

Equities

---



# Uni-Global - Equities Global Climate Transition

ESG REPORT

April 2023





# TABLE OF CONTENTS

---

	ESG	04
	TCFD Reporting	13
	Current Emissions	14
	Fossil Fuels	19
	Temperature Assessment	22
	Physical Risk	27
	SFDR Principal Adverse Impact Indicators	32



# PORTFOLIO INTRODUCTION

▶ **Portfolio:** **Uni-Global - Equities Global Climate Transition**

▶ **Benchmark:** **MSCI All Countries World, except in Current Emissions and Fossil Fuels sections, where benchmark is Climate Eligible Index**

▶ **Eligible Index is the index subset where company activities are defined as directly impacting climate change under EU Taxonomy. These companies have one of the predefined NACE sectors according to the Taxonomy Regulation delegated act (Annex I and II). Here, index stands for MSCI All Countries World.**

▶ **Investment Universe:** **MSCI All Countries World**

▶ **Currency:** **USD**





ESG

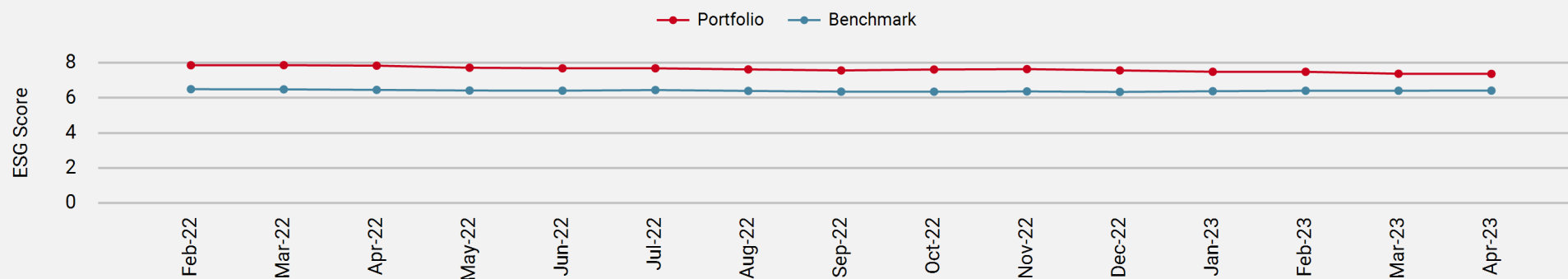
---



# ESG

## Material ESG Issues and Opportunities

### Historical ESG Score Rank<sup>1</sup>



### ESG Score by Pillar<sup>2</sup>

Score	Portfolio	Benchmark
E	28.50	20.47
S	18.85	28.15
G	34.67	30.78
<b>ESG</b>	<b>82.02</b>	<b>79.40</b>
Coverage	100.0%	100.0%

### ESG Trend<sup>3</sup>

	Portfolio	Benchmark
Positive	10.72%	3.61 %
Stable	88.94%	94.97 %
Negative	0.34%	0.64 %
Not Rated	-	0.78 %
	100.0%	100.0%

<sup>1</sup> Score rank is by percentile (10 is the best, 0 being the worst). The score is aggregated based on position weight.

<sup>2</sup> Unigestion ESG Scores (stock level) are proprietary scores on a scale of 0 to 100 (worst to best).

<sup>3</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 Global Climate Transition while **Benchmark** refers to MSCI All Countries World.

Sources: Unigestion, MSCI, Sustainalytics

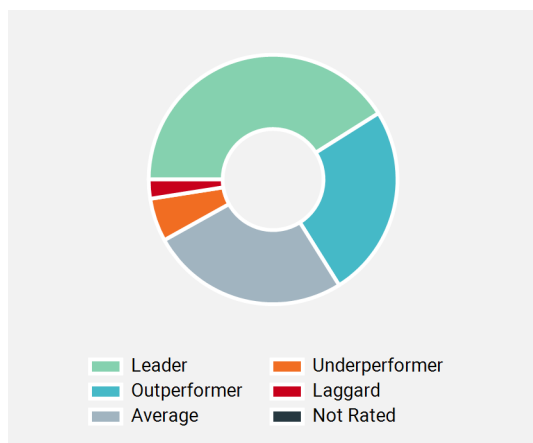


# ESG

## Distribution of ESG Scores

### ESG Score by Category

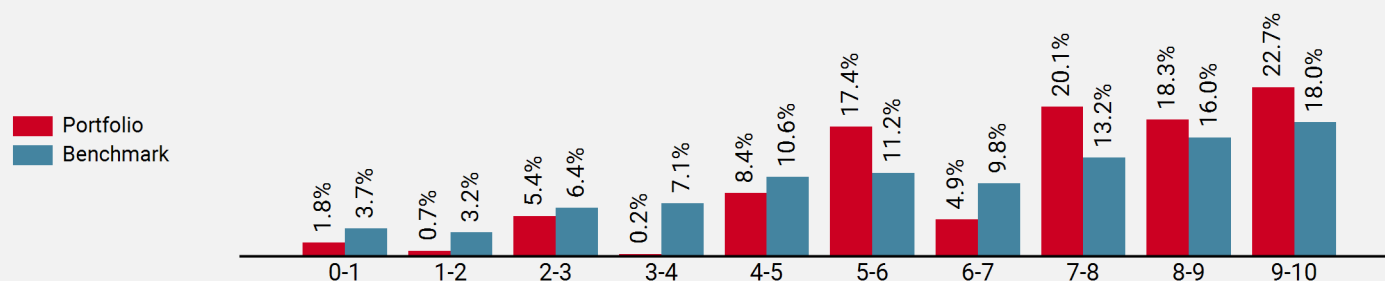
	Portfolio	Benchmark
Leader	41.08%	34.01 %
Outperformer	25.01%	23.02 %
Average	25.83%	21.83 %
Underperformer	5.60%	13.57 %
Laggard	2.47%	6.86 %
Not Rated	-	0.71 %



### ESG Score Breakdown by Sector

Sector	Leader	Outperformer	Average	Underperformer	Laggard	Not Rated
Communication Services	-	-	-	-	-	-
Consumer Discretionary	5.44%	-	-	-	-	-
Consumer Staples	-	-	-	-	-	-
Energy	-	2.55 %	-	-	-	-
Financials	2.33%	2.51 %	-	-	-	-
Health Care	-	-	-	-	-	-
Industrials	17.24%	11.80 %	12.01%	5.60%	1.79%	-
Information Technology	6.97%	3.22 %	3.14%	-	0.68%	-
Materials	0.94%	-	3.62%	-	-	-
NA	-	-	-	-	-	-
Real Estate	3.75%	-	-	-	-	-
Utilities	4.42%	4.93 %	7.07%	-	-	-

### ESG Score Rank Distribution



Above table shows the ESG score distribution of the portfolio compared to that of the benchmark.

**Portfolio** refers to Uni-Global - Equities Global Climate Transition while **Benchmark** refers to MSCI All Countries World.

Sources: Unigestion, MSCI, Sustainalytics



# ESG

## Best/Worst Contributors

Best	Rank	Name	Sector	Weight	Company ESG Score Rank	Portfolio ESG Contribution	Relative Position
	1	SPIE	Industrials	3.18%	9.53	0.30	Leader
	2	BorgWarner Inc	Consumer Discretionary	2.78%	9.08	0.25	Leader
	3	WSP Global Inc	Industrials	2.46%	9.69	0.24	Leader
	4	Getlink SE	Industrials	2.27%	9.73	0.22	Leader
	5	Muenchener Rueckversicherungs-Gesellschaft Aktiengesellschaft In Muenchen	Financials	2.33%	8.60	0.20	Leader

Worst	Rank	Name	Sector	Weight	Company ESG Score Rank	Portfolio ESG Contribution	Relative Position
	1	Ameresco Inc	Industrials	0.84%	0.52	0.00	Laggard
	2	Li-Cycle Holdings Corp	Industrials	0.96%	0.69	0.01	Laggard
	3	Plug Power Inc	Industrials	0.17%	4.19	0.01	Average
	4	Aker Carbon Capture ASA	Industrials	0.34%	2.22	0.01	Underperformer
	5	LONGi Green Energy Technology Co Ltd	Information Technology	0.68%	1.23	0.01	Laggard

Best (worst) performers in terms of contribution to ranked ESG score of portfolio, where the ranked scores are 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.

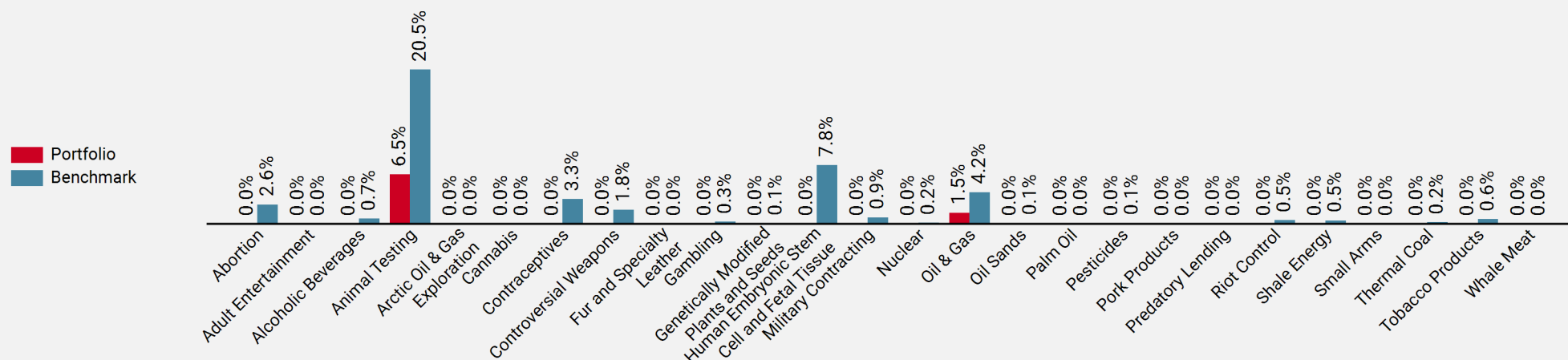
Sources: Unigestion, MSCI, Sustainalytics



# ESG

## Controversial Business Activities

Controversial Activities Breakdown (%)



### Tobacco

	Portfolio	Benchmark
Production	-	0.61 %
Related Products & Services	0.02%	0.01 %
Retail	0.05%	0.09 %

### Oil & Gas

	Portfolio	Benchmark
Energy Generation	0.03%	0.38 %
Production	1.35%	3.65 %
Supporting Products/Services	1.03%	0.55 %

Company level involvement in the business activity is the share of revenue made from said business activity. The total levels for each involvement are the weighted averages 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.

Detailed exposures for Tobacco and Oil & Gas show the weighted averages of revenue share and do not take into account the 10% revenue threshold.

**Portfolio** refers to Uni-Global - Equities Global Climate Transition while **Benchmark** refers to MSCI All Countries World.

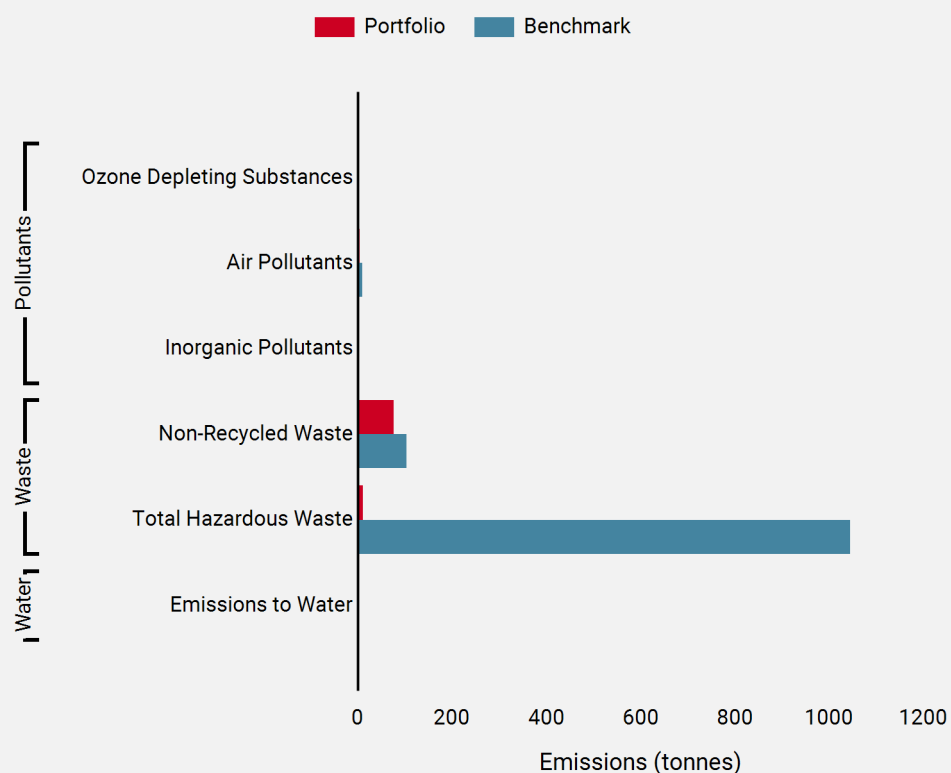
Sources: Unigestion, MSCI, Sustainalytics



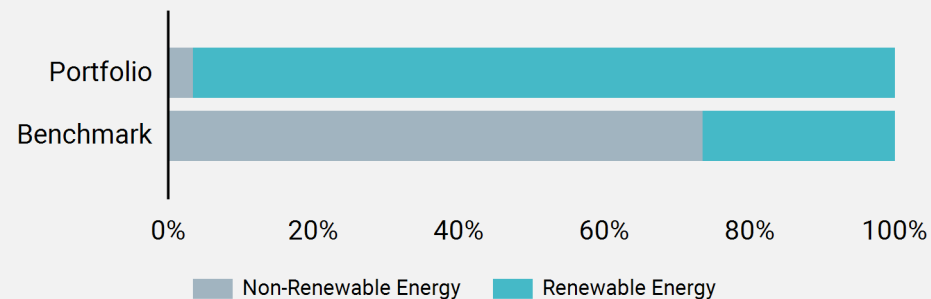


## Climate KPIs (ex GHG Emissions)

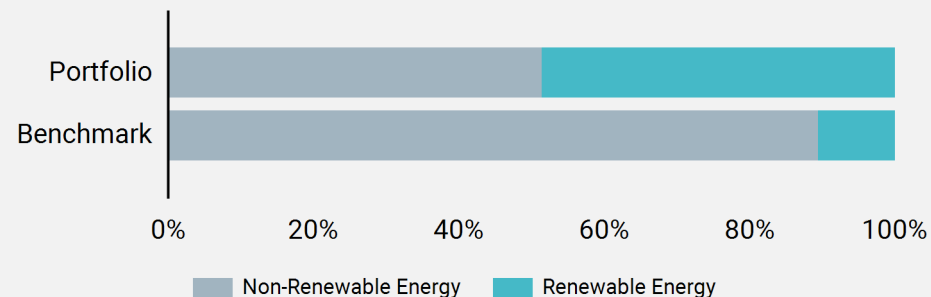
### Pollutants, Waste & Emissions to Water



### 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 Global Climate Transition while **Benchmark** refers to MSCI All Countries World.

Sources: Unigestion, MSCI, Trucost



# ESG

## Social KPIs

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

Portfolio Benchmark

72

66

Corruption & Bribery

### Board Composition by Gender

Portfolio

Benchmark

28.9%

71.1%

29.2%

70.8%

Female Male

<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.

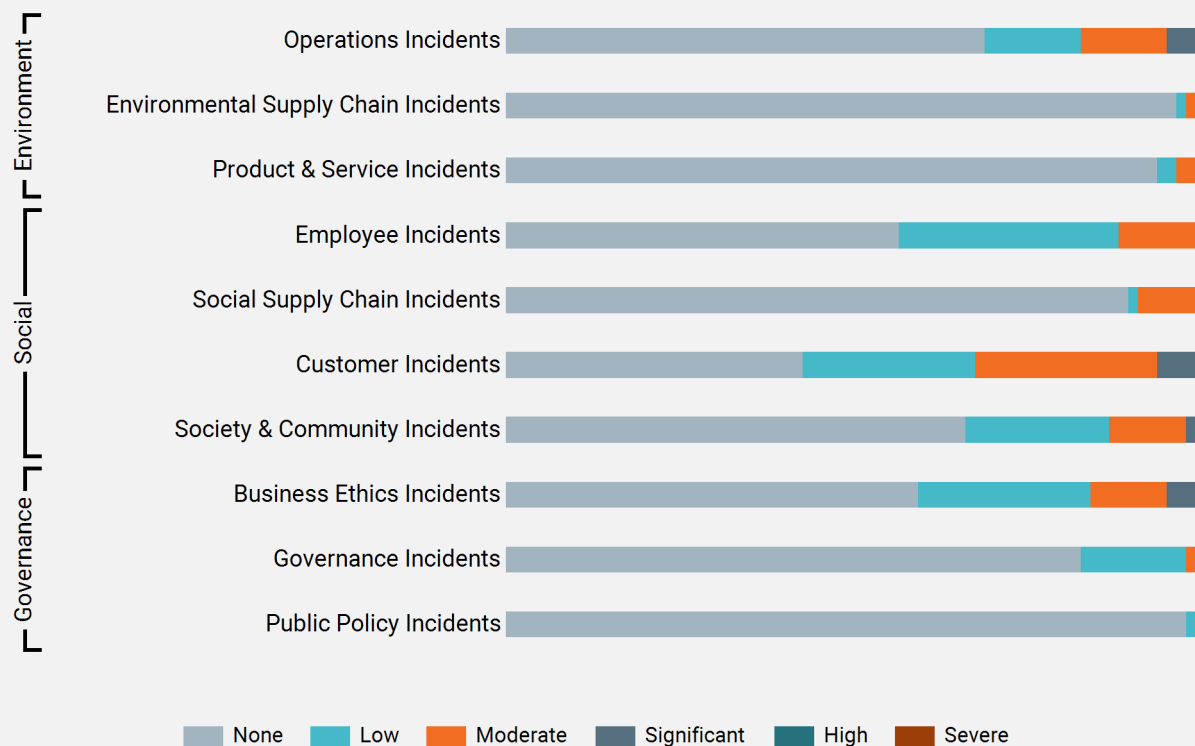
**Portfolio** refers to Uni-Global - Equities Global Climate Transition while **Benchmark** refers to MSCI All Countries World.

Sources: Unigestion, MSCI, Trucost



## Controversies

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



### Controversy by Category (# of companies)

	Portfolio	Benchmark
Severe	-	19
High	-	62
Significant	8	330
Moderate	26	1010
Low	22	615
None	16	818
No Coverage	-	31

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

	Portfolio	Benchmark
Compliant	99.06%	88.92 %
Watchlist	0.94%	9.03 %
Non-Compliant	-	1.62 %
No Coverage	-	0.42 %

<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 Global Climate Transition while **Benchmark** refers to MSCI All Countries World.

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	23
	Predatory Lending	-
	Thermal Coal	58
	Tobacco	10
	UNGC Non-compliant	30
Pillar II	High-carbon Emitters	98
	Non-covered	77
	Severe Controversy	18
	Worst-in-class	99
Total (unique)		413
Universe		2885
% Universe		14.32%
		10.54%

<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 MSCI All Countries World.

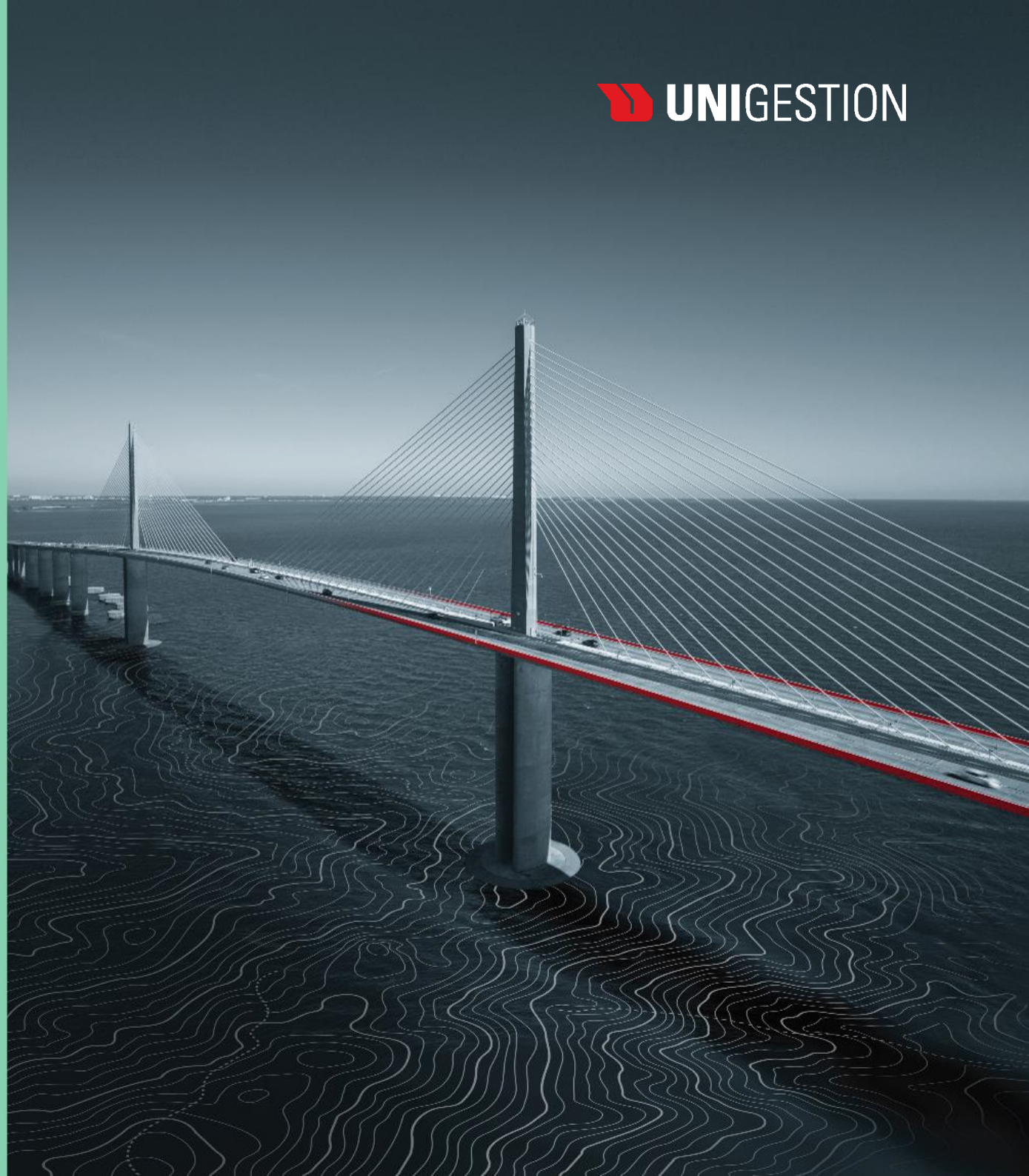
Sources: Unigestion, MSCI, Sustainalytics





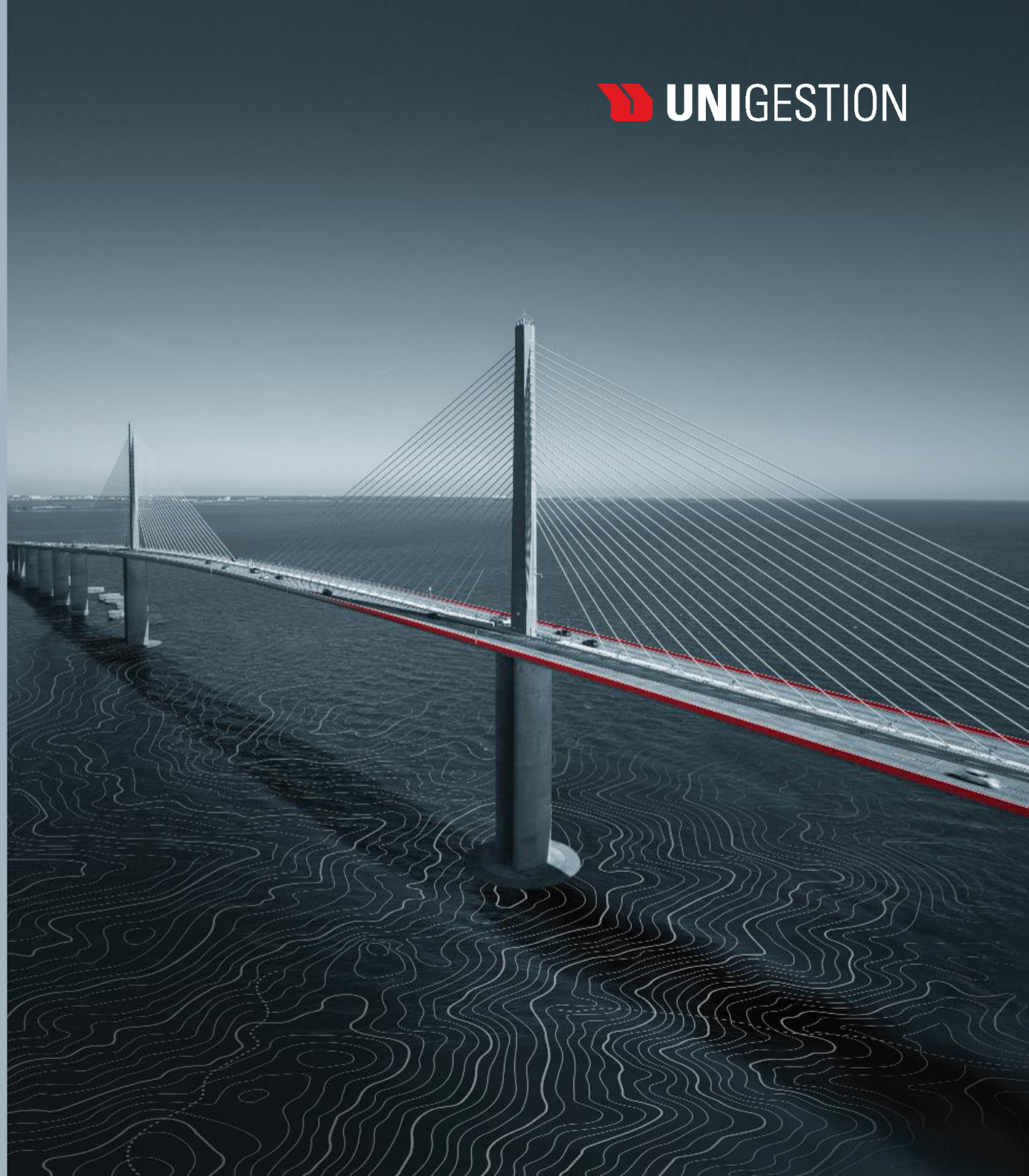
# TCFD Reporting

---



# Current Emissions

---



# 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 ( $Relative\ Efficiency = 1 - (Portfolio\ GHG\ Intensity) / (Benchmark\ GHG\ Intensity)$ )

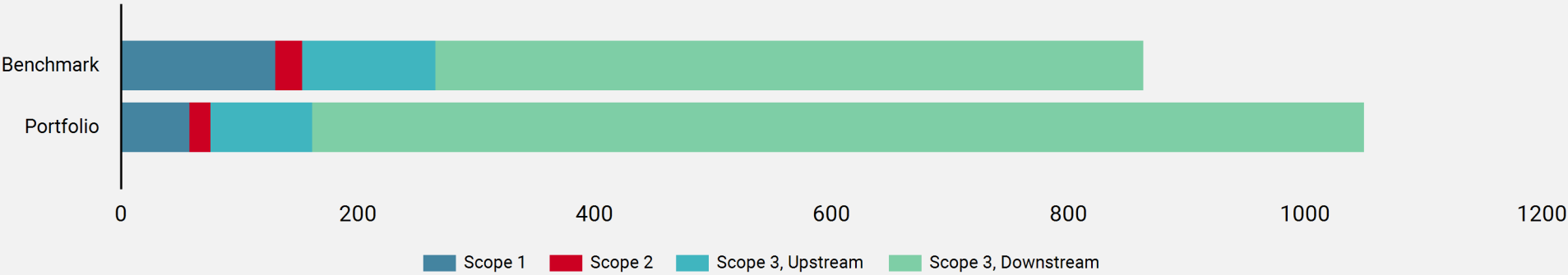




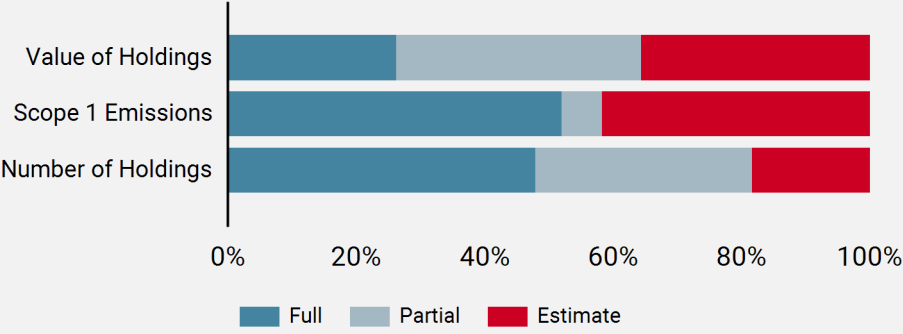
# GHG EMISSIONS

## Carbon Footprint and Intensity

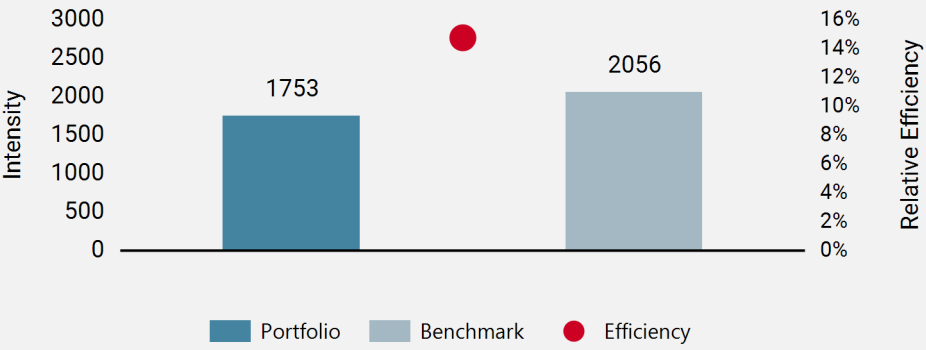
Total Carbon Footprint (tCO2e/m \$ of enterprise value)



Level of Scope 1 Disclosure (%)



GHG Intensity (tCO2e/m \$ of revenue)



**Portfolio** refers to Uni-Global - Equities Global Climate Transition while **Benchmark** refers to Climate Eligible Index.

Sources: Unigestion, MSCI, Trucost





# GHG EMISSIONS

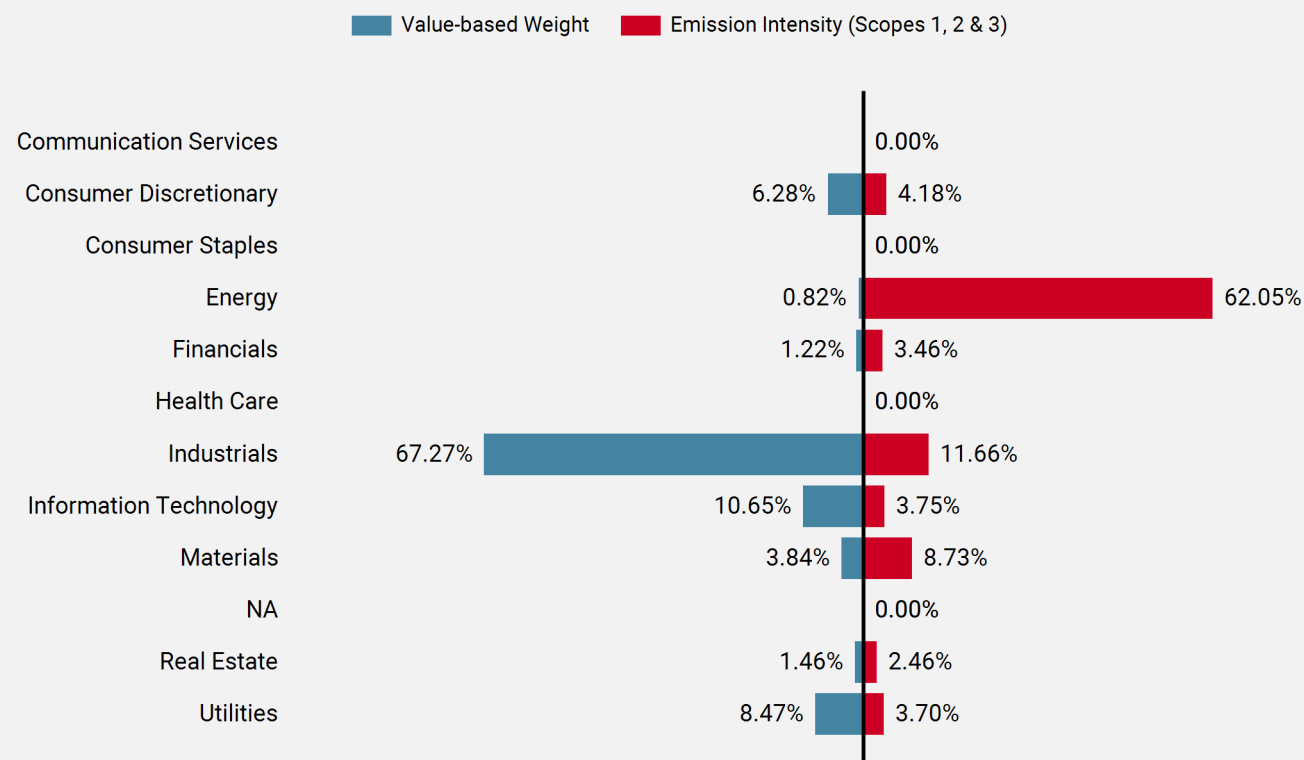
The following chart shows the value-based weight of each GICS sector in the portfolio, in comparison to the contribution of the sector to portfolio GHG

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
	Microsoft Corp	Information Technology	0.01%	0.07%	97.1273	0.000	Exact Value from Environmental/CSR
	AUTODESK INC	Information Technology	0.29%	0.03%	40.4372	0.000	Exact Value from CDP
	Travelers Companies Inc (The)	Financials	0.65%	0.02%	28.43	-0.001	Value derived from data provided in Environmental/CSR
	VERISK ANALYTICS INC	Industrials	0.72%	0.02%	35.1774	-0.001	Exact Value from CDP
	Tetra Tech Inc	Industrials	0.75%	0.04%	56.446	-0.001	Estimate used instead of disclosure - data does not cover global operations

Worst	Name	Sector	Ownership Weight <sup>1</sup>	Carbon Weight <sup>2</sup>	GHG Intensity (tCO2e/mUSD)	GHG Intensity Contribution	Disclosure
	Nexans, Paris	Industrials	2.78%	20.64%	29087.1	-2.570	Exact Value from CDP
	Array Technologies Inc	Industrials	4.84%	3.66%	5165.53	-0.795	Estimate used instead of disclosure - data does not cover global operations
	Doosan Fuel Cell Co Ltd	Industrials	4.63%	3.55%	5001.65	-0.737	Value derived from data provided in Environmental/CSR
	A. O. Smith Corp	Industrials	2.17%	3.31%	4659.25	-0.322	Value derived from data provided in Environmental/CSR
	Advanced Drainage Systems Inc	Industrials	1.72%	3.40%	4795.97	-0.263	Value derived from data provided in Environmental/CSR

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

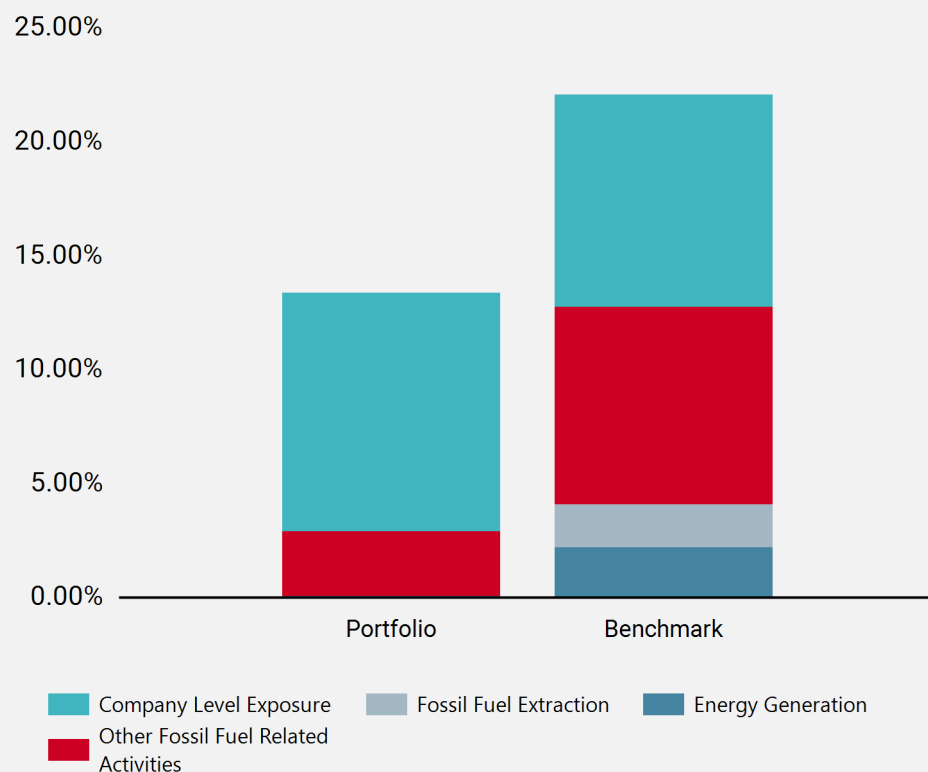
---



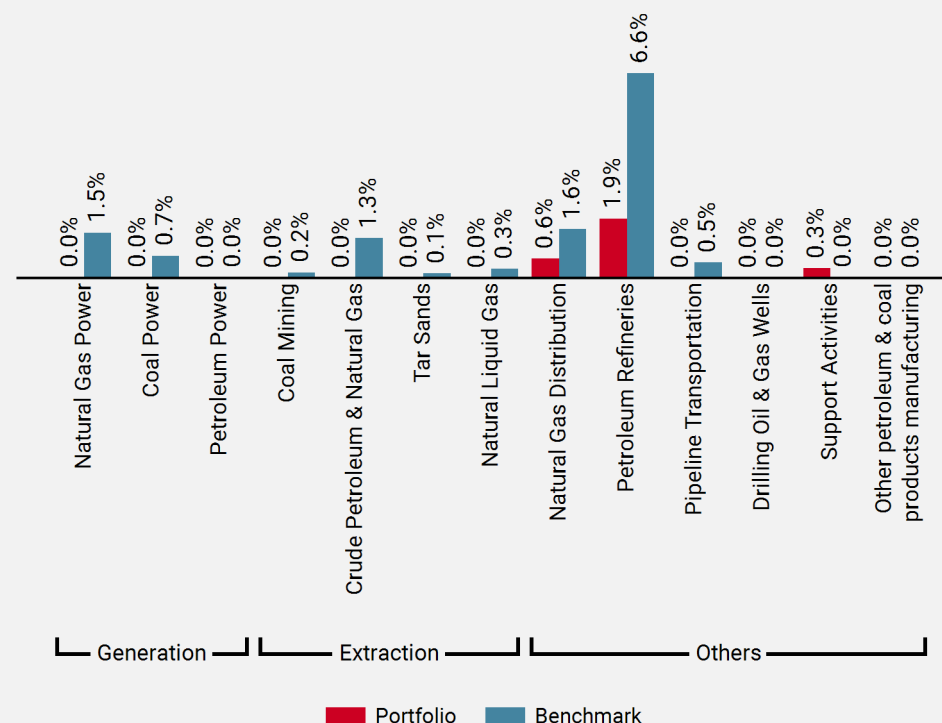
# FOSSIL FUELS

## 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.

**Portfolio** refers to Uni-Global - Equities Global Climate Transition while **Benchmark** refers to Climate Eligible Index.

Sources: Unigestion, MSCI, Trucost

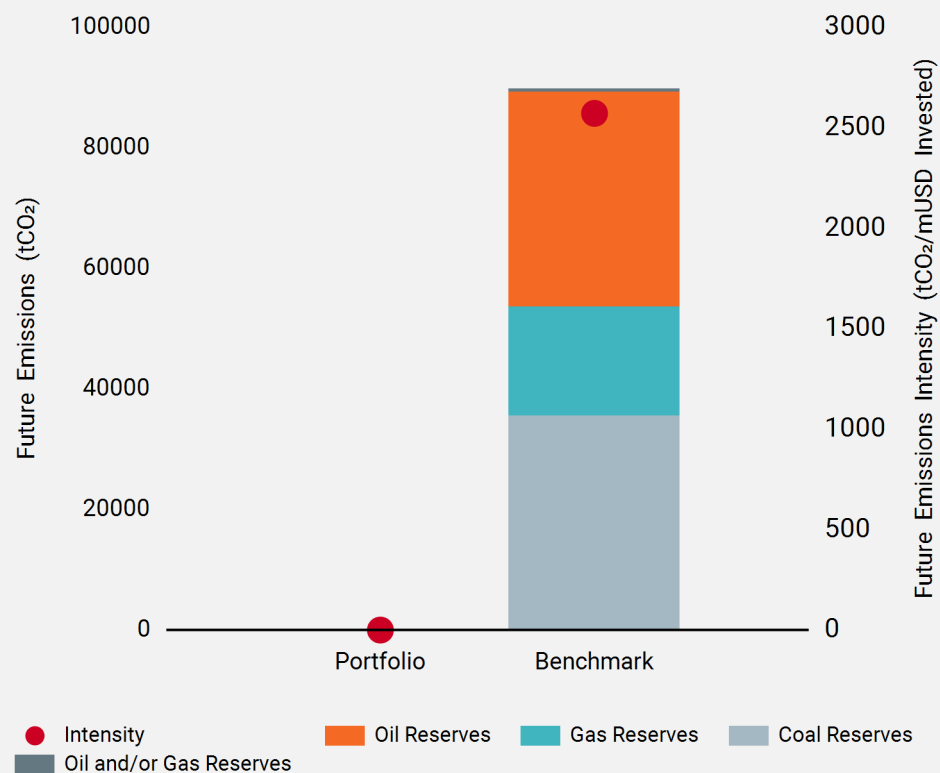




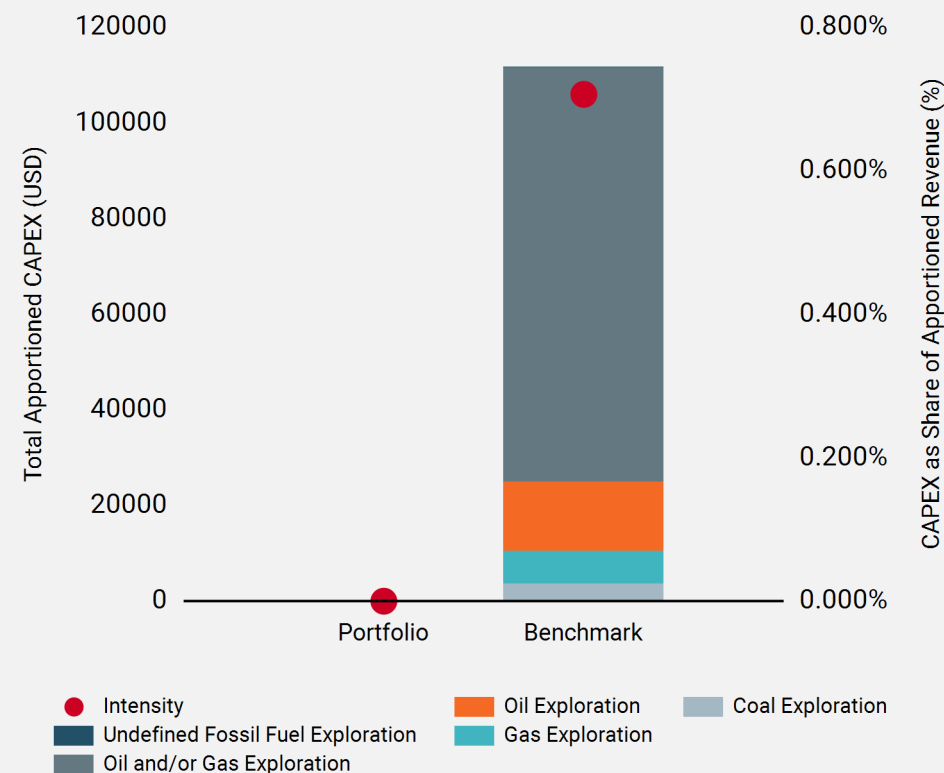
# FOSSIL FUELS

## Embedded Emissions in Reserves and Exploration Expenditures

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



Fossil Fuels CAPEX<sup>2</sup>



<sup>1</sup> Apportioned 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 Global Climate Transition while **Benchmark** refers to Climate Eligible Index.

Sources: Unigestion, MSCI, Trucost



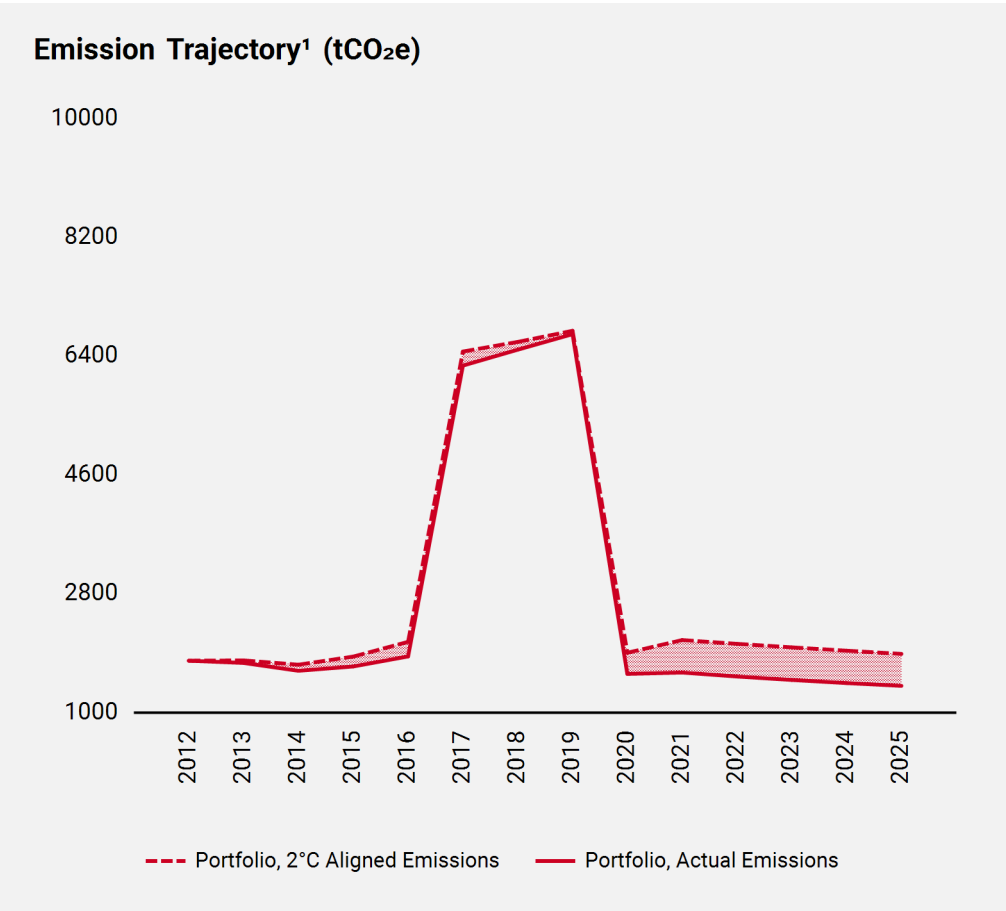
# Temperature Assessment

---



# TEMPERATURE ASSESSMENT

## Emissions Pathway Assessment



### Warming Level

**<1.5°C**

Tonnes Carbon (Under)/Over	-5368
Percent of Total (Under)/Over	-13.11%
Carbon/mInvested (Under)/Over	-131

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.

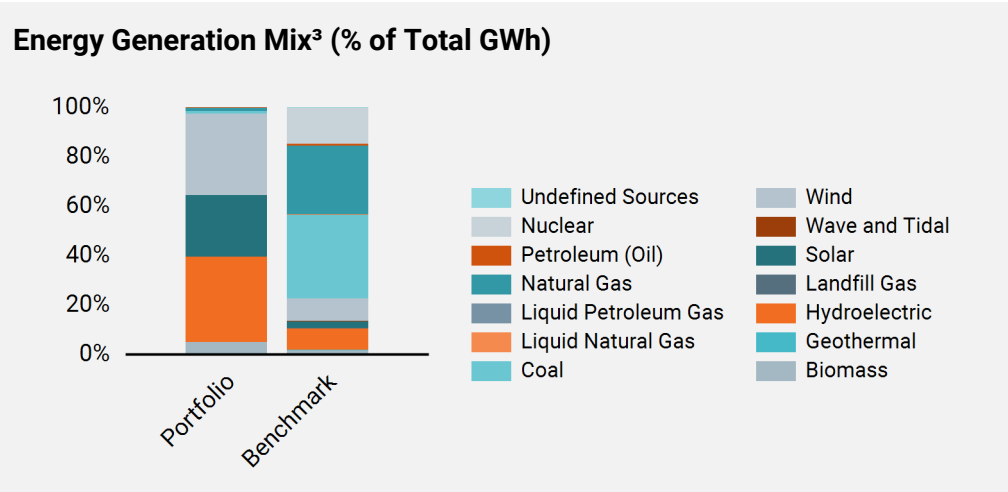
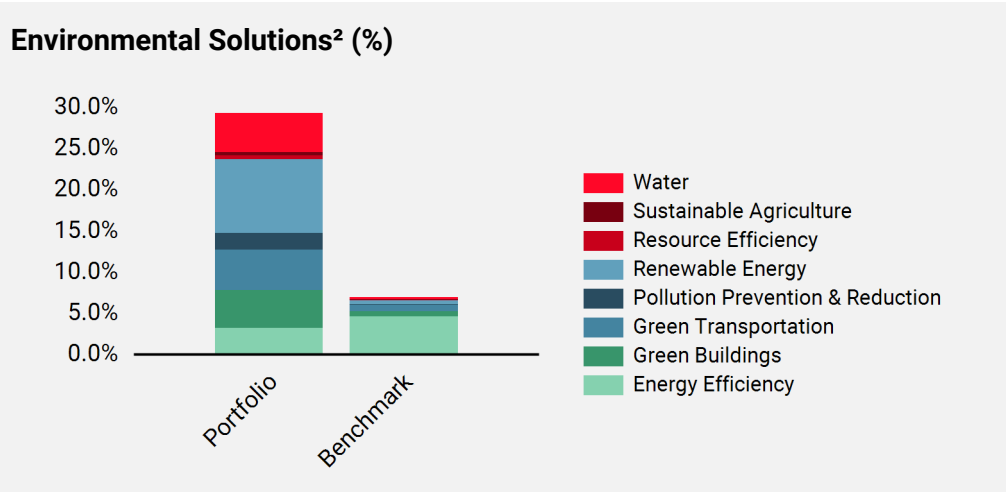
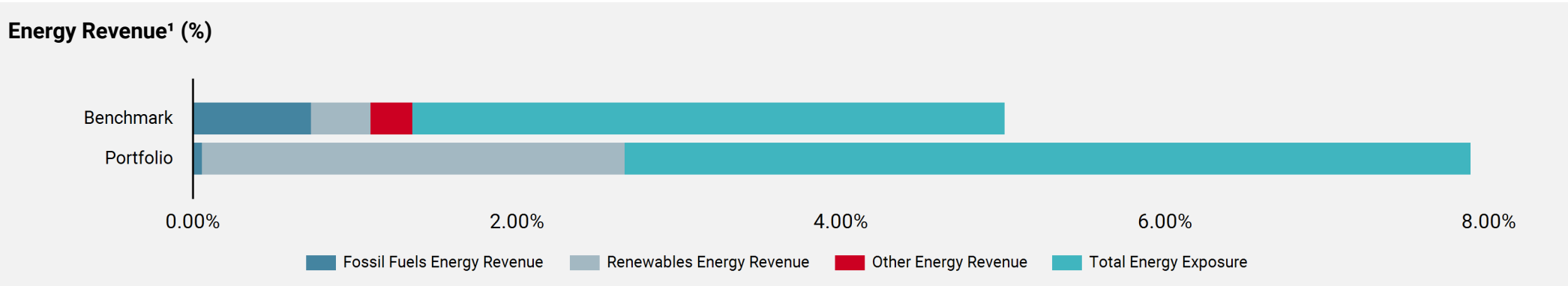
**Portfolio** refers to Uni-Global - Equities Global Climate Transition.

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 Global Climate Transition while **Benchmark** refers to MSCI All Countries World.

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	-173.60	<2C
	Cement	-562.38	<2C
	Steel	-	-
	Airlines	-	-
	Aluminum	-	-
GEVA	Communication Services	-	-
	Consumer Discretionary	-43.16	<1.75C
	Consumer Staples	-	-
	Energy	-549.29	<1.75C
	Financials	0.15	2-3C
	Health Care	-	-
	Industrials	-1080.64	<1.75C
	Information Technology	416.77	> 5C
	Materials	-444.61	<1.75C
	Real Estate	-2.27	<2C
	Utilities	-2929.06	<1.75C

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
	Owens Corning	Industrials	2932.23	1437.33	tCO2e/US\$m inflation adjusted gross profits	Company Target	-47,600,000	-2,636	<1.5°C
	Verbund AG	Utilities	0.07	0.01	tCO2e/MWh	Asset Level Data	-41,575,500	-1,325	<1.5°C
	Orsted A/S	Utilities	0.33	0.02	tCO2e/MWh	Company Target	-68,528,000	-882	<1.5°C
	Cemex SAB de CV	Cement	0.63	0.54	tCO2e/t cement	Company Target	-76,186,100	-562	1.5-2°C
Worst	Lg Chem Ltd	Materials	2908670.00	1128830.00	tCO2e/US\$m inflation adjusted gross profits	Company Target	-42,000,000	-553	<1.5°C
	Name	Industry/Sub-industry	2015 tCO2e Intensity	2025 tCO2e Intensity	Intensity Unit	Forecast Source	Total Carbon (tCO2e)	Apportioned Carbon (tCO2e)	Pathway
	LONGi Green Energy Technology Co Ltd	Information Technology	561.88	1374.57	tCO2e/US\$m inflation adjusted gross profits	Sub-Industry Trend	41,800,000	297	>5°C
	Keisei Electric Railway Co Ltd	Industrials	580.93	1298790.00	tCO2e/US\$m inflation adjusted gross profits	Sub-Industry Trend	1,817,810	209	>5°C
	First Solar Inc	Information Technology	463.98	553.50	tCO2e/US\$m inflation adjusted gross profits	Company Target	3,640,760	123	>5°C
	SPIE	Industrials	346.31	216.99	tCO2e/US\$m inflation adjusted gross profits	Sub-Industry Trend	740,795	121	>5°C
	Terna SpA	Utilities	1011.56	695.36	tCO2e/US\$m inflation adjusted gross profits	Company Target	4,157,120	109	4-5°C

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

Sources: Unigestion, MSCI, Trucost



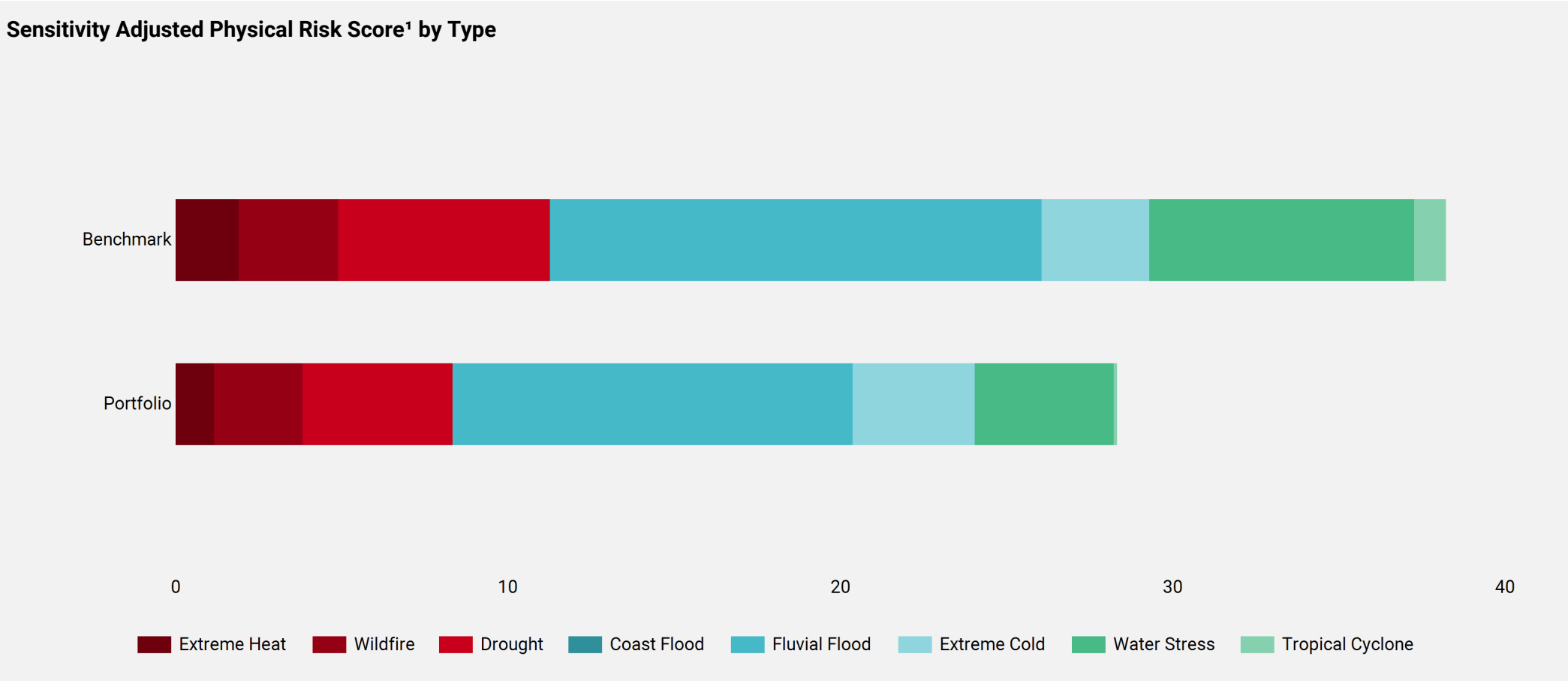
# Physical Risk

---



# PHYSICAL RISK

## Physical or Tangible Effects of Climate Change



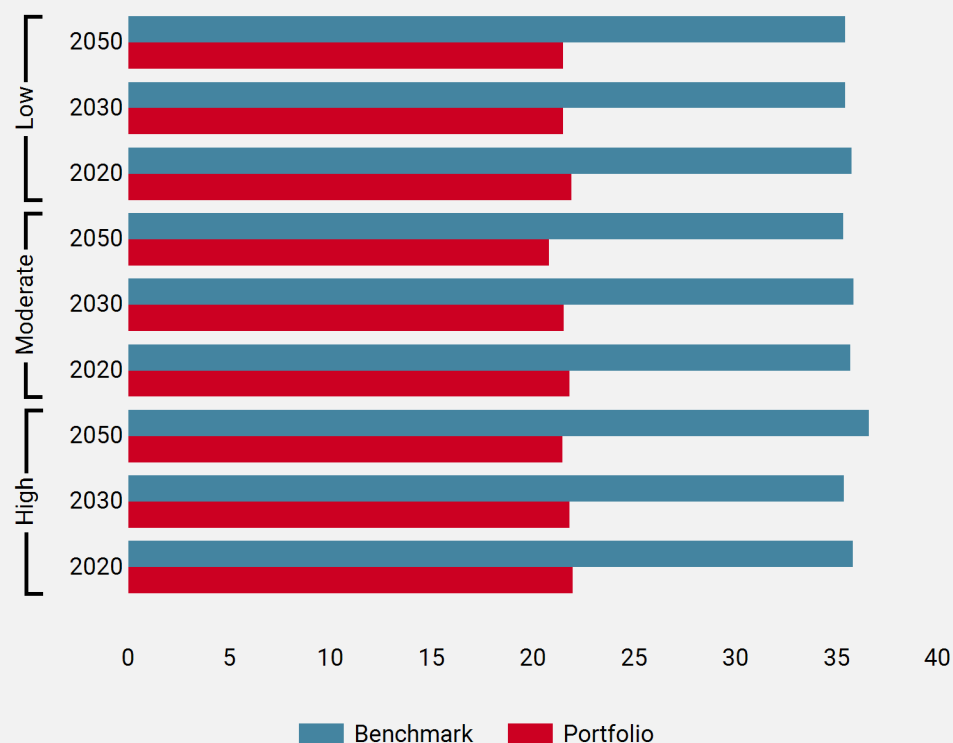
<sup>1</sup> Incorporates adjustment for the expected sensitivity of each company to each form of physical risk and level of risk is aggregated on ownership.  
Physical risk types (8): Extreme Heat, Wildfire, Drought, Coast Flood, Fluvial Flood, Extreme Cold, Water Stress and Tropical Cyclone. At company 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 Global Climate Transition while **Benchmark** refers to MSCI All Countries World.

Sources: Unigestion, MSCI, Trucost

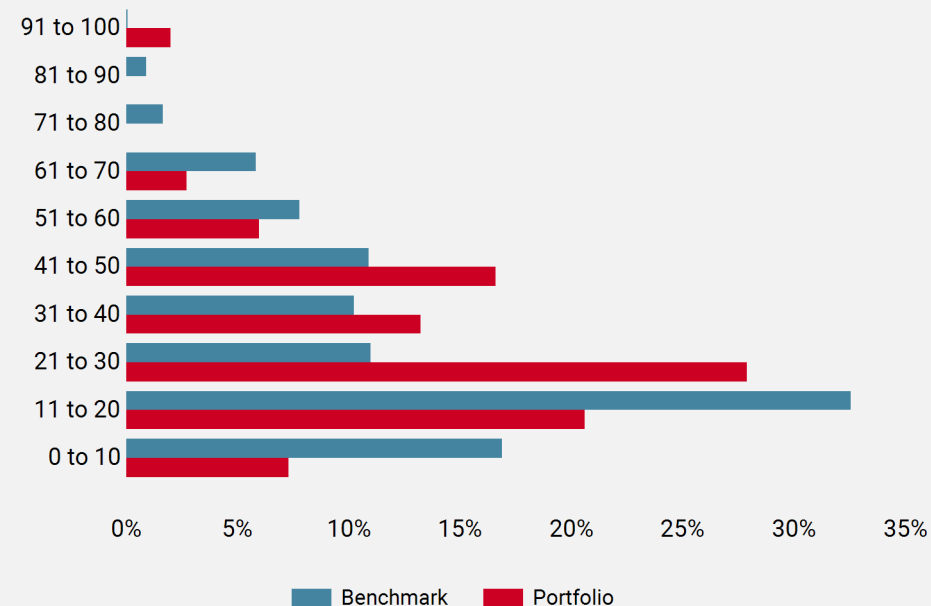


# PHYSICAL RISK

Sensitivity Adjusted Physical Risk Score<sup>1</sup> by Year and Scenario



Distribution<sup>2</sup> by Decile



	Total Weight Covered	Share Covered Using Asset Data	Number of Assets Covered
Portfolio	96.90%	93.80%	25,866
Benchmark	99.16%	97.47%	378,757

<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).

**Portfolio** refers to Uni-Global - Equities Global Climate Transition while **Benchmark** refers to MSCI All Countries World.

Sources: Unigestion, MSCI, Trucost





# PHYSICAL RISK

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

	Composite	Coast Flood	Drought	Extreme Cold	Extreme Heat	Fluvial Flood	Tropical Cyclone	Water Stress	Wildfire
Communication Services	0.00	-	-	-	-	-	-	-	-
Consumer Discretionary	2.37	0.06	0.79	0.75	0.56	1.23	0.10	0.34	0.71
Consumer Staples	0.00	-	-	-	-	-	-	-	-
Energy	0.51	0.01	0.34	0.01	0.01	0.39	0.01	0.07	0.34
Financials	0.06	0.01	0.01	0.03	0.02	0.01	0.01	0.01	0.01
Health Care	0.00	-	-	-	-	-	-	-	-
Industrials	19.33	0.44	6.25	8.03	4.48	10.35	0.94	5.47	3.14
Information Technology	4.94	0.11	1.65	1.89	1.10	2.98	0.15	1.75	1.55
Materials	2.36	0.04	1.23	0.23	0.17	1.55	0.11	0.80	1.21
Real Estate	0.63	0.01	0.33	0.04	0.02	0.54	0.02	0.21	0.15
Utilities	4.24	0.08	1.76	0.40	0.22	2.87	0.09	2.67	1.36

<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 8 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
	Microsoft Corp	Information Technology	0.00003%	69	17	-0.05	A
	Cisco Systems Inc	Information Technology	0.00031%	51	5	-0.16	A
	Muenchener Rueckversicherungs-Gesellschaft Aktiengesellschaft In Muenchen	Financials	0.00182%	60	3	-0.54	A
	DEERE & COMPANY	Industrials	0.00049%	48	13	-0.63	A
	Sika AG, Baar	Materials	0.00045%	36	20	-0.90	A
Worst	Name	Sector	Ownership	Composite	Adjusted Composite	Adjusted Composite Contribution (bps)	Data Quality
	Clean Harbors Inc	Industrials	0.01034%	69	54	-55.85	A
	Keisei Electric Railway Co Ltd	Industrials	0.01148%	60	46	-52.79	A
	SPIE	Industrials	0.01627%	48	24	-39.05	A
	Holmen AB	Materials	0.00796%	35	48	-38.22	A
	A. O. Smith Corp	Industrials	0.00692%	68	49	-33.90	A

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 8 physical risk types (Coast Floods, Extreme Cold, 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.

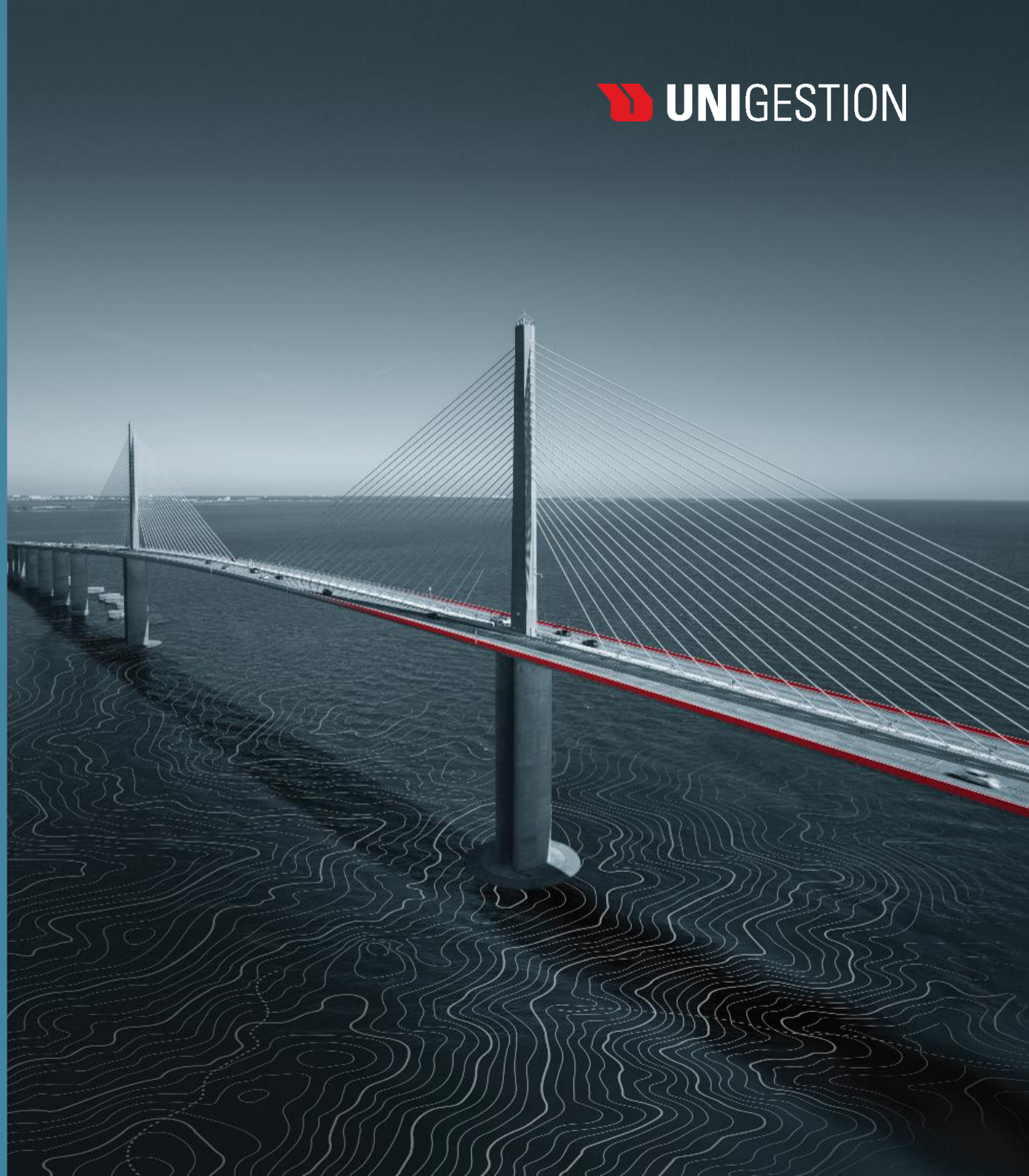
Contribution to portfolio physical risk score is computed on the basis of ownership and is quoted as the basis point decrease in physical risk exposure for the portfolio in the event of full divestment from the stock.

Sources: Unigestion, MSCI, Trucost



# SFDR Principal Adverse Impact Indicators

---



# SFDR PRINCIPAL ADVERSE IMPACT INDICATORS

## Climate and Other Environment-related Indicators

	Indicator	Description	Unit of Measure	Impact 2023	Impact 2022	Coverage (%)
<b>Greenhouse gas emissions</b>	<b>1. GHG emissions</b>	Scope 1 GHG emissions	Tonnes	1,089	434	100
		Scope 2 GHG emissions	Tonnes	428	315	100
		From 1 January 2023, Scope 3 GHG emissions	Tonnes	23,862	6,285	100
		Total GHG emissions	Tonnes	25,378	7,034	100
	<b>2. Carbon footprint</b>	Carbon footprint	Tonnes / mUSD of Enterprise Value	689	270	100
	<b>3. GHG intensity of investee companies</b>	GHG intensity of investee companies	Tonnes / mUSD of Revenue	1,679	897	100
	<b>4. Exposure to companies active in the fossil fuel sector</b>	Share of investments in companies active in the fossil fuel sector	%	11	12	99

Source: Unigestion, Trucost, Sustainalytics



# SFDR PRINCIPAL ADVERSE IMPACT INDICATORS

## Climate and Other Environment-related Indicators

	Indicator	Description	Unit of Measure	Impact 2023	Impact 2022	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	%	63	62	69
	<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	0	0	60
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 *	%	72	33	83
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 / mUSD	32	0	63
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 / mUSD	2,597	0	49

\* 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 2023	Impact 2022	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 2023	Impact 2022	Coverage (%)
Social and employee matters	<b>12. Unadjusted gender pay gap</b>	Average unadjusted gender pay gap of investee companies	%	50	48	75
	<b>13. Board gender diversity</b>	Average ratio of female to male board members in investee companies	%	44	47	81
	<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 2023	Impact 2022	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	284	166	85
	<b>2. Emissions of air pollutants</b>	Tonnes of air pollutants equivalent per million USD invested, expressed as a weighted average	Tonnes	3,734	4,162	93
	<b>3. Emissions of ozone depletion substances</b>	Tonnes of ozone depletion substances equivalent per million USD invested, expressed as a weighted average	Tonnes	59	53	57

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

	Indicator	Description	Unit of Measure	Impact 2023	Impact 2022	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	%	7	5	92

Source: Unigestion, Trucost, Sustainalytics



For qualified institutional buyers, professional and institutional investors only. Not for use by retail clients | 37

# Engagement

---



# ENGAGEMENT

## A. O. Smith Corporation

A. O. Smith Corp. manufactures residential and commercial gas and electric water heaters, boilers, tanks, and water treatment products. It operates through the following two segments: North America and Rest of World. The North America segment manufactures and markets comprehensive lines of residential and commercial gas and electric water heaters, boilers, tanks. The Rest of World segment includes China, Europe, and India and manufactures and markets water treatment products. The company was founded by Charles Jeremiah Smith in 1874 and is headquartered in Milwaukee, WI.

Engagement Summary		Engagement Status	Contact Date	Eng. w/ the company	Method
Concerns about the company's seemingly weak GHG emissions reduction target, and progress towards this target.		No response received yet	11/17/2022	1	1 Email 1 Letter
SDG	Engagement Objective	Timeline		KPI	
13	Assessment and disclosure of Climate targets	1Y		Set science-based emissions reduction targets.	
13	External approval of Climate targets	-		SBTI approval of climate targets	

## Bloom Energy Corporation - A

Bloom Energy Corp. engages in the manufacture and installation of on-site distributed power generators. Its product, Bloom Energy Server, converts standard low-pressure natural gas or biogas into electricity through an electrochemical process without combustion. The company was founded by K. R. Sridhar, John Finn, Jim McElroy, Matthias Gottmann and Dien Nguyen on January 18, 2001 and is headquartered in San Jose, CA.

Engagement Summary		Engagement Status	Contact Date	Eng. w/ the company	Method
We referred to the email exchange with the Head of Investor Relations in November 2022. We shared the KPIs in two Climate-related topics: formalizing GHG reduction targets by end of 2023, and disclosure of the company's CDP assessment by end of 2023.		No response received yet	2/3/2023	2	2 Email 1 Letter

This section only shows up to the 5 most recent engagements, with a contact date of less than 6 months. More detailed information is available upon request.

Sources: Unigestion, ISS





# ENGAGEMENT

## Shimano Inc

Shimano, Inc. engages in the development, production and distribution of bicycle components, fishing tackle, and rowing equipments. It operates through the following segments: Bicycle Components, Fishing Tackle, and Others. The Bicycle Components segment manufactures and sells derailleur gears, brakes, wheel and other related products. The Fishing Tackle segment includes reels, rods, and fishing gears. The Others segment comprises of cold-forged products and rowing equipment. The company was founded by Shozaburo Shimano in February 1921 and is headquartered in Sakai, Japan.

Engagement Summary		Engagement Status	Contact Date	Eng. w/ the company	Method
Concerns about the company lack of GHG emissions reduction targets and Scope 3 emissions disclosure.		Letter acknowledged with explanations	11/17/2022	1	1 Email 1 Letter
SDG	Engagement Objective	Timeline		KPI	
13	Disclosure of Scope 3 carbon footprint	2Y		Disclosure of scope 3 emissions	
13	Assessment and disclosure of Climate targets	1Y		Set science-based emissions reduction targets.	

## Sika AG

Sika AG engages in the development and production of systems and products for bonding, sealing, damping, reinforcing, and protecting in the building sector and motor vehicle. It offers solutions for concrete, waterproofing, cement additives, rigid bonding, joint sealing, and tunneling and mining. The company was founded by Kaspar Winkler in 1910 and is headquartered in Baar, Switzerland.

Engagement Summary		Engagement Status	Contact Date	Eng. w/ the company	Method
Concerns after the recent publication of the company's new Climate Strategy around three main topics :- Lack of specific targets on upstream scope 3 emissions through the use of alternatives raw materials to diversify from fossil fuel derivatives.- The future strategy around the development of low carbon products - Enhancement of waste recycling at production sites		Letter acknowledged with explanations	12/19/2022	1	1 Email 1 Letter
SDG	Engagement Objective	Timeline		KPI	
13	Improvement of scope 3 upstream	1Y		Disclose target to increase the use of alternative raw materials	
12	Improvement of waste management	1Y		waste recycling rate of 42%	
12	Development of sustainable product design	1Y		Disclose and increase the % of products considered as sustainable solutions	

This section only shows up to the 5 most recent engagements, with a contact date of less than 6 months. More detailed information is available upon request.

Sources: Unigestion, ISS



# ENGAGEMENT

## Sika AG

Sika AG engages in the development and production of systems and products for bonding, sealing, damping, reinforcing, and protecting in the building sector and motor vehicle. It offers solutions for concrete, waterproofing, cement additives, rigid bonding, joint sealing, and tunneling and mining. The company was founded by Kaspar Winkler in 1910 and is headquartered in Baar, Switzerland.

Engagement Summary		Engagement Status	Contact Date	Eng. w/ the company	Method
We referred to the company's reply to our Engagement letter of December 2022. We requested a conference call to discuss Waste recycling rate, Use of alternative raw materials and Product development.		No response received yet	2/1/2023	2	2 Email 1 Letter
SDG	Engagement Objective	Timeline		KPI	
13	Improvement of scope 3 upstream	1Y		Disclose target to increase the use of alternative raw materials	
12	Improvement of waste management	1Y		waste recycling rate of 42%	
12	Development of sustainable product design	1Y		Disclose and increase the % of products considered as sustainable solutions	

This section only shows up to the 5 most recent engagements, with a contact date of less than 6 months. More detailed information is available upon request.

Sources: Unigestion, ISS



# DISCLAIMER

This document is provided to you on a confidential basis and must not be distributed, published, reproduced or disclosed, in whole or part, to any other person.

The information and data presented in this document may discuss general market activity or industry trends but is not intended to be relied upon as a forecast, research or investment advice. It is not a financial promotion and represents no offer, solicitation or recommendation of any kind, to invest in the strategies or in the investment vehicles it refers to. Some of the investment strategies described or alluded to herein may be construed as high risk and not readily realisable investments, which may experience substantial and sudden losses including total loss of investment.

The investment views, economic and market opinions or analysis expressed in this document present Unigestion's judgement as at the date of publication without regard to the date on which you may access the information. There is no guarantee that these views and opinions expressed will be correct nor do they purport to be a complete description of the securities, markets and developments referred to in it. All information provided here is subject to change without notice. To the extent that this report contains statements about the future, such statements are forward-looking and subject to a number of risks and uncertainties, including, but not limited to, the impact of competitive products, market acceptance risks and other risks.

Data and graphical information herein are for information only and may have been derived from third party sources. Although we believe that the information obtained from public and third party sources to be reliable, we have not independently verified it and we therefore cannot guarantee its accuracy or completeness. As a result, no representation or warranty, expressed or implied, is or will be made by Unigestion in this respect and no responsibility or liability is or will be accepted. Unless otherwise stated, source is Unigestion. Past performance is not a guide to future performance. All investments contain risks, including total loss for the investor.

Unigestion (UK) Ltd. is authorised and regulated by the UK Financial Conduct Authority (FCA) and is registered with the Securities and Exchange Commission (SEC).

Unigestion Asset Management (France) S.A. is authorised and regulated by the French "Autorité des Marchés Financiers" (AMF).

Unigestion Asset Management (Canada) Inc., with offices in Toronto and Montreal, is registered as a portfolio manager and/or exempt market dealer in nine provinces across Canada and also as an investment fund manager in Ontario, Quebec and Newfoundland & Labrador. Its principal regulator is the Ontario Securities Commission. Unigestion Asset Management (Düsseldorf) SA is co-regulated by the "Autorité des Marchés Financiers" (AMF) and the "Bundesanstalt für Finanzdienstleistungsaufsicht" (BAFIN).

Unigestion SA has an international advisor exemption in Quebec, Saskatchewan and Ontario.

Unigestion SA is authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA).

Unigestion SA's assets are situated outside of Canada and, as such, there may be difficulty enforcing legal rights against Unigestion SA.



# LEGAL ENTITIES DISSEMINATING THIS DOCUMENT

## United Kingdom

This material is disseminated in the United Kingdom by Unigestion (UK) Ltd., which is authorized and regulated by the Financial Conduct Authority ("FCA").

This information is intended only for professional clients and eligible counterparties, as defined in MiFID directive and has therefore not been adapted to retail clients.

## European Union

This material is disseminated in the European Union by Unigestion Asset Management (France) SA which is authorized and regulated by the French "Autorité des Marchés Financiers" ("AMF").

This information is intended only for professional clients and eligible counterparties, as defined in the MiFID directive and has therefore not been adapted to retail clients.

## Canada

This material is disseminated in Canada by Unigestion Asset Management (Canada) Inc. which is registered as a portfolio manager and/or exempt market dealer in nine provinces across Canada and also as an investment fund manager in Ontario, Quebec and Newfoundland & Labrador. Its principal regulator is the Ontario Securities Commission ("OSC").

This material may also be distributed by Unigestion SA which has an international advisor exemption in Quebec, Saskatchewan and Ontario. Unigestion SA's assets are situated outside of Canada and, as such, there may be difficulty enforcing legal rights against it.

## Switzerland

This material is disseminated in Switzerland by Unigestion SA which is authorized and regulated by the Swiss Financial Market Supervisory Authority ("FINMA").



# CONTACT US



- ▶ For Clients, please contact: [clients@unigestion.com](mailto:clients@unigestion.com)
- ▶ For Consultants: [consultants@unigestion.com](mailto:consultants@unigestion.com)
- ▶ For Press Relations: [pressrelations@unigestion.com](mailto:pressrelations@unigestion.com)

## GENEVA

Unigestion SA  
8C avenue de Champel  
CP 387  
CH 1211 Genève 12  
Switzerland

## JERSEY CITY

Unigestion (US) Ltd  
Plaza 10 – Harborside  
Financial Center, Suite 203  
Jersey City, NJ 07311  
USA

## TORONTO

Unigestion Asset Management  
(Canada) Inc.  
TD Canada Trust Tower  
161 Bay Street, 27th Floor  
Toronto, ON M5J 2S1  
Canada

## MONTREAL

Unigestion Asset Management  
(Canada) Inc.  
1250 René-Lévesque Ouest  
Suite 2200  
Montréal, QC H3B 4W8  
Canada

## SINGAPORE

Unigestion Asia Pte Ltd  
152 Beach Road  
#23-05 Gateway East  
Singapore 189721  
Singapore

## ZURICH

Unigestion SA, Zurich Branch  
Sihlstrasse 20  
CH 8021 Zürich  
Switzerland

## PARIS

Unigestion Asset Management  
(France) SA  
12 avenue Matignon  
75008 Paris  
France

## LONDON

Unigestion (UK) Ltd  
2nd Floor MYO  
123 Victoria Street  
London, SW1E 6DE  
United Kingdom

## JERSEY

Unigestion (Jersey) GP Limited  
50 La Colombarie  
St Helier  
Jersey JE2 4QB  
Channel Islands

## DÜSSELDORF

Unigestion Asset Management  
(Düsseldorf) SA  
Poststraße 7  
40213 Düsseldorf  
Germany

Unigestion SA is authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). Unigestion (UK) Ltd. is authorised and regulated by the UK Financial Conduct Authority (FCA) and is registered with the Securities and Exchange Commission (SEC). Unigestion Asset Management (France) S.A. is authorised and regulated by the French "Autorité des Marchés Financiers" (AMF). Unigestion Asset Management (Canada) Inc., with offices in Toronto and Montreal, is registered as a portfolio manager and/or exempt market dealer in nine provinces across Canada and also as an investment fund manager in Ontario, Quebec and Newfoundland & Labrador. Its principal regulator is the Ontario Securities Commission. Unigestion Asset Management (Düsseldorf) SA is co-regulated by the "Autorité des Marchés Financiers" (AMF) and the "Bundesanstalt für Finanzdienstleistungsaufsicht" (BAFIN).