

PORTFOLIO REPORT

April 30, 2025

# Case Räntefond Investment Grade 2024

Powered by



CLARITY AI

## TABLE OF CONTENTS

### ESG Risk Page 1

Measure of **financial risk** related to sustainability metrics.

### SFDR Sustainable

### Investment Page 14

Portfolio's percentage and breakdown of Sustainable Investment

### UN SDGs Revenue

### Alignment Page 2

Revenue alignment through **Products and Services** on the **Sustainable Development Goals**

### Glossary Page 15

### Impact Highlights Page 5

Measure of your investments' **sustainability impact footprint** at portfolio level.

### Climate module Page 7

Portfolio's exposure and/or contribution to **climate change**.

### Exposures Page 12

Portfolio's involvement in sensitive **business activities**

# ESG Risk Report

This report analyzes the ESG score of **Case Röntefond Investment Grade 2024** as of **April 30, 2025**. It shows all ESG scores for **ESG Risk Industry Consensus All Companies** scoring profile. Range from 1 (worst) to 100 (best).

## Overview

The ESG Risk scores assesses the financial materiality of a wide range of topics related to how the organizations operate. A company's score is calculated from the average of the Environmental, Social, and Governance scores, weighted based on the selected Scoring Profile.

Scores are calculated with **60** out of **70** organizations. Only organizations with at least 25% data relevance are included to calculate the total score. In the Best in Class method, the score of each company is calculated by comparing it to its industry peers.



## ESG Ranking By Org

Scores are calculated using the Scoring Profile: **ESG Risk Industry Consensus All Companies**. Organizations are ordered by total score. Only includes organizations with >25% data relevance for the selected scoring profile.

Top 5 Organizations by score

| Organization               | Portfolio weight | Peer Percentile | Total ESG |
|----------------------------|------------------|-----------------|-----------|
| Swedbank AB                | 1.06 %           | 100th           | 89        |
| Stadshypotek AB            | 1.84 %           | -               | 88        |
| Skandinaviska Enskilda ... | 2.42 %           | 99th            | 87        |
| Hoist Finance AB (publ)    | 1.81 %           | 99th            | 86        |
| Fabege AB                  | 0.20 %           | 100th           | 86        |

Bottom 5 Organizations by score

| Organization                | Portfolio weight | Peer Percentile | Total ESG |
|-----------------------------|------------------|-----------------|-----------|
| L E Lundbergforetagen A...  | 1.37 %           | 42nd            | 58        |
| Sparbanken Skane AB (p...   | 0.52 %           | 21st            | 58        |
| Swedavia AB                 | 0.82 %           | 32nd            | 60        |
| Telenor ASA                 | 1.05 %           | 43rd            | 62        |
| Kraftringen Energi AB (p... | 0.84 %           | 50th            | 62        |

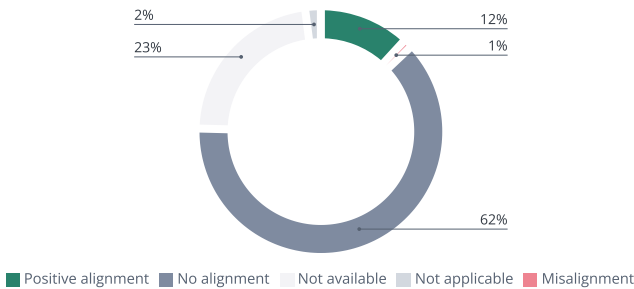
\* Allocations of all benchmarks are derived from ETFs

# UN Sustainable Development Goals Revenue Alignment

This report analyzes each company's product's and services revenue alignment by assessing their contribution to each of the 15 UN Sustainable Development Goals that are relevant and applicable for investors.

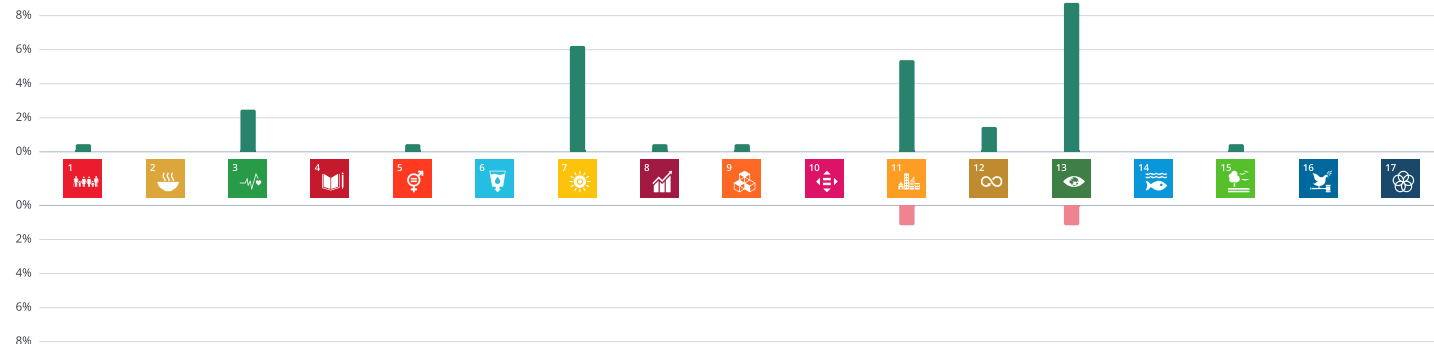
## Total Weighted Portfolio Alignment

The total portfolio alignment percentage is an aggregation of the underlying companies' alignment based on their portfolio weight.



## Weighted Revenue Alignment By Goal

The distribution of the portfolio's revenue alignment percentage throughout the UN Sustainable Development Goals is an aggregation of the underlying companies' alignment based on their portfolio weight for each of the goals. Revenue attributed to certain business lines may contribute to more than one goal.





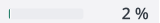

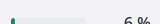
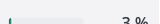


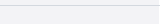


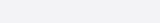
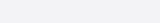

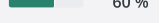





Weighted Revenue Alignment By Goal Breakdown

Detail of the distribution of the portfolio's revenue alignment throughout the UN Sustainable Development Goals.

| Goal   | Misalignment                | Positive alignment             | Net alignment                  |
|--|-----------------------------|--------------------------------|--------------------------------|
|  | Portfolio                   | Portfolio                      | Portfolio                      |
| 01 - No Poverty                              | <div><div></div></div> 0 %  | <div><div></div></div> < 0.5 % | <div><div></div></div> < 0.5 % |
| 02 - Zero Hunger                             | <div><div></div></div> 0 %  | <div><div></div></div> 0 %     | <div><div></div></div> 0 %     |
| 03 - Good health and well-being              | <div><div></div></div> 0 %  | <div><div></div></div> 2 %     | <div><div></div></div> 2 %     |
| 04 - Quality Education                       | <div><div></div></div> 0 %  | <div><div></div></div> 0 %     | <div><div></div></div> 0 %     |
| 05 - Gender Equality                         | <div><div></div></div> 0 %  | <div><div></div></div> < 0.5 % | <div><div></div></div> < 0.5 % |
| 06 - Clean Water and Sanitation              | <div><div></div></div> 0 %  | <div><div></div></div> 0 %     | <div><div></div></div> 0 %     |
| 07 - Affordable and Clean Energy             | <div><div></div></div> 0 %  | <div><div></div></div> 6 %     | <div><div></div></div> 6 %     |
| 08 - Decent Work and Economic Growth         | <div><div></div></div> 0 %  | <div><div></div></div> < 0.5 % | <div><div></div></div> < 0.5 % |
| 09 - Industry, Innovation and Infrastructure | <div><div></div></div> 0 %  | <div><div></div></div> < 0.5 % | <div><div></div></div> < 0.5 % |
| 10 - Reduce Inequality                       | Not applicable              | Not applicable                 | Not applicable                 |
| 11 - Sustainable Cities and Communities      | <div><div></div></div> -1 % | <div><div></div></div> 5 %     | <div><div></div></div> 4 %     |
| 12 - Responsible Consumption and Production  | <div><div></div></div> 0 %  | <div><div></div></div> 1 %     | <div><div></div></div> 1 %     |
| 13 - Climate Action                          | <div><div></div></div> -1 % | <div><div></div></div> 9 %     | <div><div></div></div> 8 %     |
| 14 - Life Below Water                        | <div><div></div></div> 0 %  | <div><div></div></div> 0 %     | <div><div></div></div> 0 %     |
| 15 - Life On Land                            | <div><div></div></div> 0 %  | <div><div></div></div> < 0.5 % | <div><div></div></div> < 0.5 % |
| 16 - Peace, Justice and Strong Institutions  | <div><div></div></div> 0 %  | <div><div></div></div> 0 %     | <div><div></div></div> 0 %     |
| 17 - Partnerships for the Goals              | Not applicable              | Not applicable                 | Not applicable                 |

## Industry Analysis

The range of alignment per industry covered within the portfolio and compared against all of Clarity AI's companies universe.

| Sector                 | Portfolio weight | Misalignment   |  | Positive alignment  |   | Net alignment   |   |
|------------------------|------------------|--|--|---|---|---|---|
|                        |                  | Clarity AI's universe  | Portfolio  | Clarity AI's universe   | Portfolio   | Clarity AI's universe   | Portfolio   |
| Communication Services | 2.83 %           |  > -0.5 % |  0 %  |  3 %  |  7 %   |  2 %     |  7 %   |
| Consumer Discretionary | 0.47 %           |  -3 %     |  0 %  |  6 %  |  5 %   |  3 %     |  5 %   |
| Consumer Staples       | 3.93 %           |  -15 %    |  0 %  |  15 % |  18 %  |  < 1 %   |  18 %  |
| Financials             | 27.71 %          |  > -0.5 % |  -3 % |  2 %  |  8 %   |  2 %     |  5 %   |
| Health Care            | 1.56 %           |  > -0.5 % |  0 %  |  60 % |  85 %  |  60 %    |  85 %  |
| Industrials            | 17.71 %          |  -3 %     |  0 %  |  18 % |  12 %  |  15 %    |  12 %  |
| Information Technology | 0.77 %           |  > -0.5 % |  0 %  |  7 %  |  100 % |  7 %     |  100 % |
| Materials              | 8.69 %           |  -4 %     |  0 %  |  5 %  |  25 %  |  < 0.5 % |  25 %  |
| Real Estate            | 9.89 %           |  > -0.5 % |  0 %  |  2 %  |  30 %  |  2 %     |  30 %  |
| Utilities              | 1.85 %           |  -21 %    |  0 %  |  33 % |  49 %  |  12 %    |  49 %  |

## Impact Highlights

This report shows and compares the impact footprint of your portfolio through relatable and easy to understand metrics.

The impact footprint of investing SEK 1,928,970,082 in Case Röntefond Investment Grade 2024 compared to MSCI ACWI is equivalent to:

### CO2 emissions savings <sup>1</sup>

Data coverage is 88% on this portfolio



Savings equivalent to:  
**8,059**  
New York - London  
roundtrip flights  
(per passenger)

### Energy usage excess <sup>1</sup>

Data coverage is 96.9% on this portfolio



Excess equivalent to:  
**37,593**  
Light bulbs per  
year

### Water usage excess <sup>1</sup>

Data coverage is 96.3% on this portfolio



Excess equivalent to:  
**34,044**  
Households'  
consumption per  
month

### Waste generation excess <sup>1</sup>

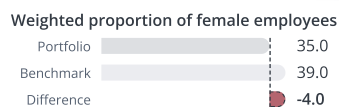
Data coverage is 90.8% on this portfolio



Excess equivalent to:  
**44,543**  
Garbage cans

### Women employees difference <sup>1</sup>

Data coverage is 76.8% on this portfolio



Difference (in %):  
**4.0**  
Female employees

### Job creation difference <sup>1</sup>

Data coverage is 98.1% on this portfolio



Difference (in %):  
**0.4**  
Job growth

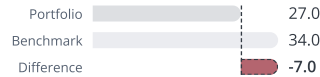
\* Allocations of all benchmarks are derived from ETFs

1: For this item, there is a large difference in data coverage between portfolio and benchmark (>15%), which means that the accuracy of the results may be limited

Women on board <sup>1</sup>

Data coverage is 81.1% on this portfolio

Weighted proportion of women on board



Difference (in %):  
**7.0**  
Women on board

Average training hours <sup>1 2</sup>

Data coverage is 42.3% on this portfolio

Weighted proportion of training hours

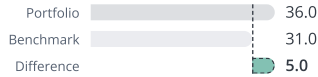


Difference (in %):  
**18.0**  
Training Hours

Women in senior positions <sup>1</sup>

Data coverage is 69.1% on this portfolio

Weighted proportion of senior women



Difference (in %):  
**5.0**  
Women in senior positions


\* Allocations of all benchmarks are derived from ETFs  
1: For this item, there is a large difference in data coverage between portfolio and benchmark (>15%), which means that the accuracy of the results may be limited  
2: For this item, there is a low level of data coverage (<50%) in either the portfolio or the benchmark, which means that the accuracy of the results may be limited

# Carbon footprint

Evaluating the carbon emissions of a portfolio is often the initial step in tackling the investment consequences of climate change, and carbon footprint analysis establishes a benchmark to guide subsequent measures.

The following cards shows various metrics to evaluate the carbon footprint of the portfolio, calculated separately for Scope 1+2 and Scope 3 emissions.


## Company Metrics - Scope 1 + Scope 2



**Weighted Average Carbon Intensity**

Case Råntefond Investment Grade 2024  
 65 of 70 organizations covered,  
 81.68% of portfolio value

**34.03**  
 tons CO2e / USD M revenue



**Financed Emissions Intensity**

Case Råntefond Investment Grade 2024  
 66 of 70 organizations covered,  
 82.18% of portfolio value

**16.10**  
 tons CO2e / USD M invested




**Financed Emissions**

Case Råntefond Investment Grade 2024  
 66 of 70 organizations covered,  
 82.18% of portfolio value

**2,636.17**  
 tons CO2e


## Company Metrics - Scope 3



**Weighted Average Carbon Intensity**

Case Råntefond Investment Grade 2024  
 53 of 70 organizations covered,  
 69.51% of portfolio value

**1,569.49**  
 tons CO2e / USD M revenue



**Financed Emissions Intensity**

Case Råntefond Investment Grade 2024  
 53 of 70 organizations covered,  
 69.51% of portfolio value

**697.70**  
 tons CO2e / USD M invested



**Financed Emissions**

Case Råntefond Investment Grade 2024  
 53 of 70 organizations covered,  
 69.51% of portfolio value

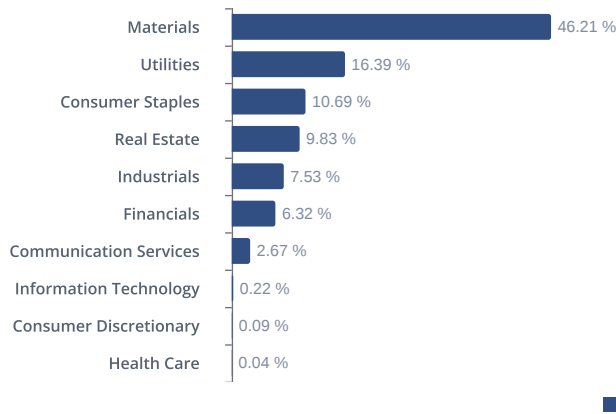
**96,624.26**  
 tons CO2e



## Sector breakdown

### Top sectors by WACI - Scope 1+2

This chart identifies the sectors with the highest contributions to carbon intensity within this portfolio, **65 of 70** organisations in this portfolio are covered (**81.675%** of total portfolio value).

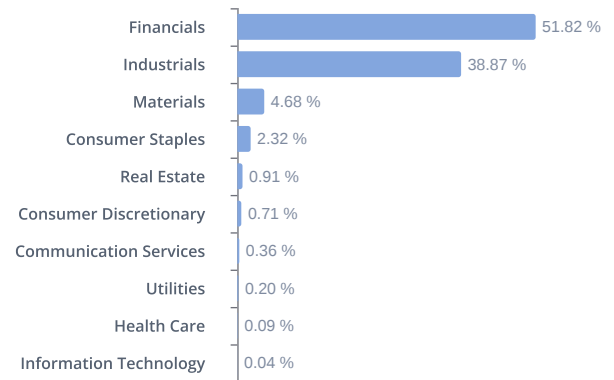


■ Scopes 1 + 2 ■ Scope 3

| Sector                 | Portfolio weight | WACI (Scope 1 + 2) |
|------------------------|------------------|--------------------|
| Financials             | 31.54 %          | 5.57               |
| Industrials            | 18.65 %          | 11.22              |
| Real Estate            | 10.09 %          | 27.07              |
| Materials              | 8.69 %           | 147.74             |
| Consumer Staples       | 4.38 %           | 67.81              |
| Communication Services | 2.83 %           | 26.23              |
| Utilities              | 2.69 %           | 169.32             |
| Health Care            | 1.56 %           | 0.74               |
| Information Technology | 0.77 %           | 8.04               |
| Consumer Discretionary | 0.47 %           | 5.44               |

### Top sectors by WACI - Scope 3

This chart identifies the sectors with the highest contributions to carbon intensity within this portfolio, **53 of 70** organisations in this portfolio are covered (**69.512%** of total portfolio value).



| Sector                 | Portfolio weight | WACI (Scope 3) |
|------------------------|------------------|----------------|
| Financials             | 23.68 %          | 2386.95        |
| Industrials            | 15.84 %          | 2676.55        |
| Real Estate            | 9.89 %           | 100.85         |
| Materials              | 8.69 %           | 587.58         |
| Consumer Staples       | 3.93 %           | 644.06         |
| Communication Services | 2.83 %           | 139.91         |
| Utilities              | 1.85 %           | 118.64         |
| Health Care            | 1.56 %           | 59.71          |
| Information Technology | 0.77 %           | 61.55          |
| Consumer Discretionary | 0.47 %           | 1634.78        |

## Contributors to Carbon Footprint

### Top 5 companies by Carbon Intensity - Scope 1+2

| Organization                       | Portfolio weight | Carbon Intensity |
|------------------------------------|------------------|------------------|
| Stockholm Exergi Holding AB (publ) | 0.49 %           | 637.30           |
| Billerud AB (publ)                 | 0.87 %           | 221.24           |
| Lantmannen ek for                  | 0.46 %           | 206.58           |
| Svenska Cellulosa SCA AB           | 2.91 %           | 186.52           |
| Essity AB (publ)                   | 0.59 %           | 174.09           |


## Sovereign Metrics



**Weighted Average Carbon Intensity (Production)** Case Röntefond Investment Grade 2024

1 of 70 organizations covered,  
2.04% of portfolio value


**66.40**  
tons CO2e / PPP-adjusted GDP



**Financed Emissions (Production)** Case Röntefond Investment Grade 2024

1 of 70 organizations covered,  
2.04% of portfolio value


**269.53**  
tons CO2e



**Weighted Average Carbon Intensity (Imported)** Case Röntefond Investment Grade 2024

1 of 70 organizations covered,  
2.04% of portfolio value

**131.69**  
tons CO2e / PPP-adjusted GDP



**Financed Emissions (Imported)** Case Röntefond Investment Grade 2024

1 of 70 organizations covered,  
2.04% of portfolio value

**534.55**  
tons CO2e

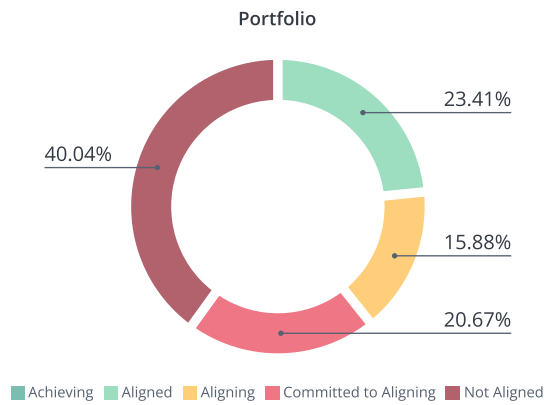
## Contributors to Carbon Footprint

### Top 5 sovereigns by Carbon Intensity (Production)

| Organization                    | Portfolio weight | Carbon Intensity (Production) |
|---------------------------------|------------------|-------------------------------|
| Sweden, Kingdom of (Government) | 2.04 %           | 66.40                         |

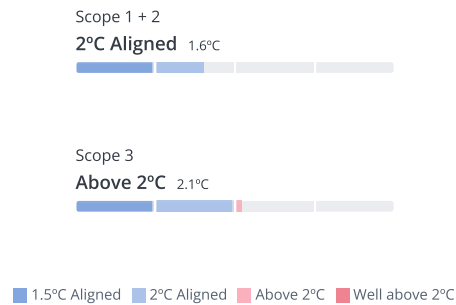
## Portfolio Net Zero (Including Scope 3)

Net Zero assesses the alignment of your portfolio to Net Zero initiatives through the Alignment Maturity Level, in line with the Net Zero Investment Framework (NZIF). 49 of 70 organizations in this portfolio are covered (66.08% of total portfolio value)



## Portfolio Temperature Alignment

Temperature alignment assesses the Temperature Rise (TR) implied by a portfolio's company's emissions according to its targets. The TR is then converted into a Temperature Alignment Category. For Scope 1 + 2, 48 of 70 organizations in this portfolio are covered (65.04% of total portfolio value) and for Scope 3, 47 of 70 organizations in this portfolio are covered (64.53% of total portfolio value)



25 companies are participating in the Science-based Targets initiative. Science-based targets provide companies with a clearly defined pathway to future-proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.

# Portfolio Exposures

Your portfolio has revenue that is exposed to **3** controversial **Products & Activities** through **3** organizations.

| Subject                                     | Organizations | Portfolio Weight |
|---|---------------|------------------|
| <b>Adult Entertainment</b>                  |               | No exposure      |
| Adult Entertainment                         |               |                  |
| <b>Alcoholic Beverages</b>                  | 1             | 1.98 %           |
| Alcohol Participation                       | 1             | 1.98 %           |
| Alcohol Production                          |               |                  |
| <b>Cannabis</b>                             |               | No exposure      |
| Cannabis                                    |               |                  |
| <b>Coal</b>                                 |               | No exposure      |
| Coal Mining                                 |               |                  |
| Coal Mining Participation                   |               |                  |
| Coal Power Generation                       |               |                  |
| Coal Power Participation                    |               |                  |
| <b>GMO and Genetic Engineering</b>          | 1             | 3.16 %           |
| GMO Products                                | 1             | 3.16 %           |
| <b>Gambling</b>                             |               | No exposure      |
| Gambling Participation                      |               |                  |
| <b>Oil &amp; Gas and Other Fossil Fuels</b> | 1             | 0.77 %           |
| Arctic Oil & Gas                            |               |                  |
| Fossil Fuel Participation                   | 1             | 0.77 %           |
| Fossil Fuel Production                      |               |                  |
| Oil-Sands Participation                     |               |                  |
| Oil-sands Production                        |               |                  |
| Shale Energy Participation                  |               |                  |
| Shale Energy Production                     |               |                  |
| <b>Tobacco</b>                              |               | No exposure      |
| Tobacco Participation                       |               |                  |
| Tobacco Production                          |               |                  |
| <b>Weapons Military Contracting</b>         |               | No exposure      |
| Anti-Personnel Landmines                    |               |                  |
| Chemical and Biological Weapons             |               |                  |

| Subject                                 | Organizations | Portfolio Weight |
|---|---------------|------------------|
| Weapons Military Contracting(Continued) |               | No exposure      |
| Cluster Bombs Participation             |               |                  |
| Cluster Bombs Production                |               |                  |
| Incendiary Weapons                      |               |                  |
| Nuclear Weapons Participation           |               |                  |
| Nuclear Weapons Production              |               |                  |

## SFDR Sustainable Investment

This report analyzes the alignment of your portfolio with the Sustainable investment (SI) definition of EU's Sustainable Finance Disclosure Regulation (SFDR). It is shown the breakdown of alignment per each of the 3 criteria defined in the regulation: Criteria 1: Contribution to a Sustainable Objective, Criteria 2: Do No Significant Harm (DNSH), Criteria 3: Good Governance. A company needs to pass the three criteria to be a Sustainable Investment.

### OVERVIEW

#### Total Sustainable Investment (All Criteria)

68.34 %

#### Environmental

68.34 %

#### Social

33.56 %

A Sustainable Investment can contribute to an Environmental objective, a Social objective or both.

### Breakdown By Criteria

#### Criteria 1: Contribution to a Sustainable Objective

78.82 %

For a company to be considered as contributing to social or environmental objectives, it needs to pass at least one of the following:

- At least 2 applicable Principal Adverse Indicators (PAIs)\* in the top quartile of the Clarity AI universe
- Higher than 0% alignment to the EU Taxonomy
- Higher or equal to 20% UN SDGs Revenue Alignment



#### Criteria 2: Do No Significant Harm (DNSH)

78.11 %

For an organization to pass DNSH it has to not substantially damage any of the mandatory PAIs.



#### Criteria 3: Good Governance

82.60 %

For an organization to pass Good Governance it cannot be involved in breaches around Management Structures, Employee Relations, Remuneration of Staff and Tax Compliance.



\*Principal Adverse Indicators (PAIs) are sustainability metrics defined in the SFDR regulation.

## Glossary - General

**Portfolio weight:**

Allocation in the portfolio.

**Data relevance:**

Total importance of all applicable metrics for which a company has raw data available. For certain modules, depending on the configuration of the Scoring Profile, scores may be assigned for applicable metrics when raw data is not available.

- A Data Relevance of 100 % means that all applicable metrics have raw data.
- A Data Relevance of 80 % means the total importance of metrics with raw data is 80 %, and the total importance of metrics with not available scores is 20 %.
- A Data Relevance of 0 % means no applicable metric for the company has raw data.

A portfolio's Data Relevance is the average of the data relevance of all organizations in the portfolio, weighted by their allocation in the portfolio and adjusted based on the applicability of each metric.

**Scoring Profile**

Set of parameters that define the organizations' universe of reference, the relative weight of the metrics and how to handle missing data.

**Peer percentile**

The percentile rank of a company's score relative to its peers.

Peers refer to all companies within the same sub industry as the company in question, and with data relevance higher than the data relevance threshold of the Scoring Profile. For example, a company with a score that is greater than or equal to 75% of all other companies within the same industry will be ranked in the 75th Peer Percentile.

Peer Percentile is not available when a company's score has been inherited from a parent company as the parent company might not belong to the same industry.



## Glossary - ESG Risk

### Best in Class / Entire Universe:

#### Best in Class

The ESG Score of each company is calculated by comparing it to the companies within the same industry. E.g. the best Oil & Gas company of all Oil & Gas will get the highest score and will only be compared to companies in that industry.

#### Entire Universe

The ESG Score of each company is calculated by comparing it to all companies available to Clarity, rather than only to scores of companies in its industry.

### Clarity Scoring Profiles / Custom Scoring Profiles:



ESG score of the portfolio using the scoring profile recommended by Clarity.



ESG score of the portfolio based on a customized Scoring profile. The score may vary from the Clarity Score.

### ESG Coverage:

Percentage of the portfolio value made up of companies with >25 % ESG data relevance. The percentage can be over 100 % if there is debt in the portfolio. There is no ESG data for securities with unknown organizations or cash.

### Materiality


Percentage of the materiality (weight in the Scoring Profile matrix) of each category or metric included in the calculation. Weights indicate the impact, importance or relevance of each metric/subcategory on the final score. For companies, these weights depend on the industry sector each company belongs to.


# Glossary - Impact Highlights


## Impact Highlights coverage


Percentage of the portfolio made up of securities with available data for the metric. There is no data for securities with unknown organizations or cash. Only long positions are considered and therefore the coverage can exceed 100% when there are short positions included in the portfolio. When a metric's coverage is 0% it will not appear in the report. If a metric's coverage of either portfolio or benchmark is below 50%, a footnote will appear for that metric. Otherways data coverage is >50% for all metrics. If the difference between the portfolio and benchmark metric's coverage is >15%, a footnote will appear for that metric.


## Metric description


 **CO2 Emissions:** Total Scope 1 and Scope 2 CO2 yearly equivalent emissions. Equivalent metric (flights between NY and London emissions) considers CO2 emissions per passenger.

 **Energy Use:** Total energy consumed by a company, including energy produced and purchased (e.g., electricity, steam, natural gas, coal, oil). For utilities, raw materials are not included in total energy consumed.

 **Water Withdrawal:** Total amount of yearly water withdrawn through companies' operations, excluding water withdrawn from products and services.

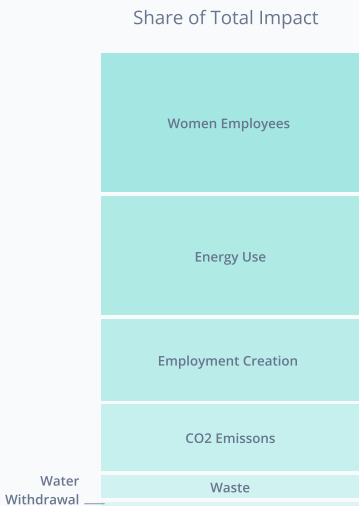
 **Waste:** Total amount of yearly waste produced through companies' operations, excluding waste from products and services.

 **Women Employees:** number of women employees divided by the total number of employees. Both numbers considering the corresponding part based on company ownership.

 **Employment Creation:** Net number of new employees compared to the previous year.

### How can I understand the relative impact of each issue?

The stacked bar graph alongside shows the overall global impact each issue has relative to the rest, based on Clarity AI's calculation of the real world monetary cost associated with the issues.



# Glossary - Carbon footprint

## Carbon Footprint metrics explained

### Scope 1 CO2e emissions

Direct CO2 equivalent emissions. Scope 1 includes direct emissions from owned or controlled sources.

### Scope 2 CO2e emissions (Indirect)

Indirect CO2 equivalent emissions. Scope 2 includes indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the company.

### Scope 3 Emissions

Scope 3 emissions refer to all other indirect greenhouse gas emissions that occur in a company's value chain, both upstream and downstream. These can include emissions from sources such as purchased goods and services, transportation and distribution, and the use, processing and end-of-life of sold products, to name a few.

### Total CO2 emissions (Scope 1 + Scope 2)

Sum of Scope 1 and Scope 2 CO2 equivalent emissions.

## Carbon footprint

| Metric   | Description  |
|--|--|
| <b>Weighted Average Carbon Intensity (WACI)</b><br>tons CO2e / USD M revenue | This metric represents the portfolio-weighted average emissions intensity of investee companies. The emissions intensity of a company is calculated by dividing its greenhouse gas emissions by its revenue from the latest fiscal year in USD for which emissions data is available. Portfolios with more dollars invested in carbon-intensive companies will have higher values. |
| <b>Portfolio Financed Emissions</b><br>tons CO2e                             | This metric represents the total amount of GHG emissions financed by a portfolio in a given year. It is calculated by multiplying the attribution factor (the proportional share of a given company) by the emissions of the respective borrower or investee company. The ownership share value can be measured using EVIC (for listed companies) or market capitalization.        |
| <b>Financed Emissions Intensity</b><br>tons CO2e / USD M invested            | This metric represents the total financed emissions normalized by portfolio value. It can be used to compare carbon intensity between portfolios of different sizes. It is calculated by dividing the financed emissions by the portfolio value in millions of US dollars.   |
| <b>Sector contribution to WACI</b><br>%                                      | This metric represents the sector's contribution to the carbon intensity of the portfolio. It is calculated based on the portfolio weight of each sector and the portfolio's Weighted Average Carbon Intensity (WACI), helping identify where reduction efforts would have the greatest impact.  |

| Metric   | Description   |
|--|---|
| <b>Weighted Average Carbon Intensity (production)</b><br>tons CO <sub>2</sub> e / PPP-adjusted GDP | This metric represents the portfolio-weighted average emissions intensity of investee sovereigns, considering production emissions (Scope 1). These emissions include all greenhouse gas emissions generated within a country's boundaries, including those from exported goods and services. It is calculated by dividing the sovereign's production emissions by its latest year PPP-adjusted GDP for which emissions data is available.  |
| <b>Weighted Average Carbon Intensity (imported)</b><br>tons CO <sub>2</sub> e / PPP-adjusted GDP   | This metric represents the portfolio-weighted average emissions intensity of investee sovereigns, considering imported emissions (Scope 2+3). These emissions originate outside a country's boundaries but are associated with its consumption, including purchased electricity (Scope 2) and emissions embedded in imported goods and services (Scope 3). It is calculated by dividing the sovereign's imported emissions by its latest year PPP-adjusted GDP for which emissions data is available.                                 |
| <b>Financed Emissions (production)</b><br>tons CO <sub>2</sub> e                                   | This metric represents the total production emissions (Scope 1) financed by a portfolio for a given year. These emissions include all greenhouse gas emissions generated within a country's boundaries, including those from exported goods and services. The attribution factor, calculated as the ratio of the current investment value to the latest year PPP-adjusted GDP for which emissions data is available, is applied to the sovereign's production emissions.  |
| <b>Financed Emissions (imported)</b><br>tons CO <sub>2</sub> e                                     | This metric represents the total imported emissions (Scope 2+3) financed by a portfolio for a given year. These emissions originate outside a country's boundaries but are associated with its consumption, including purchased electricity (Scope 2) and emissions embedded in imported goods and services (Scope 3). The attribution factor, calculated as the ratio of the current investment value to the latest year PPP-adjusted GDP for which emissions data is available, is applied to the sovereign's production emissions. |

### Carbon Footprint - Data Sources

Corporate emissions data is collected through Clarity AI's proprietary data collection platform, enabling custom data gathering through a combination of human collectors and automated collection using Natural Language Processing (NLP) with embedded controls during the process. The platform collects self-reported GHG data from various company reports, including annual reports, corporate sustainability reports, TCFD reports, and CDP submissions on an annual basis. In cases where reported emissions data are unavailable or do not meet reliability standards, corporate GHG emissions are estimated using Clarity AI's proprietary models.

# Glossary - Carbon footprint

## Temperature alignment

### Description

This metric provides a Temperature Alignment range to understand how companies comply with the Paris Agreement. It is based on the existence or absence of companies' near-term reduction targets. Two metrics are provided: one for Scopes 1+2 and another one for Scope 3. It calculates the Temperature Rise (TR) implied by the company's emissions according to its targets, using the scenarios in the IPCC's Special Report on Global Warming of 1.5°C (SR1.5). That TR is then converted into one of the following Temperature Alignment categories:

- 1.5°C aligned: TR is at 1.5°C or below
- 2°C aligned: TR is at 2°C or below and higher than 1.5°C
- Above 2°C: TR is higher than 2°C, up to 3°C
- Well above 2°C: TR is higher than 3°C

## Net Zero

### Description

The Net Zero Alignment solution assesses the alignment of companies and portfolios to Net Zero commitments. It provides an Alignment Maturity Level for each company and underlying metrics such as Long-Term Ambition, Near-term Targets, Temperature Alignment, Emissions Performance relative to targets, Disclosure of material emissions, and Decarbonisation Strategy. It supports Financial Institutions reporting their Net Zero alignment, in line with the Net Zero Investment Framework (NZIF) developed by the Paris Aligned Investment Initiative.

The Net Zero graph allows you to view the Alignment Maturity Level distribution of your portfolio weighted by assets. Select the Scope 3 option to include near-term Scope 3 targets in the temperature alignment of companies belonging to material Scope 3 industries.

# Glossary - Exposures

## Subject-description

### Adult Entertainment

- **Adult Entertainment:** Includes companies that manufacture sex toys or produce or distribute pornography. It extends to any activity related to products and services labeled as "erotic", "porn" or "adult entertainment", as well as their publication and distribution. Nightclub owners are also included.

### Alcoholic Beverages

- **Alcohol Participation:** Includes the activities of retail, wholesale or provision of alcoholic beverages, as well as services associated with the marketing and promotion of alcoholic beverages, including the production of packaging for alcoholic beverages. Growing grapes for wine-making or holding a stake in another company producing alcohol are also included.
- **Alcohol Production:** Includes the activities of fermentation or distillation of alcoholic beverages, comprising distillers, vintners, and producers of beer and malt liquors.

### Cannabis

- **Cannabis:** Includes the manufacturing and/or retailing of cannabis and/or cannabis-based products. Cannabis pharmaceutical research and the cannabis agricultural process are included, as well as products or services relevant to cannabis consumption.

### Coal

- **Coal Mining:** Includes coal mining activities (surface and underground mines), as well as the production of coke.
- **Coal Mining Participation:** Includes coal exploration as well as relevant services to coal production such as equipment or contract drilling.
- **Coal Power Generation:** Includes companies primarily involved in the generation of electricity from coal or coal-based fuels.
- **Coal Power Participation:** Includes the provision of services related to coal power generation and distribution, like the design or construction of coal power assets .

### GMO and Genetic Engineering

- **GMO Products:** Includes companies that derive any revenue from producing and/or selling genetically modified products such as seeds and crops, or other organisms intended for agricultural use or human consumption. Companies that have filed applications for genetically modified products in the USA or the EU. The sale of GMO products is also included.

### Gambling

- **Gambling Participation:** Includes companies whose business is related with gambling activities like the manufacture or rental of gambling machines, retailing low-risk gambling items (lottery tickets), marketing of wagering money on a game or event, or developing software for wagering money for bets.

### Oil & Gas and Other Fossil Fuels

- **Arctic Oil & Gas:** Includes companies that are involved in the exploration and/or production of oil and gas in Arctic regions. Holding a stake in another company involved in the production and/or exploration is also included in this category.

#### Oil & Gas and Other Fossil Fuels

- **Fossil Fuel Participation:** Includes non-direct involvement of any kind with fossil fuels (mainly coal, oil (petroleum), and natural gas), from engineering services or producing electricity to drilling equipment, storage or tubular goods (OCTG).
- **Fossil Fuel Production:** Includes primary involvement in the extraction of fossil fuels, which are any class of materials of biological origin within the Earth's crust that can be used as a source of energy, mainly but not exclusively coal, crude oil (petroleum), and natural gas. Also all services essential to the extraction or processing fossil fuels like exploration, drilling, refining or transportation are included.
- **Oil-Sands Participation:** Includes products or services related to oil sands production or oil sands exploration (equipment, storing or transportation).
- **Oil-sands Production:** Includes the exploration, extraction or refining of oil-sands based fossil fuels.
- **Shale Energy Participation:** Includes companies that are involved in products or services related to shale energy (equipment, storing or transport) or to shale energy exploration.
- **Shale Energy Production:** Includes companies that are involved in shale energy exploration and/or production.

#### Tobacco

- **Tobacco Participation:** Includes services related to the production of tobacco like retail or wholesale of tobacco products (including supermarkets), the licensing, marketing and promotion of tobacco products or the production of acetate tow which is used in cigarette filters.
- **Tobacco Production:** Includes companies that manufacture cigarettes and other tobacco products (cigars, snuff and pipe tobacco) as well as growing tobacco plants.

#### Weapons Military Contracting

- **Anti-Personnel Landmines:** Includes the production of anti-personnel landmines or anti-personnel landmine components, including improvised explosive devices (IED). Products and services relevant to landmines manufacturing are also included.
- **Chemical and Biological Weapons:** Includes companies involved in the manufacture of chemical and biological weapons. Products or services relevant to the production of those weapons are also included.
- **Cluster Bombs Participation:** Includes the provision of relevant products or services for the production of cluster munitions, submunitions, or platforms. Financing companies that produce cluster munitions or holding a stake in such a company are also included.
- **Cluster Bombs Production:** Includes being involved in the manufacture of cluster munitions, submunitions, or platforms, including sensor fused weapons (SFW). Providers of key products or services for cluster bombs manufacturing are also included.
- **Incendiary Weapons:** Includes manufacturing weapons using white phosphorus exclusively for military purposes. Suppliers of key components, as well as companies providing relevant products or services to the manufacture or incendiary weapons are also included.
- **Nuclear Weapons Participation:** Includes relevant products or services for the production of Nuclear Weapons. Financing companies that produce Nuclear Weapons or holding a stake in a company producing Nuclear Weapons is also included in this category
- **Nuclear Weapons Production:** Includes manufacturing either whole strategic parts or platforms for nuclear weapons, nuclear weapon systems, or nuclear weapon components. Nuclear submarines are also included.

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