equities Eurozone while **Benchmark** refers to MSCI European Monetary Union.

Sources: Unigestion, MSCI, Trucost, Sustainalytics



# TEMPERATURE ASSESSMENT

## Sector Contribution to 2°C Aligned Emission Budget

**Sectoral Decarbonization Approach (SDA)** is applied to high-emitting sectors with homogeneous business activities.

**GHG Emissions per unit of Value Added (GEVA)** is used for less carbon intensive sectors with heterogeneous activities.

Method	Sector	Contribution (tCO2e)	Pathway
SDA	Power Generation	-	-
	Cement	-	-
	Steel	-	-
	Airlines	-	-
	Aluminum	-	-
GEVA	Communication Services	143.26	> 5C
	Consumer Discretionary	158.53	3-4C
	Consumer Staples	319.58	> 5C
	Energy	203.05	> 5C
	Financials	19.85	> 5C
	Health Care	57.62	2-3C
	Industrials	112.45	> 5C
	Information Technology	20.34	4-5C
	Materials	-2855.10	<1.75C
	Real Estate	70.61	> 5C
	Utilities	-32.21	<2C

Note: Negative value indicates the alignment with 2°C scenario, as this indicates that the sector is under the 2°C budget. Pathway provided is based on companies held.

Sources: Unigestion, MSCI, Trucost



# TEMPERATURE ASSESSMENT

## Best/Worst Contributors to 2°C Aligned GHG Emission Budget

Best	Name	Industry/Sub-industry	2015 tCO2e Intensity	2025 tCO2e Intensity	Intensity Unit	Forecast Source	Total Carbon (tCO2e)	Apportioned Carbon (tCO2e)	Pathway
	Covestro AG	Materials	3301.61	1655.50	tCO2e/US\$m inflation adjusted gross profits	Sub-Industry Trend	-45,845,400	-1,584	<1.5°C
	Koninklijke DSM NV	Materials	436.73	317.31	tCO2e/US\$m inflation adjusted gross profits	Company Target	-21,925,500	-525	<1.5°C
	Arkema	Materials	2914.97	1270.23	tCO2e/US\$m inflation adjusted gross profits	Company Target	-33,582,800	-465	<1.5°C
	Akzo Nobel NV	Materials	709.80	46.63	tCO2e/US\$m inflation adjusted gross profits	Sub-Industry Trend	-14,643,800	-273	<1.5°C
	Hermes International SA	Consumer Discretionary	216.15	6.92	tCO2e/US\$m inflation adjusted gross profits	Sub-Industry Trend	-10,314,700	-57	<1.5°C

Worst	Name	Industry/Sub-industry	2015 tCO2e Intensity	2025 tCO2e Intensity	Intensity Unit	Forecast Source	Total Carbon (tCO2e)	Apportioned Carbon (tCO2e)	Pathway
	CIE Generale Des Etablissements Michelin SA, Clermont-Ferrand	Consumer Discretionary	514.36	363.44	tCO2e/US\$m inflation adjusted gross profits	Company Target	9,155,160	221	>5°C
	Repsol SA	Energy	2091.81	792.46	tCO2e/US\$m inflation adjusted gross profits	Company Target	140,946,000	203	>5°C
	Koninklijke Ahold Delhaize NV	Consumer Staples	211.14	173.02	tCO2e/US\$m inflation adjusted gross profits	Sub-Industry Trend	10,177,800	145	>5°C
	Randstad NV	Industrials	21.43	20.76	tCO2e/US\$m inflation adjusted gross profits	Sub-Industry Trend	1,287,000	87	>5°C
	ORANGE	Communication Services	97.52	87.35	tCO2e/US\$m inflation adjusted gross profits	Sub-Industry Trend	5,673,440	78	>5°C

The contribution, or apportioned carbon, is computed on ownership bases. Negative values indicate alignment with the 2 °C scenario.

Sources: Unigestion, MSCI, Trucost



# Physical Risk

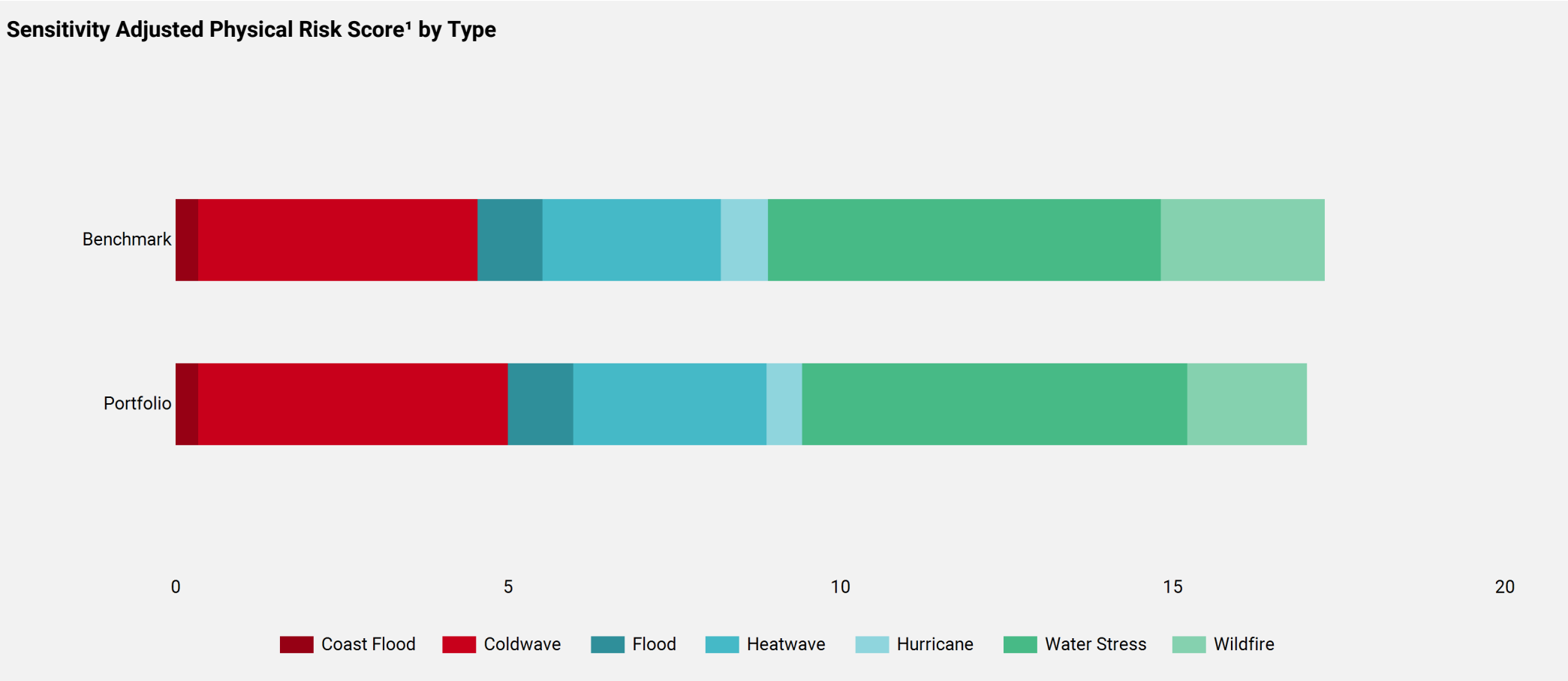
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# PHYSICAL RISK

## Physical or Tangible Effects of Climate Change

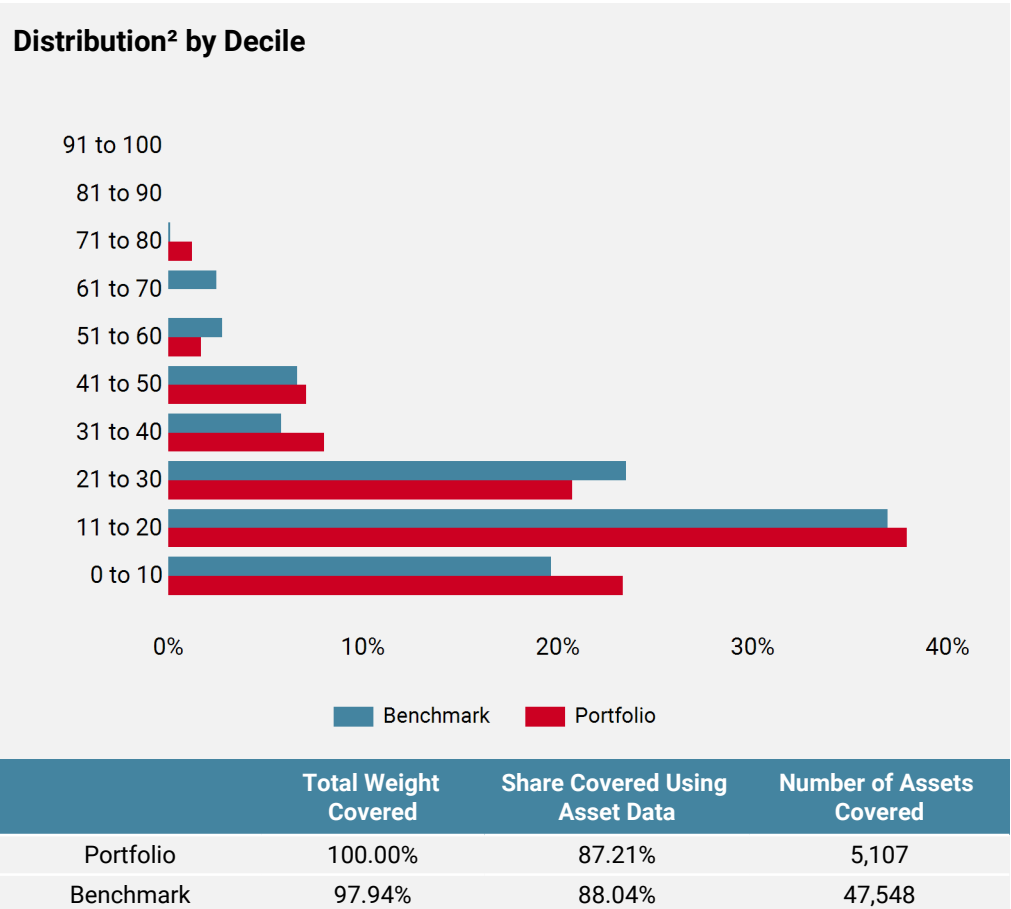
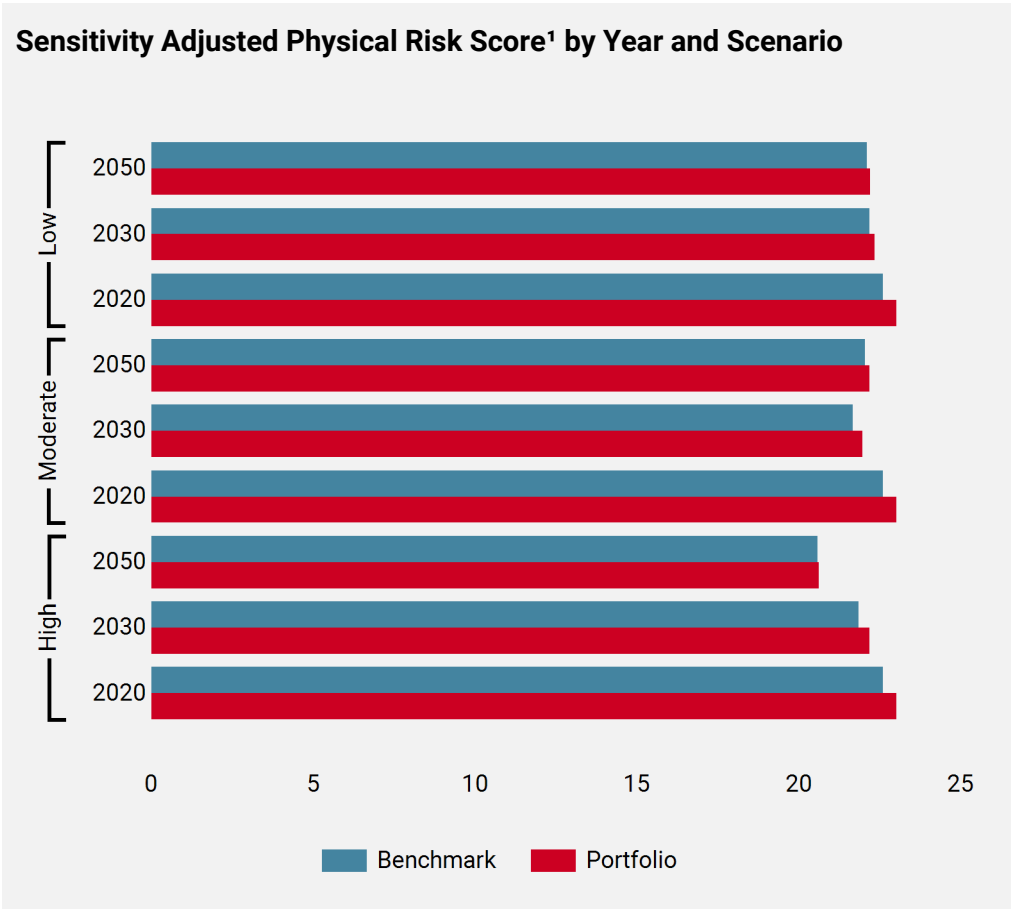


<sup>1</sup> Incorporates adjustment for the expected sensitivity of each company to each form of physical risk and level of risk is aggregated on ownership.  
Physical risk types (7): coastal floods, cold waves, floods, heatwaves, hurricanes, water stress and wildfires. At company level, physical risk exposure indicators are on a scale of 0 to 100 (lowest to highest). Exposure used in the chart is for 2050, under a high warming scenario (RCP 8.5).  
**Portfolio** refers to Uni-Global - Equities Eurozone while **Benchmark** refers to MSCI European Monetary Union.

Sources: Unigestion, MSCI, Trucost



# PHYSICAL RISK



<sup>1</sup> Physical Risk Score is a sensitivity adjusted physical risk score that incorporates an adjustment for the expected sensitivity of each company to each form of physical risk. Level of risk aggregated on ownership. The aggregate sensitivity adjusted physical risk exposure is computed for all years and scenarios. High scenario corresponds to RCP 8.5, moderate is RCP 4.5 and low is RCP 2.6.

<sup>2</sup> Based on the sensitivity adjusted score. At company level, physical risk exposure indicators are on a scale of 0 to 100, from lowest to highest under a high warming scenario (RCP 8.5).

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Sources: Unigestion, MSCI, Trucost



# PHYSICAL RISK

**Sensitivity Adjusted Physical Risk Score by Sector (High Scenario<sup>1</sup> - 2050)**

	Composite	Coast Flood	Coldwave	Flood	Heatwave	Hurricane	Water	Wildfire
Communication Services	1.65	3.95	1.89	3.95	1.89	3.95	0.18	3.95
Consumer Discretionary	1.29	2.71	1.71	2.71	1.71	2.71	0.16	2.71
Consumer Staples	3.20	6.11	4.87	6.11	4.87	6.11	0.31	6.11
Energy	0.02	0.05	0.00	0.05	0.00	0.05	0.00	0.05
Financials	0.27	0.16	0.15	0.16	0.15	0.16	0.12	0.16
Health Care	3.46	3.87	2.35	3.87	2.35	3.87	2.48	3.87
Industrials	4.52	3.12	9.31	3.12	9.31	3.12	0.38	3.12
Information Technology	0.99	1.44	1.34	1.44	1.34	1.44	0.12	1.44
Materials	2.83	4.40	1.32	4.40	1.32	4.40	4.31	4.40
Real Estate	0.29	0.09	0.09	0.09	0.09	0.09	0.73	0.09
Utilities	2.09	3.82	0.08	3.82	0.08	3.82	2.28	3.82

<sup>1</sup> The scenario considered is RCP 8.5, or the high warming scenario.

<sup>2</sup> Composite score is the physical risk score that aggregates the 7 physical risk types. This assessment uses the sensitivity adjusted composite physical risk score. Exposure to physical risk is apportioned by ownership.

Sources: Unigestion, MSCI, Trucost



# PHYSICAL RISK

## Best/Worst Contributors

Best	Name	Sector	Ownership	Composite	Adjusted Composite	Adjusted Composite Contribution (bps)	Data Quality
	Erste Group Bank AG	Financials	0.00025%	31	2	-0.05	A
	Allianz SE	Financials	0.00046%	43	3	-0.14	A
	Axa, Paris	Financials	0.00051%	47	3	-0.15	A
	Deutsche Telekom AG	Communication Services	0.00016%	52	16	-0.25	B
	Caixabank SA	Financials	0.00095%	57	3	-0.29	A
Worst	Name	Sector	Ownership	Composite	Adjusted Composite	Adjusted Composite Contribution (bps)	Data Quality
	Diasorin Spa	Health Care	0.00496%	59	51	-25.30	B
	Enagas SA	Utilities	0.00358%	59	70	-25.06	A
	Bureau Veritas SA	Industrials	0.00493%	49	41	-20.22	A
	Etablissements Franz Colruyt SA	Consumer Staples	0.00337%	59	51	-17.16	A
	PostNL NV	Industrials	0.00363%	51	41	-14.89	B

Best (worst) performers in terms of physical risk using raw and sensitivity adjusted composite physical risk scores.

- Composite score is the raw composite physical risk score of the company without sensitivity adjustment. Composite indicates aggregation of the 7 physical risk types (coastal floods, coldwaves etc.). At company level, raw physical risk scores (composite) are on a scale of 0 to 100 (lowest to highest).
- Adjusted composite is the raw composite physical risk score adjusted for company sensitivity to physical risk.
- Data quality indicates the quality of data used to determine physical risk score at company level. There are two levels: A and B, where A indicates higher quality.
- Asset count indicates the number of assets assessed at company level to determine company exposure to physical risk. In absence of asset level data, physical risk exposure is determined based on HQ location and revenue share by country, rather than location of assets.

Contribution to portfolio physical risk score is computed on the basis of ownership and is quoted as the basis point decrease in physical risk exposure for the portfolio in the event of full divestment from the stock.

Sources: Unigestion, MSCI, Trucost





# SFDR Principal Adverse Impact Indicators

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# SFDR PRINCIPAL ADVERSE IMPACT INDICATORS

## Climate and Other Environment-related Indicators

	Indicator	Description	Unit of Measure	Impact 2022	Impact 2021	Coverage (%)
<b>Greenhouse gas emissions</b>	<b>1. GHG emissions</b>	Scope 1 GHG emissions	Tonnes	423	866	100
		Scope 2 GHG emissions	Tonnes	477	693	100
		From 1 January 2023, Scope 3 GHG emissions	Tonnes	9,208	13,523	100
		Total GHG emissions	Tonnes	10,107	15,082	100
	<b>2. Carbon footprint</b>	Carbon footprint	Tonnes / mUSD of Enterprise Value	235	231	100
	<b>3. GHG intensity of investee companies</b>	GHG intensity of investee companies	Tonnes / mUSD of Revenue	521	574	100
	<b>4. Exposure to companies active in the fossil fuel sector</b>	Share of investments in companies active in the fossil fuel sector	%	3	4	100

Source: Unigestion, Trucost, Sustainalytics



# SFDR PRINCIPAL ADVERSE IMPACT INDICATORS

## Climate and Other Environment-related Indicators

	Indicator	Description	Unit of Measure	Impact 2022	Impact 2021	Coverage (%)
Greenhouse gas emissions	<b>5. Share of non-renewable energy consumption and production</b>	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage	%	50	51	91
	<b>6. Energy consumption intensity per high impact climate sector</b>	Energy consumption in GWh per million USD of revenue of investee companies, per high impact climate sector	GWh / mUSD of Revenue	1	1	100
Biodiversity	<b>7. Activities negatively affecting biodiversity-sensitive areas</b>	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas *	%	10	11	100
Water	<b>8. Emissions to water</b>	Tonnes of emissions to water generated by investee companies per million USD invested, expressed as a weighted average	Tonnes	170	183	100
Waste	<b>9. Hazardous waste ratio</b>	Tonnes of hazardous waste generated by investee companies per million USD invested, expressed as a weighted average	Tonnes	7,295	8,775	100

\* Based on score that measures whether company has a publicly available commitment to maintain, enhance, or conserve biodiversity/ecosystems for company's own operational activities (e.g. production, extraction, plantation, or development activities), and if the commitment is applicable to company's supply chain. Score range is 0-100, where 100 is best practice. Due to inability to distinguish investee companies with negative effect on biodiversity-sensitive areas, reported figure is computed as share of investments in investee companies with score below 50.

Source: Unigestion, Trucost, Sustainalytics



# SFDR PRINCIPAL ADVERSE IMPACT INDICATORS

## Social and Employee, Respect for Human Rights, Anti-corruption and Anti-bribery Matters

	Indicator	Description	Unit of Measure	Impact 2022	Impact 2021	Coverage (%)
Social and employee matters	<b>10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises"</b>	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0	0	100
	<b>11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</b>	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	%	0	0	100

Source: Unigestion, Trucost, Sustainalytics



# SFDR PRINCIPAL ADVERSE IMPACT INDICATORS

## Social and Employee, Respect for Human Rights, Anti-corruption and Anti-bribery Matters

	Indicator	Description	Unit of Measure	Impact 2022	Impact 2021	Coverage (%)
Social and employee matters	<b>12. Unadjusted gender pay gap</b>	Average unadjusted gender pay gap of investee companies	Score	54	55	96
	<b>13. Board gender diversity</b>	Average ratio of female to male board members in investee companies	%	74	72	90
	<b>14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</b>	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	%	0	0	100

Source: Unigestion, Trucost, Sustainalytics





# SFDR PRINCIPAL ADVERSE IMPACT INDICATORS

## Climate and Other Environment-related Indicators

	Indicator	Description	Unit of Measure	Impact 2022	Impact 2021	Coverage (%)
<b>Emissions</b>	<b>1. Emissions of inorganic pollutants</b>	Tonnes of inorganic pollutants equivalent per million USD invested, expressed as a weighted average	Tonnes	137	132	100
	<b>2. Emissions of air pollutants</b>	Tonnes of air pollutants equivalent per million USD invested, expressed as a weighted average	Tonnes	2,677	3,753	100
	<b>3. Emissions of ozone depletion substances</b>	Tonnes of ozone depletion substances equivalent per million USD invested, expressed as a weighted average	Tonnes	147	245	100

## Social and Employee, Respect for Human Rights, Anti-corruption and Anti-bribery Matters

	Indicator	Description	Unit of Measure	Impact 2022	Impact 2021	Coverage (%)
<b>Social and employee matters</b>	<b>6. Insufficient whistleblower protection</b>	Share of investments in entities without policies on the protection of whistleblowers	%	0	1	90

Source: Unigestion, Trucost, Sustainalytics



# Engagement

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# ENGAGEMENT

Year	Company	Engagement Status	Voting Script	Company Reply	Category
2021	Ryanair	Satisfactory explanation, discussion closed	Concerns about board oversight of ESG risks, disclosure of GHG emissions	We organized a call with company experts in May 2021. We covered a broad range of topics including their whistleblower policy, GHG emissions and Net Zero pledge, KPIs and compensation, lobbying and political contributions, and their work on sustainable fuels. Company provided concrete explanations to our concerns.	E-GHG
2022	Kone (B)	Ongoing dialog, conference call with be/was scheduled	Election of members to the Board of Directors, given the insufficient level of independence on the Board and on key committees	Company replied and acknowledged our letter to the CEO. They explained their view on independence of directors as per Finnish law. We are in contact with them to schedule a call after the AGM around end of Q1 2022.	E-GHG
2021	Wartsila	Ongoing dialog, conference call with be/was scheduled	Election of members to the Board of Directors, given the insufficient level of independence on a key committee, and overboarding of one of the nominees	Company replied with explanations. We are reviewing their arguments and will organize a call with IR department.	E-GHG
2021	Stora Enso (R)	Ongoing dialog, conference call with be/was scheduled	Election of Member to the Board of Directors and Chairman of the audit committee	Company acknowledged our letter and will forward it to the CEO. A conference call took place with Head of IR, who is aware of the issue. Our concerns will again be forwarded to the Board of Directors.	E-GHG
2021	NN	Satisfactory explanation, discussion closed	Concerns about the environmental impact of products: Financial relationship with agribusiness companies that are active in regions where deforestation is an issue.	Company replied with explanations and links to Annual Review and Responsible Investment reports. We scheduled a call with experts and discussed the issues raised in detail. Company provided concrete explanations to our concerns.	E-GHG
2021	Enagas	Satisfactory explanation, discussion closed	Concerns about GHG emissions: company is facing complaints about the climate footprint of the Trans Adriatic Pipeline.	Company replied and we scheduled a call with Sustainability experts to discuss their approach to ESG and the specific topic of the pipeline. Company gave concrete details of its sustainability strategy as well as more details on the pipeline controversy.	E-GHG
2021	Industria de Diseno Textil	No response received yet	Concerns about company's low assessment on its fairness ratio.	No answer received yet.	S-Fairness Ratio
2021	Iberdrola	Satisfactory explanation, discussion closed	Concerned about the situation the company is facing in terms of its fairness ratio.	We had a call with company experts in September and discussed their approach to fairness ratio. We also discussed GHG emissions and their decarbonisation plan. Company gave concrete explanations to all of our concerns.	S-Fairness Ratio

Sources: Unigestion, ISS





# ENGAGEMENT

Year	Company	Engagement Status	Voting Script	Company Reply	Category
2021	Heineken	Ongoing dialog, conference call with be/was scheduled	Concerns about employee incidents, human rights and company's fairness ratio	Company acknowledged receipt of our letter, which was forwarded internally. We discussed several topics over a conference call with company experts: fairness ratio as well as sexual exploitation connected to Heineken's beer promotion activities in Africa	S-Fairness Ratio
2021	Bureau Veritas	Ongoing dialog, conference call with be/was scheduled	Concerned about the situation the company is facing in terms of its fairness ratio.	Company thanked us for our letter and shared it with the people in charge. They will come back to us on the matter after the holiday season.	S-Fairness Ratio
2022	Danone	No response received yet	Concerns about the situation the company is facing in terms of its fairness ratio.	No reply received yet	S-Fairness Ratio
2021	Heineken	Ongoing dialog, conference call with be/was scheduled	Concerns about employee incidents, human rights and company's fairness ratio	Company acknowledged receipt of our letter, which was forwarded internally. We discussed several topics over a conference call with company experts: sexual exploitation connected to Heineken's beer promotion activities in Africa	S-Employee Incident
2021	Hannover Rueck	Letter acknowledged with explanations	Concerns about board composition.	Company replied in August with explanations to our concerns, and mention of its memberships to UNGC, UNPRI, UNEP FI. However, on board composition, company does not align itself to international standards.	G-Board Independence
2021	Deutsche Telekom	Satisfactory explanation, discussion closed	Amend Articles of Association to allow Shareholder questions during the virtual meeting.	Company gave substantial explanations to our concerns, as well as concrete examples for the specific situation that virtual meetings entail.	G-Board Independence
2021	Etablissements ten Franz Colruyt	Letter acknowledged with explanations	Concerns about board composition.	Reply received on 18 May. We will review to see if all our concerns have been addressed.	G-Board Independence
2021	Hermes International	No response received yet	Concerns about board composition.	No reply received yet.	G-Board Independence
2021	Heineken	Ongoing dialog, conference call with be/was scheduled	Concerns about employee incidents, human rights and company's fairness ratio	Company acknowledged receipt of our letter, which was forwarded internally. We discussed several topics over a conference call with company experts: human rights as well as sexual exploitation connected to Heineken's beer promotion activities in Africa	Human Rights

Sources: Unigestion, ISS



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