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# GUIDE TO THE Aviva ESG profiler

LIFE'S BETTER WITH A PLAN

 **AVIVA WEALTH**

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# Summary page

ESG landing page - from here you can complete all actions relating to ESG preferences.

1. Important information and tool guide, this link takes you through to the reference guide for full details of methodology, criteria and data limitations of the ESG tool.
2. Client details, including current value of their portfolio, the clients chosen sustainable preferences and the chosen Benchmark that the sustainable metrics of their holdings will be compared against.
3. Set and save the client's preferences.
4. View your client's portfolio against their ESG preferences.
5. View your client's holdings against ESG preferences.
6. View the underlying companies your client is invested in against ESG preferences.
7. Allows the user to explore the asset universe, enabling the search of alternative assets that suits your client's ESG metrics.
8. Generate an ESG Profiler report for your client.

**AVIVA** Three GIA

Overview Preferences Holdings Companies Search and compare Reporting Help guide Set preferences

## Sustainable and Ethical Investment

**1. Important information & tool guide**

What are sustainable and ethical criteria?

Sustainable Investments aim to incorporate ESG Factors into Investment Decisions. ESG stands for Environmental, Social and Governance which are increasingly being used to identify risk and opportunities. Ethical Investing is the opportunity for an investor to apply exclusionary screening to their investment decisions which align with their values towards socially controversial industries.

It is important that you refer to the reference guide for details and data limitations of the ESG tool, methodology and assessment criteria used.

[Read the guide](#)

**2. Client: Three GIA**

Total amount invested: £10,102.02

Preferences: Climate change, Human rights, Recycling, Water security

Benchmark: MSCI ALL COUNTRY WORLD INDEX [Change](#)

**3. Client priorities & values**

Understand your client's portfolio in depth.

[Set preferences](#)

**4. ESG Preferences**

Your client's selected priorities.

[View preferences >](#)

**5. Holdings**

Insight into the investments held in your client's account.

[View holdings >](#)

**6. Companies**

Providing ESG analysis of the top 10 companies held across your client's account holdings.

[View companies >](#)

**7. Search & compare**

Search and compare funds to learn about how to better meet your client's ESG goals.

[Search funds >](#)

**8. Reporting**

Generate an ESG Profiler report for your client.

[Generate report >](#)

### Did you know:

You can access all the areas of the ESG toolkit from this summary page.



# Setting preferences

From the summary page, or the top right of the tool, you can select and amend the client's preferences.

1. If no existing preferences have been set the preference wizard pages will be displayed explaining What each metric is and why your client might consider it important.
2. You can select up to 4 client preferences. This will then be saved against the client. Preferences can be amended at any time.

The screenshot shows the AVIVA Sustainable and Ethical Investment tool interface. The main page is titled 'Sustainable and Ethical Investment' and features a navigation menu with 'Overview', 'Preferences', 'Holdings', 'Companies', 'Search and compare', and 'Reporting'. The 'Preferences' section is active, showing a summary for 'Client: Three GIA' with details on total amount invested, preferences, and benchmark. A modal dialog box titled 'Select preferences' is overlaid on the page, allowing the user to select up to 4 ESG theme preferences. The dialog box contains a list of 8 themes, each with a checkbox and a brief description: Climate change (Contributing to a low carbon economy), Water security (Promoting effective and efficient use of water), Waste (Minimising environmental impact through effective waste management), Women in leadership (Promoting equity for women in the workforce), Deforestation (Promoting stewardship of the world's forests), Human rights (Evaluating controversies related to human rights), Corporate governance (Promoting fair business practices), and Recycling (Promoting recycling for a sustainable future). The dialog box also includes a 'Back' button and an 'Apply' button. A red box highlights the dialog box, and a red '1.' is in the top right corner of the dialog box.

## Did you know:

You can change your client's preferences at any time.



# ESG preferences

From the summary page, you can get access to a one page view of your client's ESG preferences and how their portfolio compares.

1. The preferences you have set against the client will appear here. This snapshot will include a RAG rating and some metrics relevant to that particular ESG theme.
2. The tool will also return data on the other preferences available.
3. Detailed information on the RAG Rating and nature of the metrics relevant to a particular theme can be found in the appendix of this guide.

## Did you know:

The RAG rating is measured by comparing your client's holdings against the MSCI World All Countries Index other than the Women in leadership theme which uses a target point of 50% as set out in the reference guide or your chosen alternative comparison benchmark.



The screenshot displays the AVIVA Client preferences page. The header includes the AVIVA logo and navigation tabs: Overview, Preferences, Holdings, Companies, Search and compare, Reporting, Help guide, and Set preferences. The main heading is "Client preferences". Below this, the section "ESG preferences (4/4)" is highlighted with a red box and labeled "1.". It contains four rows of preference cards:

- Climate change** (RED): Contributing to a low carbon economy. Metrics: 604.46 kg CO2 (Total share of carbon emissions ownership over the past year), Equivalent to roughly 2,628 miles driven.
- Human rights** (GREEN): Evaluating controversies related to human rights. Metrics: 13 companies (Flagged for severe or concerning controversies related to a firm's impact on human rights), Did you know? Over 7,000 corporate signatories in 135 countries have signed... Read more.
- Recycling** (GREEN): Promoting recycling for a sustainable future. Metrics: 58.94% (Percentage of waste recycled), Equivalent to roughly 6 out of 10 plastic bottles used.
- Water security** (RED): Promoting effective and efficient use of water. Metrics: 68,192.98 litres (Water usage ownership in litres over the past year), Equivalent to roughly 8,534 showers taken.

Below this section, another red box labeled "2." highlights the "All ESG preferences" section, which includes:

- Air pollution** (RED): Promoting cleaner air for all. Metrics: 1.03 kg (Total share of air pollution particulates released over the past year), More than 90% of people worldwide live in areas exceeding the WHO Guideline... Read more.
- Corporate governance** (AMBER): Promoting fair business practices. Metrics: 7 companies (Flagged for controversies related to a firm's approach to corporate governance), Corporate governance is the cornerstone of any good organisation and is rec... Read more.

# Climate change

From the ESG preference page you can complete a more focused review on each of the ESG themes against your client's portfolio.

1. The preference you have selected and its RAG rating.
2. Overview of what this preference is and some key metrics - for climate change this is CO2 usage.
3. The underlying holdings and their relative metrics: it is also possible to further drill down to sub account level.
4. At the holding-by-holding view you may see warning flags based on the underlying ESG data availability.

## Did you know:

The Paris Agreement has called for global warming to be limited to 1.5 degrees encouraging net zero CO2 emissions by 2050.



**AVIVA** Three GIA

Overview Preferences Holdings Companies Search and compare Reporting Help guide Set preferences

Preferences > Climate change

## Client preferences

### Climate change

Contributing to a low carbon economy

ESG insights relative to comparison index of global companies based on current portfolio allocations. Find out more

**RED**

Client's preference

### Why this matters

The lower the carbon footprint figure shown, the lower the environmental impact of the activities that a company is performing, or a portfolio has, from a carbon perspective.

By reducing carbon emissions, companies can help us limit warming to below +1.5°C by decarbonising their operations and supply chains through continuously improving energy efficiency.

### About this theme's metric

Ownership of emissions is calculated by dividing a company's total carbon footprint (the carbon emissions of a company from their operations and purchased energy, based on the GHG Protocol) by the total market value of the company, and multiplying this by the amount of the company you own.

This is done for each company in the portfolio and added together to give a figure for the whole portfolio. It can also be calculated per £1000, enabling a comparison of one company or fund with another to understand carbon emissions produced on a like-for-like basis.

### Key Facts

604.46 kg CO2  
Total share of carbon emissions ownership over the past year.

### Data coverage

In-scope asset coverage: **44.53%**  
ESG data coverage: **84.01%**

### Did you know?

Equivalent to roughly 2,628 miles driven.

### That's 520.02% higher

relative to an index of global companies. Comparative index

# Women in leadership

From the ESG preference page you can complete a more focused review on each of the ESG themes against your client's portfolio.

1. The preference you have selected and its RAG rating. It is important to note that both over representation and under representation of women in leadership roles can be assessed as amber or red.
2. Overview of what this preference is and some key metrics. For women in leadership shows % of female directors. It is important to note that both over representation and under representation of women in leadership roles can be assessed as amber or red.
3. The underlying holdings and their relative metrics. It is also possible to further drill down to sub account level.
4. At the holding-by-holding view you may see warning flags based on the underlying ESG data availability.

## Did you know:

The United Nations notes that women and girls represent half of the world's population and therefore also half of its potential. However, women continue to be under represented at all levels of leadership.



The screenshot shows the AVIVA ESG preference page for 'Women in leadership'. The page is titled 'Client preferences' and features a navigation menu with 'Overview', 'Preferences', 'Holdings', 'Companies', 'Search and compare', and 'Reporting'. The 'Preferences' section is active, showing the 'Women in leadership' preference with an 'AMBER' rating. The page includes a 'Why this matters' section, an 'About this theme's metric' section, and a 'Key Facts' section. The 'Key Facts' section displays the following data:

Key Facts	Data coverage	Did you know?	That's 18.12% lower
31.88% Average % female directors across companies in the portfolio.	In-scope asset coverage: 44.53% ESG data coverage: 61.71%	Equivalent to roughly 3 in 10 women on company boards.	relative to a target point of 50% equity.

The page also includes a 'Select account level' dropdown menu set to 'Three GIA (AV2487726)' and an 'Apply' button. The bottom section, 'Women in leadership for Three GIA (AV2487726)', provides a detailed view of the preference, including a 'View full screen' button and a table with columns for 'Asset', 'Value (GBP)', '% Weighting', 'In scope asset coverage', 'ESG data coverage', 'vs comparison', and 'Average female directors (%)'. The table is currently empty.

# Water security

From the ESG preference page you can complete a more focused review on each of the ESG themes against your client's portfolio.

1. The preference you have selected and its RAG rating.
2. Overview of what this preference is and some key metrics - water security uses litres.
3. The underlying holdings and their relative metrics. It is also possible to further drill down to sub account level.
4. At the holding-by-holding view you may see warning flags based on the underlying ESG data availability.

## Did you know:

The United Nations Sustainable Development Goals recognise that social development and economic prosperity depends on the sustainable management and sharing of water resources and ecosystems.



**AVIVA** Three GIA

Overview Preferences Holdings Companies Search and compare Reporting Help guide Set preferences

Preferences > Water security

## Client preferences

### Water security

Promoting effective and efficient use of water

Client's preference

ESG insights relative to comparison index of global companies based on current portfolio allocations. Find out more

**RED**

#### Why this matters

The United Nations Sustainable Development Goals recognise that social development and economic prosperity depends on the sustainable management and sharing of water resources and ecosystems.

This shows the share of the water used by the companies in your portfolio.

#### About this theme's metric

This shows the share of the water used by the companies in your portfolio. First, the water a company uses in cooling and processing, plus their purchased water, is added together to understand how much water is being used.

Ownership is calculated by dividing this figure by the total market value of the company and multiplying this by the amount of the company owned. This is done for each company in the portfolio and added together to give a figure for the whole portfolio.

#### Key Facts

68,192.98 litres  
Water usage ownership in litres over the past year.

#### Data coverage

In-scope asset coverage: **44.53%**  
ESG data coverage: **84.01%**

#### Did you know?

Equivalent to roughly 8,524 showers taken.

#### That's 920.24% higher

relative to an index of global companies. Comparative index

#### Select account level

Three GIA (AV2487726) **Apply**

### Water security for Three GIA (AV2487726)

View full screen

- If more than 50% of the assets held in a fund do not qualify for ESG analysis, this is flagged on the basis that the assets available for analysis represent fewer than the majority of assets in the fund. For example, this could occur in the case of a bond fund where the majority of assets are sovereign bonds.
- Data available for securities and corporate bonds (and exclusive of asset types deemed not relevant for ESG analysis) should have coverage of at least 65% of the fund's holdings calculated by weight. For more information please consult the [reference guide](#).

Asset	Value (GBP)	% Weighting	In scope asset coverage	ESG data coverage	vs comparison	Water usage (litres / £ 1000)
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# Waste

From the ESG preference page you can complete a more focused review on each of the ESG themes against your client's portfolio.

1. The preference you have selected and its RAG rating.
2. Overview of what this preference is and some key metrics - waste is measured in kilograms.
3. The underlying holdings and their relative metrics. It is also possible to further drill down to sub account level.
4. At the holding-by-holding view you may see warning flags based on the underlying ESG data availability.

## Did you know:

Each person generated around 7.3kgs of electronic waste in 2019 but only 1.7kg was recycled.



**AVIVA** Three GIA

Overview Preferences Holdings Companies Search and compare Reporting Help guide Set preferences

Preferences > Waste

## Client preferences

### Waste

Minimising environmental impact through effective waste management

ESG insights relative to comparison index of **global companies** based on current portfolio allocations. Find out more

**RED**

#### Why this matters

This shows the share of waste sent to landfill generated by the companies in the portfolio. Eight million tons of plastic end up in the oceans every year in marine ecosystems.

This is just one factor that has encouraged greater awareness of the consequences of poor waste management.

#### About this theme's metric

This shows the share of waste sent to landfill generated by the companies in the portfolio. The total quantity of waste that is generated by the company and is disposed to landfill is calculated by totalling hazardous and non-hazardous landfill and waste produced by the company.

Ownership is then calculated by dividing this figure by the total market value of the company and multiplying this by the amount of the company you own. This is done for each company in your portfolio and added together to give a figure for your whole portfolio.

#### Key Facts

**125.42 kg**  
Total ownership of waste sent to landfill.

#### Data coverage

In-scope asset coverage: **44.53%**  
ESG data coverage: **85.83%**

#### Did you know?

Equivalent to roughly 12 household rubbish bins.

**That's 2,091.73% higher** relative to an index of global companies. **Comparative index**

#### Select account level

Three GIA (AV2487726) **Apply**

#### Waste for Three GIA (AV2487726)

**View full screen**

- If more than 50% of the assets held in a fund do not qualify for ESG analysis, this is flagged on the basis that the assets available for analysis represent fewer than the majority of assets in the fund. For example, this could occur in the case of a bond fund where the majority of assets are sovereign bonds.
- Data available for securities and corporate bonds (and exclusive of asset types deemed not relevant for ESG analysis) should have coverage of at least 65% of the fund's holdings calculated by weight.

For more information please consult the [reference guide](#).

# Deforestation

From the ESG preference page you can complete a more focused review on each of the ESG themes against your client's portfolio.

1. The preference you have selected and its RAG rating.
2. Overview of what this preference is and some key metrics. Deforestation is measured by highlighting the companies that have deforestation concerns.
3. The underlying holdings and their relative metrics. It is also possible to further drill down to sub account level.
4. At the holding-by-holding view you may see warning flags based on the underlying ESG data availability.

## Did you know:

Around one football field of primary rainforest was lost every six seconds in 2019.



**AVIVA** Three GIA

Overview Preferences Holdings Companies Search and compare Reporting Help guide Set preferences

Preferences > Deforestation

## Client preferences

### Deforestation

Promoting stewardship of the world's forests

ESG insights relative to comparison index of **global companies** based on current portfolio allocations. **AMBER** Find out more

#### Why this matters

Managing forests sustainably is not only key to mitigating climate change, it also contributes to long-term socio-economic growth and the integrity of global ecosystems.

Companies can implement strategies to incentivise sustainable land use, responsible forest management, and environmental stewardship.

#### About this theme's metric

Global Canopy, an NGO backed by the UK and international governments, identifies, and assesses the performance of global companies and financial institutions that are exposed to deforestation through the Forest 500 ranking, [www.forest500.org](http://www.forest500.org).

Biannually Global Canopy maps companies and financial institutions in forest risk commodity supply chains to select the Forest 500 sample. If companies achieve a bottom score of 0 or 1 out of 5, they are flagged.

#### Key Facts

7 companies  
Flagged for deforestation concerns.

#### Data coverage

In-scope asset coverage: **44.53%**

#### Did you know?

Did you know? Around one football field of rainforest was lost every six seconds in recent years.

#### That's 0% higher

relative to an index of global companies.  
**Comparative index**

#### Select account level

Three GIA (AV2487726) **Apply**

### Deforestation for Three GIA (AV2487726)

**View full screen**

- If more than 50% of the assets held in a fund do not qualify for ESG analysis, this is flagged on the basis that the assets available for analysis represent fewer than the majority of assets in the fund. For example, this could occur in the case of a bond fund where the majority of assets are sovereign bonds.
- Data available for securities and corporate bonds (and exclusive of asset types deemed not relevant for ESG analysis) should have coverage of at least 65% of the fund's holdings calculated by weight.

For more information please consult the [reference guide](#).

Asset	Value (GBP)	% Weighting	In scope asset coverage	ESG data coverage	vs comparison	Deforestation (if flagged)
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# Human rights

From the ESG preference page you can complete a more focused review on each of the ESG themes against your client's portfolio.

1. The preference you have selected and its RAG rating.
2. Overview of what this preference is and some key metrics. Human rights is measured by highlighting the companies that have been flagged regarding human rights concerns.
3. The underlying holdings and their relative metrics. It is also possible to further drill down to sub account level.
4. At the holding-by-holding view you may see warning flags based on the underlying ESG data availability.

## Did you know:

The UN set 17 Sustainable Development Goals to be adopted by all their member states to improve human rights globally by 2030.



**AVIVA** Three GIA

Overview Preferences Holdings Companies Search and compare Reporting Help guide Set preferences

Preferences > Human rights

## Client preferences

**Human rights** GREEN  
Evaluating controversies related to human rights  
Client's preference  
ESG insights relative to comparison index of global companies based on current portfolio allocations. Find out more

**Why this matters**

This shows the number of companies in your portfolio where severe or concerning controversies related to a firm's impact on human rights have been flagged. Businesses must abide by internationally observed standards and avoid causing or contributing to adverse human rights impacts through their activities and relationships.

**About this theme's metric**

This shows the number of companies in the portfolio where severe or concerning controversies related to a firm's impact on human rights have been flagged. This metric flag concerns related to situations such as poor occupational safety records, inadequate anti-discrimination policies, poor whistle-blower protections, or supply chain risk of forced labour. For the total portfolio, the total number of companies who have experienced these incidents is shown.

**Key Facts**

13 companies  
Flagged for severe or concerning controversies related to a firm's impact on human rights.

**Data coverage**

In-scope asset coverage: 44.53%  
ESG data coverage: 78.63%

**Did you know?**

Did you know? Over 7,000 corporate signatories in 135 countries have signed up to the UN Global Compact, which protects human rights.

**That's 38.1% lower**  
relative to an index of global companies.  
Comparative index

**Select account level**

Three GIA (AV2487726) Apply

**Human rights for Three GIA (AV2487726)** View full screen

- If more than 50% of the assets held in a fund do not qualify for ESG analysis, this is flagged on the basis that the assets available for analysis represent fewer than the majority of assets in the fund. For example, this could occur in the case of a bond fund where the majority of assets are sovereign bonds.
- Data available for securities and corporate bonds (and exclusive of asset types deemed not relevant for ESG analysis) should have coverage of at least 65% of the fund's holdings calculated by weight.

For more information please consult the [reference guide](#).

Asset	Value (GBP)	% Weighted	In scope asset coverage	ESG data coverage	vs comparison	Human rights controversies (if flagged)
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# Recycling

From the ESG preference page you complete a more focused review on each of the ESG themes against your clients portfolio.

1. The performance you selected and its RAG rating.
2. Overview of what the preference is and some key metrics - for Recycling this is % of waste recycled.
3. The underlying holdings and their relative metrics: it is also possible to further drill down to sub account level.
4. At the holding-by-holding view you may see warning flags based on the underlying ESG data availability.

## Did you know:

As much as 80% of the things we throw away in the UK could be recycled.



**Recycling**  
Promoting recycling for a sustainable future  
Client's preference

ESG insights relative to comparison index of **global companies** based on current portfolio allocations. Find out more

**Why this matters**

Growing waste levels pose a serious risk to ecosystems and human health. This shows the percentage of waste recycled by the companies in the portfolio. Every year, an estimated 11.2 billion tonnes of solid waste is collected worldwide (UN) and emissions from solid waste, for example landfill, contribute to global greenhouse gas emissions. In recent years, less than 10% of plastic waste was recycled. Waste from electrical and electronic equipment containing new and complex hazardous substances is also a key challenge.

**About this theme's metric**

This shows the percentage of waste recycled by the companies in the portfolio. The total quantity of waste that is generated by the company is calculated, and the amount recycled calculated as a percentage of this total. This is done for each company in your portfolio, and this is then used to create a weighted average for a fund or your whole portfolio.

**Key Facts**

58.94%  
Percentage of waste recycled.

**Data coverage**

In-scope asset coverage: **44.53%**  
ESG data coverage: **33.7%**

**Did you know?**

Equivalent to roughly 6 out of 10 plastic bottles used.

That's 2.58% lower relative to an index of global companies. **Comparative index**

**Select account level**

Three GIA (AV2487726) **Apply**

**Recycling for Three GIA (AV2487726)**

If more than 50% of the assets held in a fund do not qualify for ESG analysis, this is flagged on the basis that the assets available for analysis represent fewer than the majority of assets in the fund. For example, this could occur in the case of a bond fund where the majority of assets are sovereign bonds.

Data available for securities and corporate bonds (and exclusive of asset types deemed not relevant for ESG analysis) should have coverage of at least 65% of the fund's holdings calculated by weight.

For more information please consult the [reference guide](#).

Asset	Value (GBP)	% Weighting	In scope asset coverage	ESG data coverage	vs comparison	Recycling (%)
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# Corporate governance

From the ESG preference page you complete a more focused review on each of the ESG themes against your clients portfolio.

1. The performance you selected and its RAG rating.
2. Overview of what the preference is and some key metrics - for corporate governance its number of companies flagged for their approach to corporate governance.
3. The underlying holdings and their relative metrics: it is also possible to further drill down to sub account level.
4. At the holding-by-holding view you may see warning flags based on the underlying ESG data availability.

## Did you know:

Fraud is the most commonly experienced crime in the UK. Fraud costs the UK many billions of pounds every year.



**AVIVA** Three GIA

Overview Preferences Holdings Companies Search and compare Reporting Help guide Set preferences

Preferences > Corporate governance

## Client preferences

### Corporate governance

Promoting fair business practices

ESG insights relative to comparison index of **global companies** based on current portfolio allocations. Find out more

**AMBER**

#### Why this matters

Governance encompasses the rules, roles, and processes with which a company and its board is run. Striving towards good practices in this area contribute to a fairer, more just and well-run corporate environment. Considerations include poor auditing and accounting, corruption, the appropriate behaviour of executives and independence of boards.

#### About this theme's metric

This shows the number of companies in the portfolio where issues related to a firm's corporate governance have been flagged. This metric flags concerns related to the following categories: poor auditing and accounting, corruption, bribery & fraud, governance structures, controversial investments, the appropriate behaviour of executives and independence of boards. For the total portfolio, the total number of companies who have experienced these incidents is shown.

#### Key Facts

**7 companies**  
Flagged for controversies related to a firm's approach to corporate governance.

#### Data coverage

In-scope asset coverage: **44.53%**  
ESG data coverage: **78.63%**

#### Did you know?

Corporate governance is the cornerstone of any good organisation and is recognised as a key factor for long term financial success.

#### That's 30% lower

relative to an index of global companies. Comparative index

#### Select account level

Three GIA (AV2487726) **Apply**

### Corporate governance for Three GIA (AV2487726)

View full screen

- If more than 50% of the assets held in a fund do not qualify for ESG analysis, this is flagged on the basis that the assets available for analysis represent fewer than the majority of assets in the fund. For example, this could occur in the case of a bond fund where the majority of assets are sovereign bonds.
- Data available for securities and corporate bonds (and exclusive of asset types deemed not relevant for ESG analysis) should have coverage of at least 65% of the fund's holdings calculated by weight.

For more information please consult the [reference guide](#).

# Air Pollution

From the ESG preference page you complete a more focused review on each of the ESG themes against your clients portfolio.

1. The performance you selected and its RAG rating.
2. Overview of what the preference is and some key metrics - for air pollution its Kg of air pollution particles released.
3. The underlying holdings and their relative metrics: it is also possible to further drill down to sub account level.
4. At the holding-by-holding view you may see warning flags based on the underlying ESG data availability.

## Did you know:

Air pollution is responsible for more than 7 million deaths each year worldwide. Breathing in air pollution can increase the risk of heart disease and stroke.



**AVIVA** Three GIA

Overview Preferences Holdings Companies Search and compare Reporting Help guide Set preferences

Preferences > Air pollution

## Client preferences

**Air pollution** RED  
Promoting cleaner air for all

ESG insights relative to comparison index of **global companies** based on current portfolio allocations. [Find out more](#)

**Why this matters**

Keeping our air clean is crucial for health and wellbeing globally. As highlighted by the UN, air pollution is the single greatest environmental risk to human health and one of the main avoidable causes of death and disease globally, with some estimated 6.5 million premature deaths (2016) across the world attributed to indoor and outdoor air pollution. This shows the share of air pollution particulates released by the companies in the portfolio.

**About this theme's metric**

The air pollutant metric shows the quantity of air pollution particulates released by the companies invested in at company, fund or portfolio level for a universe of global companies who report this data.

**Key Facts**

**1.03 kg**  
Total share of air pollution particulates released over the past year.

**Data coverage**

In-scope asset coverage: **44.53%**  
ESG data coverage: **86.23%**

**Did you know?**

More than 90% of people worldwide live in areas exceeding the WHO Guideline for healthy air. More than half live in areas that do not even meet WHO's least-stringent air quality target.

**That's 77.29% higher** relative to an index of global companies. **Comparative index**

**Select account level**

Three GIA (AV2487726) Apply

**Air pollution for Three GIA (AV2487726)** View full screen

- If more than 50% of the assets held in a fund do not qualify for ESG analysis, this is flagged on the basis that the assets available for analysis represent fewer than the majority of assets in the fund. For example, this could occur in the case of a bond fund where the majority of assets are sovereign bonds.
- Data available for securities and corporate bonds (and exclusive of asset types deemed not relevant for ESG analysis) should have coverage of at least 65% of the fund's holdings calculated by weight.

For more information please consult the [reference guide](#).

Asset	Value (GBP)	% Weighting	In scope asset coverage	ESG data coverage	vs comparison	Air pollution (kg / £ 1000)
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# Holdings: Detail

From the summary page you can access holding-by-holding review against all 9 themes.

1. The underlying holdings at portfolio level is shown by default but it is also possible to further drill down to sub account level.
2. Table breaking down each holding against the ESG themes.
3. It is possible to drill down further into the holding to review the underlying company details that are contributing to that asset's score.
4. Toggle between detailed view (full metric breakdown) and comparison view (RAG rating).
5. Edit columns will allow you to adjust detail within the table, including exploring exclusionary items (Adult entertainment, alcohol, controversial weapons, gambling, tobacco and fossil fuels).

**AVIVA** Three GIA

Overview Preferences **Holdings** Companies Search and compare Reporting Help guide Set preferences

## Holdings

Select account level

Three GIA (AV2487726) Apply

**Three GIA (AV2487726)**

- If more than 50% of the assets held in a fund do not qualify for ESG analysis, this is flagged on the basis that the assets available for analysis represent fewer than the majority of assets in the fund. For example, this could occur in the case of a bond fund where the majority of assets are sovereign bonds.
- Data available for securities and corporate bonds (and exclusive of asset types deemed not relevant for ESG analysis) should have coverage of at least 65% of the fund's holdings calculated by weight.

For more information please consult the [reference guide](#).

Detailed view Comparison view

Edit columns View full screen

Asset	Value (GBP)	% Weighting	ESG risk	Carbon emissions (kg CO <sub>2</sub> / £ 1000)	Water usage (litres / £ 1000)	Waste to landfill (kg / £ 1000)	Average female directors (%)	Deforestation (if flagged)	Human rights controversies (if flagged)	Corporate governance (if flagged)	Recycling (%)	Air pollution (kg / £ 1000)
<a href="#">Aviva Investors Multi-asset Plus Fund II Class 2 GBP Acc</a>	£2,250.00	22.52%	6.74	37.03	1,193.98	0.79	35.39	3	14	12	50.65	0.1

### Did you know:

You can personalise this page by choosing which columns to include.



# Enabling ethical choices

It is possible to use the ESG Profiler to explore underlying involvement in the following categories: Fossil fuels, tobacco, gambling, adult entertainment, controversial weapons or alcohol.

1. From the holdings page click 'edit columns' and enable the areas of interest
2. Select the items you wish to included in the table
3. You can view the table full screen by clicking here
4. Fund insights are based on exposure to the underlying companies for these controversial industries
5. Full details of how this tool works is available within the reference guide.

The screenshot shows the AVIVA ESG Profiler interface. At the top, there's a navigation bar with 'Overview', 'Preferences', 'Holdings', 'Companies', 'Search and compare', and 'Reporting'. The 'Holdings' section is active, showing 'Three GIA (AV2487726)'. Below this, there are two buttons: 'Detailed view' (highlighted in green) and 'Comparison view'. A dialog box titled 'Edit columns' is open, allowing users to customize the table columns. The dialog box contains a list of 19 categories, each with a checkbox and a 'flagged' status. The following categories are checked: Asset, Value (GBP), % Weighting, Adult entertainment (# flagged), Alcohol (# flagged), Controversial weapons (# flagged), Gambling (# flagged), Tobacco (# flagged), and Fossil fuels (# flagged). The 'Confirm' button is highlighted in yellow. A reference guide link is also visible in the background.

Asset	Value (GBP)	% Weighting	ESG risk	Carbon emissions (kg CO2 / £ 1000)	Water usage (litres / £ 1000)
Aviva Investors Multi-asset Plus Fund II Class 2	£2,250.00	22.52%	6.74	37.03	1,193.98

## Did you know:

There were 9,641 deaths related to alcohol-specific causes registered in the UK in 2021, equivalent to 14.8 deaths per 100,000 people.





# Holdings: Comparison

From the summary page you can access a holding-by-holding review against all 9 themes. You initially land on the detailed view, but changing to comparison view will demonstrate how your client holdings compare to the MSCI World All Countries Index or a target point, please see the reference guide for more details.

1. The underlying holdings at portfolio level is shown by default but it is also possible to further drill down to sub account level.
2. Table breaking down each holding against the ESG themes and producing a RAG vs MSCI World All Companies Index or a target point, please see the reference guide for more details.
3. It is possible to drill down further into the holding to review the underlying company details that are contributing to that asset's score.
4. Toggle between detailed view (full metric breakdown) and comparison view (RAG rating).

**1.** Select account level: Three GIA (AV2487726) [Apply]

**2.** ESG insights are shown as red, amber or green relative to a default target point or an index of global companies. Find out more

**3.** ESG Metrics Table:

Asset	Carbon emissions (kg CO2 / £ 1000)	Water usage (litres / £ 1000)	Waste to landfill (kg / £ 1000)	Average female directors (%)	Deforestation (# flagged)	controversies (# flagged)	Corporate governance (# flagged)
Aviva Investors Multi-asset Plus Fund III Class 2 GBP Acc	RED	AMBER	GREEN	AMBER	GREEN	GREEN	AMBER
Aviva Inv MM 20-60% shares 2	RED	AMBER	RED	RED	GREEN	GREEN	GREEN

**4.** View toggle: Detailed view | Comparison view



# Holdings: Breakdown detail

By selecting a holding on the holdings overview page you will see a breakdown of that asset's top 10 company holdings.

1. Toggle between detailed view (full metric breakdown) and comparison view (RAG rating).
2. Table breaking down each underlying company holding against the ESG themes.
3. It is possible to drill down further into the company to review the underlying company details that are contributing to that asset's score.

The screenshot shows the AVIVA Holdings page for the Aviva Investors Multi-asset Plus Fund II Class 2 GBP Acc. The page is titled 'Holdings' and displays the 'Top 10 Holdings' in a detailed view. The table below provides the data for these holdings.

Top 10 Holdings	Value (GBP)	% Weighting	ESG risk	Carbon emissions (kg CO2 / £ 1000)	Water usage (litres / £ 1000)	Waste to landfill (kg / £ 1000)	Average female directors (%)	Deforestation (# flagged)	Human rights controversies (# flagged)	Corporate governance (# flagged)	Recycling (%)	A poll (kg 10)
MI Microsoft Corp	£66.41	2.95%	7.9	2.78	2.64	0.01	41.67	Not specified	Non flagged	Non flagged	57.94	€
Ap Apple Inc	£65.91	2.93%	5.7	0.58	11.02	0.51	33.33	Not specified	Non flagged	Non flagged	Not specified	€
NV NVIDIA Corp	£46.14	2.05%	9.1	0.09	0.26	0	23.08	Not specified	Non flagged	Non flagged	56.14	€
Am Amazon.com Inc	£36.52	1.62%	4.6	10.76	77.73	1.03	45.45	Not specified	Non flagged	Non flagged	Not specified	€
Al Alphabet Inc	£35.72	1.59%	4.7	6.26	16.2	0.03	27.27	Not specified	Non flagged	Non flagged	0	€
El Eli Lilly and Co	£14.67	0.65%	7	1	2.18	0.16	41.67	Not specified	Non flagged	Non flagged	Not specified	€
Te Tesla Inc	£13.14	0.58%	6.2	1.22	134.62	0.09	25	Not specified	Non flagged	Non flagged	82.75	€
Brc Broadcom Inc	£12.93	0.57%	5.9	0.6	4.38	0.02	33.33	Not specified	Non flagged	Non flagged	Not specified	€
Mo Morgan Stanley	£12.70	0.56%	7.6	1.12	17.69	0.04	28.57	Non flagged	Non flagged	Non flagged	Not specified	€
Sh Shell PLC	£12.08	0.54%	7.6	256.92	410.35	4.92	41.67	Flagged	Flagged	Non flagged	18.74	0.!



# Holdings: Breakdown comparison

By selecting a holding on the holdings overview page you will see a breakdown of that asset's top 10 company holdings.

1. Toggle between detailed view (full metric breakdown) and comparison view (RAG rating).
2. Table breaking down each underlying company holding against the ESG themes.
3. It is possible to drill down further into the company to review the underlying company details that are contributing to that asset's score.

The screenshot shows the AVIVA Holdings page for 'Aviva Investors Multi-asset Plus Fund II Class 2 GBP Acc'. The page is in 'Comparison view' mode, as indicated by the '1.' callout. The table displays ESG insights for the top 10 holdings, with ratings shown as GREEN, AMBER, or RED. The table is annotated with callouts: '2.' points to the ESG insights table, and '3.' points to the list of holdings on the left.

Top 10 Holdings	Carbon emissions (kg CO2 / £ 1000)	Water usage (litres / £ 1000)	Waste to landfill (kg / £ 1000)	Average female directors (%)	Deforestation (if flagged)	Human rights controversies (if flagged)	Corporate governance (if flagged)	Recycled
MI Microsoft Corp	GREEN	GREEN	GREEN	GREEN	NOT SPECIFIED	NON FLAGGED	NON FLAGGED	GRE
Ap Apple Inc	GREEN	GREEN	GREEN	AMBER	NOT SPECIFIED	NON FLAGGED	NON FLAGGED	NOT SPI
NV NVIDIA Corp	GREEN	GREEN	GREEN	RED	NOT SPECIFIED	NON FLAGGED	NON FLAGGED	GRE
Am Amazon.com Inc	GREEN	GREEN	AMBER	GREEN	NOT SPECIFIED	NON FLAGGED	NON FLAGGED	NOT SPI
Al Alphabet Inc	GREEN	GREEN	GREEN	RED	NOT SPECIFIED	NON FLAGGED	NON FLAGGED	RE
EI Eli Lilly and Co	GREEN	GREEN	GREEN	GREEN	NOT SPECIFIED	NON FLAGGED	NON FLAGGED	NOT SPI
Te Tesla Inc	GREEN	GREEN	GREEN	RED	NOT SPECIFIED	NON FLAGGED	NON FLAGGED	GRE
Br Broadcom Inc	GREEN	GREEN	GREEN	AMBER	NOT SPECIFIED	NON FLAGGED	NON FLAGGED	NOT SPI
Mo Morgan Stanley	GREEN	GREEN	GREEN	RED	NON FLAGGED	NON FLAGGED	NON FLAGGED	NOT SPI



# Companies: Detail

From the summary page you can access a company-by-company review against all 9 themes.

1. The underlying companies at portfolio level is shown by default, but it is also possible to further drill down to sub account level.
2. Table breaking down each holding against the ESG themes.
3. It is possible to drill down further into the company details that are contributing to that asset's score.
4. Toggle between detailed view (full metric breakdown) and comparison view (RAG rating).

The screenshot shows the AVIVA 'Companies' detail page. At the top, there's a navigation bar with 'Overview', 'Preferences', 'Holdings', 'Companies', 'Search and compare', and 'Reporting'. A 'Select account level' section allows users to choose an account level, currently set to 'Three GIA (AV2487726)'. Below this, there are two view toggles: 'Detailed view' (selected) and 'Comparison view'. The main content is a table of ESG metrics for various companies. The table has columns for Value (GBP), % Weighting, ESG risk, Carbon emissions (kg CO2 / £ 1000), Water usage (litres / £ 1000), Waste to landfill (kg / £ 1000), Average female directors (%), Deforestation (# flagged), Human rights controversies (# flagged), and Corpor. governa (# flagg). The table lists companies like Corning Inc, Bristol-Myers Squibb Co, Microsoft Corp, Apple Inc, Oracle Corp, Comcast Corp, and Cogent Communications Holdings Inc.

Companies	Value (GBP)	% Weighting	ESG risk	Carbon emissions (kg CO2 / £ 1000)	Water usage (litres / £ 1000)	Waste to landfill (kg / £ 1000)	Average female directors (%)	Deforestation (# flagged)	Human rights controversies (# flagged)	Corpor. governa (# flagg)
Co Corning Inc	£144.44	1.45%	5.2	90.82	583.98	6.03	26.67	Not specified	Not flagged	Not flagge
Br Bristol-Myers Squibb Co	£121.57	1.22%	5.9	3.35	28.24	0	40	Not specified	Not flagged	Not flagge
Mi Microsoft Corp	£109.59	1.1%	4.5	0.09	0.17	0	Not specified	Not specified	Not flagged	Not flagge
Ap Apple Inc	£106.55	1.07%	Not specified	0.01	0.01	0	Not specified	Not specified	Not specified	Not specifi
Or Oracle Corp	£95.83	0.96%	5.2	1.86	2.61	0.01	Not specified	Not specified	Not flagged	Not flagge
Co Comcast Corp	£88.63	0.89%	3.7	9.07	101.65	1.07	30	Not specified	Not flagged	Not flagge
Co Cogent Communications Holdings Inc	£86.79	0.87%	6.6	1.52	2.71	0.16	33.33	Not specified	Not flagged	Not flagge



# Companies: Comparison

From the summary page you can access a company-by-company review against all 9 themes. This shows the default view but you can also look at a comparison against MSCI World All Companies Index or a target point, please see the reference guide for more details.

1. The underlying companies at portfolio level is shown by default, but it is also possible to further drill down to sub account level.
2. Table breaking down each holding against the ESG themes and producing a RAG vs MSCI World All Companies Index or a target point, please see the reference guide for more details.
3. It is possible to drill down further into the company details that are contributing to that asset's score.
4. Toggle between detailed view (full metric breakdown) and comparison view (RAG rating).

AVIVA Three GIA

Overview Preferences Holdings Companies Search and compare Reporting Help guide Set preferences

## Companies

Select account level

Make a selection to view an ESG analysis of the top 10 companies held by weight across the portfolio.

Three GIA (AV2487726) Apply

Three GIA (AV2487726)

Detailed view Comparison view Edit columns View full screen

ESG insights are shown as red, amber or green relative to a default target point or an index of global companies. [Find out more](#)

Companies	Carbon emissions (kg CO2 / £ 1000)	Water usage (litres / £ 1000)	Waste to landfill (kg / £ 1000)	Average female directors (%)	Deforestation (if flagged)	Human rights controversies (if flagged)	Corporate
Co Corning Inc	RED	GREEN	RED	RED	NOT SPECIFIED	NOT FLAGGED	NO
Br Bristol-Myers Squibb Co	GREEN	GREEN	GREEN	AMBER	NOT SPECIFIED	NOT FLAGGED	NO
Mi Microsoft Corp	GREEN	GREEN	GREEN	NOT SPECIFIED	NOT SPECIFIED	NOT FLAGGED	NO
Ap Apple Inc	GREEN	GREEN	GREEN	NOT SPECIFIED	NOT SPECIFIED	NOT SPECIFIED	NO
Or Oracle Corp	GREEN	GREEN	GREEN	NOT SPECIFIED	NOT SPECIFIED	NOT FLAGGED	NO
Co Comcast Corp	GREEN	GREEN	AMBER	AMBER	NOT SPECIFIED	NOT FLAGGED	NO
Co Cogent Communications Holdings Inc	GREEN	GREEN	GREEN	AMBER	NOT SPECIFIED	NOT FLAGGED	NO



# Company level view

From a holding or company view page within the tool you can access a detailed view of any company the client is invested in.

1. Company name and how they compare to the Paris Temperature Alignment.
2. Table breaking down the company against the ESG preferences of your client, including the relevant metrics.
3. It is possible to adjust your client's preferences on this page too.

## What is 'temperature alignment'?

Temperature alignment aims to model an asset's contribution on the objectives of the Paris Agreement on climate change (2015), specifically the consensus to limit global temperature rise to well below 2 degrees, and preferably to 1.5 degrees of warming by 2050.

The screenshot shows the AVIVA 'Companies' page for Comcast Corp. The page is divided into several sections:

- Header:** AVIVA logo, navigation tabs (Overview, Preferences, Holdings, Companies, Search and compare, Reporting), and a 'Set preferences' button (labeled 3).
- Company Overview:** Comcast Corp, % of your portfolio (0.89%), Current value of shares (£88.63) (labeled 1).
- ESG Metrics Grid (labeled 2):**
  - Climate change:** 0.8 kg CO2. Total share of carbon emissions ownership over the past year. Equivalent to roughly 3 miles driven. That's 65.24% Lower relative to an index of global companies.
  - Water security:** 9.01 litres. Water usage ownership in litres over the past year. Equivalent to roughly 1 showers taken. That's 94.32% Lower relative to an index of global companies.
  - Human rights:** Not flagged. Flagged for severe or concerning controversies related to a firm's impact on human rights. Did you know? Over 7,000 corporate signatories in 135 countries have signed up to the UN Global Compact, which protects human rights.
  - Recycling:** Not specified. Percentage of waste recycled. Not specified.
  - Waste:** 0.1 kg. Total ownership of waste sent to landfill. Equivalent to roughly 0 household rubbish bins. That's 28.39% Lower relative to an index of global companies.
  - Women in leadership:** 30%. Average % female directors across companies in the portfolio. Equivalent to roughly 3 in 10 women on company boards. That's 20% Lower relative to a target point of 50% equity.
  - Deforestation:** Not specified. Flagged for deforestation concerns. Did you know? Around one football field of rainforest was lost every six seconds in recent years.
  - Corporate governance:** Not flagged. Flagged for controversies related to a firm's approach to corporate governance. Corporate governance is the cornerstone of any good organisation and is recognised as a key factor for long term financial success.
  - Air pollution:** 0 kg. Total share of air pollution particulates released over the past year. More than 90% of people worldwide live in areas exceeding the WHO Guideline for healthy air. More than half live in areas that do not even meet WHO's least-stringent air quality target. That's 99.44% Lower relative to an index of global companies.



# Search and compare

From the ESG landing page or tab you can explore the asset universe, enabling the search of alternative assets that suits your client's ESG metrics:

1. A saveable PDF can be generated for your clients file detailing the difference in ESG metrics to their assets
2. All 9 of the ESG preferences and 6 exclusionary filters are available to view and compare
3. You can view the comparison data in a graph or a table from the comparison tool

The screenshot displays the AVIVA ESG Profiler tool interface. The top navigation bar includes 'Overview', 'Preferences', 'Holdings', 'Companies', 'Search and compare', and 'Reporting'. The main content area is titled 'Responsible, sustainable investing' and features a 'What are ESG Criteria?' section. The client profile for 'Three GIA' shows a total amount invested of £9,392.44 and preferences for 'Climate change, Human rights, Recycling, Water security'. The 'Search & compare' section is highlighted with an orange box. The 'Compare managed funds' section is also highlighted with an orange box and includes a 'Download pdf' button. The comparison tool shows a bar chart for 'Climate change compared to market (kg CO2 / £ 1000)' with values 25.91, 29.84, and 16.21. Below the chart, a table compares three funds:

Fund	Climate change (kg CO2 / £ 1000)	Relative to comparison benchmark	Asset type coverage	In scope asset type coverage	TER
Aviva Investors Multi-asset Plus Fund V Class 2 GBP Acc	25.91	-0.7%	60%	89%	0.6%
Aviva Investors Multi-asset Plus Fund I Acc	29.84	+14.4%	45%	46%	0.35%
Aviva Investors Multi-asset Core Fund V Class 2	16.21	-37.8%	89%	90%	0.15%

## Did you know:

The ESG Profiler tool compiles data from multiple sources to give you the outputs to the client preferences.



# Reporting

From the ESG landing page or tabs you can elect to generate a report for you client:

1. A saveable PDF report can be generated for your client, simply click 'reporting' from the summary page.
2. You can create a report with 1-4 preferences.
3. You can elect to include or exclude up to 6 controversial industries.
4. The report will generate as a PDF document.

1. Search & compare

2. Set client preferences to be included in the ESG Profiler report

3. Set controversial industries to be shown in the ESG Profiler report

4. Generate report



## Did you know:

To save the environment you can now e-mail a PDF of the ESG client report directly to your clients rather than printing out a paper copy.





# Appendix: ESG Tool reference guide

## Reference guide

FNZ Impact (The tool) provides information on your client's current portfolio for certain specific ESG themes. The information doesn't show whether the fund that your client invests in has any specific ESG aims or whether it employs a particular ESG strategy to achieve its aims. In addition, UK market has no defined criteria for the assessment of ESG factors currently and there are still some market wide gaps of reliable ESG data which mean that we are unable to provide all of the information that we would like to provide on some of the themes presently. The tool will be updated when reliable data is available. It is important that you refer to this reference guide for details of the ESG themes that the tool covers, and the methodology and assessment criteria used.

There is growing consensus that considering environmental, social and governance topics, including climate change, is supportive of fiduciary duty. The **ESG & Responsible Investing** area of the platform aims to further inform you in making choices with regard to your clients' investments by aligning both their financial goals and their values where appropriate. This is achieved through providing information about the environmental, social and governance aspects of investments into the platform, giving you and your client the opportunity to understand your client's preferences from the perspective of these considerations, and then applying these insights to the selection of investments where appropriate.

Limitations exist given inconsistencies in the market and gaps in data provision. Given the subjective nature of some ESG ratings, funds could be rated differently elsewhere.

This tool may be able to support you in advising your clients to assist them to make choices with regard to their investments by assessing the sustainability credentials of portfolios, however please note that the tool is not a substitute for a suitability assessment which remains the sole obligation of the advisor.

## What is ESG and why is it important?

Given the rise in awareness of significant global environmental and social challenges, many of us have made lifestyle changes to align with our values around managing our own impact on the future world. This is now beginning to extend to clients, wishing to align their investment objectives with their broader values.

As a result of these developments, investment managers, financial advisers and end investors are now incorporating ESG considerations into investment analysis, decision-making, and suitability.

# APPENDIX: ESG TOOL REFERENCE GUIDE

## What are ESG factors?

### Environmental factors

These factors focus on the natural world, including elements such as carbon management, resource use (both renewable and non-renewable), and air pollution. Examples include:

- Climate change and carbon emissions/reductions
- Biodiversity
- Resource depletion, for example fossil fuel use
- Waste management
- Water usage
- Deforestation

### Social factors

These are factors that affect the lives of people, including the management of human resources, employee rights, and local community rights. Examples include:

- Human rights
- Gender and diversity
- Modern slavery
- Working conditions
- Employee relations

### Governance factors

These relate to how businesses are run, including their relationship to broader stakeholders, for example issues inherent to the business model or industry best practice. Examples include:

- Bribery and corruption
- Tax strategy
- Board structure
- Political contributions
- Whistle-blower schemes

## How is ESG data sourced?

This platform solution aims to enable alignment and transparency across key ESG metrics by striving to move towards the dissemination of disclosed impact data in the areas where this data is most prevalent and available. This aims to align with industry calls for greater transparency and consistency from bodies such as the **International Financial Reporting Standards Foundation** and **UN Principles for Responsible Investment**.

In line with other methodologies, the solution takes a ‘dashboard’ approach - aiming to source raw data for a variety of key metrics rather than aggregate scores where possible - when looking at a company or at the portfolio level. The solution sources and aggregates these data from some of the world’s most widely used ESG data providers and the data selection process involves a continual, detailed review of market providers given the pace at which the market is evolving. Added to this,

specialist sources can be used to supplement insights. The insights generated, which represent an aggregation of widely used ESG data sources available in the market today, are designed to support investors of all kinds seeking to achieve a range of objectives, including measuring, and reporting on controversial industry exposure, carbon emissions, diversity & inclusion progress, and company governance. They also aim to support advisers in selecting and implementing appropriate investment strategies and factoring sustainability research into their investment and risk management processes. To learn more about data providers used, visit the **Find out more section**.

## Coverage

Whilst disclosure has improved in recent years, for example as evidenced by disclosures to the Carbon Disclosure Project, gaps remain. Data are currently unavailable for some metrics, for some firms in some geographies, and some of the most significant developments in the field of ESG data include filling in these gaps in the data, adding new metrics and improving consistency - all of which will aid comparability across companies.<sup>1</sup>

Given the above, for company level data, coverage displayed is dependent on the availability of underlying data. It is therefore achieved subject to the availability of data from selected data providers. If data is not available, no data will be displayed.

# Appendix:

## ESG Tool reference guide

### For fund data, the following applies:

In line with industry standards set by data providers, a threshold of 65% or more of a fund's constituent components (by weight) should be covered in order for fund level data to be provided, achieved subject to the availability of data. The calculation performed first assesses the percentage of assets which qualify for ESG analysis. Of this percentage, which is rebased to represent 100%, resource usage data (in the case of carbon, waste, water) or percentage data points (e.g., percentage of women on boards) are aggregated and a weighted average for this portion of the portfolio is calculated and displayed.

Data is always displayed where it is available. Cash positions, and other asset types deemed to be not relevant for ESG analysis are removed prior to calculating a fund's gross weight. Currently this includes the removal of sovereign bonds which will not be covered currently given the lack of standardised reporting methodologies. Where weighted averages are provided these are based on the number of companies within the portfolio for which data is available.

<sup>1</sup> Generation Investment Management (2019),

**The future of ESG Data, The Future of ESG Data | Generation Investment Management LLP ([generationim.com](http://generationim.com)).**

### FLAGS

For data to meet coverage criteria without being flagged, coverage of 65% of the underlying instruments of a fund's gross weight must be achieved.

Flags will be shown where the data provided has not met certain criteria as follows:

- Data available for securities and corporate bonds (and exclusive of asset types deemed not relevant for ESG analysis as described in the Coverage section) should have coverage of at least 65% of the fund's holdings calculated by weight
- If more than 50% of the assets held in a fund do not qualify for ESG analysis (as described in the Coverage section), this is flagged on the basis that the assets available for analysis represent fewer than the majority of assets in the fund. For example, this could occur in the case of a bond fund where the majority of assets are sovereign bonds.

### INTENT OF FUND MANAGER/INVESTMENT

At the present time, the insights provided support a view of the current positioning of the fund or company from the perspective of the ESG Preferences selected. The intention of a fund's investment process and whether the fund is presented as ethical, sustainable, ESG, socially responsible or similar, or a company's sustainability objectives, are not provided at this time we are working on this with the aim of providing this in a future development.

### IDENTIFYING EXPOSURE TO CONTROVERSIAL INDUSTRIES

The tool screens to identify companies with any tie to certain industries, products, and services. This indicates whether any of the in-scope portfolio's market value (please see 'coverage' section of reference guide) is exposed to companies flagged for involvement in the following industries according to MSCI restrictive screen definitions (MSCI ESG Research has developed a framework designed to define involvement in controversial activities; please find more detail [here](#)). If any involvement is present according to the framework, the fund is flagged. The relevant industries can be selected via the 'Edit columns' selector within the tool.

Fund insights are based on exposure to the underlying companies for these controversial industries.

The following can be screened:

- **Tobacco:** Tobacco products through the producer, distributor, licensor, retailer, supplier, and/or ownership.
- **Gambling:** Gambling through the operation, support, licensing, and/or ownership.
- **Adult entertainment:** Adult entertainment, including producer, distributor, retailer, and/or ownership.
- **Controversial Weapons:** Cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
- **Alcohol:** Alcohol, including producer, distributor, retailer, licensor, supplier, and/or ownership.
- **Fossil Fuels:** Thermal coal, oil and gas in particular reserve ownership, related revenues and power generation.

# Appendix:

## ESG Tool reference guide

### COMPARISON INDEX AND TRAFFIC LIGHT SYSTEM

A traffic light indicator system (red, amber, green) or your chosen alternative benchmark index is used as a basis for communicating an investment's performance in relation to the sustainability metrics used, relative to the comparative index, a universe of global companies as represented by the constituents of the MSCI ACWI Index. This appears throughout the platform, aiming to enable quick and intuitive comparability. Where the comparative index is unsuitable for the selected preference, a default target point is used.

A given metric related to the investment (e.g., the carbon footprint of a fund) is shown with a red, amber, or green colour-coded indicator, communicating whether the associated sustainability metric is relatively better than average (green), worse than average (red) or about average (amber) compared with the comparative index.

It is important to emphasise that the aim of the red, amber, green indicator is not to test whether these thresholds for being classified in the high and low categories are optimal or not, but rather to provide an appropriate system for communicating the product's performance relative to the comparative index. More details on the calculations for deviation from the comparative index level are provided in the **Find out more section**.

### HOW OFTEN IS DATA UPDATED?

Holdings data is updated in real time. Look through data feeds, for example the holdings held by a client, are updated daily. ESG data feeds are updated monthly (in line with most providers' doing this monthly) though underlying ESG data gathered by providers is updated less frequently as detailed below. Research sources are refreshed twice a year. Data providers are assessed annually or as and when new innovations arrive. Both the appropriateness of the data provider and the quality of any new data sourced (e.g., new data sets for review) are assessed.

Insights may change daily for a fund if underlying holdings are changed. Note that the lag on fund managers' reporting can be upwards of a month in reporting underlying holdings.

- Quantitative (carbon footprint information): usually change annually
- Qualitative (e.g., policies, memberships): usually change annually
- Controversies (e.g., news): could change daily
- Exposures (e.g., revenues or activities in potential controversial areas, e.g., tobacco, weapons): usually change annually for a specific company.

### WHAT IS ESG RISK?

ESG risk ratings are provided by some of the world's most widely used ESG specialist research and data providers.

ESG risk ratings are designed to measure a company or portfolio's resilience to long-term, industry material environmental, social and governance (ESG) risks. For companies, ESG Risk scores are calculated by third party ESG data providers and these scores are displayed. For funds, a score calculated by the selected third-party provider is displayed. Further information is available here: **MSCI (2021), ESG Fund Ratings - MSCI**.

### WHAT IS 'TEMPERATURE ALIGNMENT'?

Temperature alignment aims to model an asset's contribution to the objectives of the **Paris Agreement on climate change** (2015), specifically the consensus to limit global temperature rise to below 2 degrees of warming by 2050. The Paris Agreement, the first-ever universal, legally binding global climate change agreement, adopted at the Paris climate conference (COP21) in December 2015 and ratified by around 190 countries, set out a global framework to avoid dangerous climate change by limiting global warming to well below 2°C and pursuing efforts to limit it to 1.5°C.

Using this metric, investors can track a company's actual and forecasted carbon management and reduction performance and whether further reductions in carbon emissions are being achieved to meet the Paris Agreement Goal of keeping global temperature rise well below 2°C. Data is only available for a subset of the investment universe at this time and may not be displayed for all companies.

### WHAT ARE THE KEY THEMES?

Globally recognised sustainability frameworks including those issued by intergovernmental, global standard-setting bodies, and academic actors drive our analysis of core sustainability issues and the metrics which enable measurement of these issues, for example the **Sustainability Accounting and Standards Board**, the Taskforce for Climate Related Disclosures, and the **UN Sustainable Development Goals**. This includes a review of impact frameworks, academic and NGO research and data provider intelligence. The following globally recognised frameworks form the basis of the review, considered in order to understand, develop, and verify sustainability issues of note. These reflect the recommendations of intergovernmental groups, global standard-setting bodies, and academic actors.

# Appendix: ESG Tool reference guide

## Themes in detail



### Climate change

#### Promoting a low carbon economy Why this matters

Climate change and global temperature rises are causing long-lasting changes to our climate system, which threatens irreversible consequences if we do not act. In order to limit warming to 1.5°C above pre-industrial levels as called for in the **Paris Agreement**, global efforts would need to reach net zero CO2 emissions globally around 2050. Companies have an important role to play in achieving carbon reduction, including the disclosure of both carbon emissions and strategies for carbon emission reduction. The lower the carbon footprint figure shown, the lower the environmental impact of the activities that a company is performing, or a portfolio has, from a carbon perspective.

To achieve this goal, companies can reduce carbon emissions by decarbonising their operations and supply chains through continuously improving energy efficiency, reducing the carbon footprint of their operations, products, services, and processes, and setting ambitious emissions reductions targets in line with climate science, as well as scaling up investment in the development of innovative low-carbon products and services.

#### About this calculation

Ownership of emissions is calculated by dividing a company's total carbon footprint (the carbon emissions of a company from their operations and purchased energy, based on the GHG Protocol) by the total market value of the company, and multiplying this by the amount of the company you own. This is done for each company in the portfolio and added together to give a figure for the whole portfolio. It can also be calculated per £1000, enabling a comparison of one company or fund with another to understand carbon emissions produced on a like-for-like basis.



### Water security

#### Promoting effective and efficient use of water

The **United Nations Sustainable Development Goals** recognise that social development and economic prosperity depends on the sustainable management and sharing of water resources and ecosystems.

#### About this calculation

This shows the share of the water used by the companies in your portfolio. First, the water a company uses in cooling and processing, plus their purchased water, is added together to understand how much water is being used. Ownership is calculated by dividing this figure by the total market value of the company and multiplying this by the amount of the company owned. This is done for each company in the portfolio and added together to give a figure for the whole portfolio. It can also be calculated per £1000, enabling you to compare one company or fund with another to understand water usage on a like-for-like basis.



### Women in leadership

#### Promoting equality for women in the workforce

The **United Nations** notes that women and girls represent half of the world's population and therefore also half of its potential.

#### About this calculation

This metric shows the average percentage of female directors in the companies in the portfolio. This is provided for each company in the portfolio. For your total portfolio, a weighted average of all the companies in the portfolio is shown. It is important to note that both over representation and under representation of women in leadership roles can be assessed as amber or red.

# Appendix: ESG Tool reference guide

## Themes in detail



### Waste

#### Minimising negative environmental impact through effective waste management

The impact of the plastic that ends up in the oceans every year in marine ecosystems is just one factor that has encouraged greater awareness of the consequences of poor waste management.

Within current global policy frameworks, waste management features in **UN Sustainable Development Goal (SDG) 11** and **SDG 12**, notably with commitments around preventing, reducing, recycling and reuse.

#### About this calculation

This shows the share of waste sent to landfill generated by the companies in the portfolio. The total quantity of waste that is generated by the company and is disposed to landfill is calculated by totalling hazardous and non-hazardous landfill and waste produced by the company. Ownership is then calculated by dividing this figure by the total market value of the company and multiplying this by the amount of the company you own. This is done for each company in your portfolio and added together to give a figure for your whole portfolio. It can also be calculated per £1000, enabling the comparison of one company or fund with another to understand waste sent to landfill on a like-for-like basis.



### Human rights

#### Why this matters

Internationally observed standards, for example the **UN Global Compact**, with over 7000 corporate signatories worldwide, acknowledges the responsibility of businesses to respect, human rights and meet standards in this area. This includes acting with due diligence to avoid infringing the rights of others, and addressing any negative human rights impacts related to their business. They must also abide by international standards and avoid causing or contributing to adverse

human rights impacts through their activities and relationships.

#### About this calculation

This shows the number of companies in the portfolio where severe or concerning controversies related to a firm's impact on human rights have been flagged. This metric flag concerns related to situations such as poor occupational safety records, inadequate anti-discrimination policies, poor whistleblower protections, or supply chain risk of forced labour. For the total portfolio, the total number of companies who have experienced these incidents is shown.



### Deforestation

#### Promoting stewardship of the world's forests

Net forest loss has decreased by **more than half since the 1990s**, but the loss of forests continues at pace. Managing forests sustainably, and the interrelated issues of halting and reversing land and natural habitat degradation, successfully combating desertification, and stopping biodiversity loss, are not only key to mitigating climate change. Sustainable management also contributes to long-term socio-economic growth, and the integrity of global ecosystems which support life as we know it on earth. Companies can implement strategies to incentivise sustainable land use, responsible forest management and environmental stewardship.

#### About this calculation

Global Canopy, an NGO backed by the UK and international governments, identifies, and assesses the performance of global companies and financial institutions that are exposed to deforestation through the Forest 500 ranking, [www.forest500.org](http://www.forest500.org).

Biannually Global Canopy maps companies and financial institutions in forest risk commodity supply chains to select the Forest 500 sample. These companies are selected because they have been evaluated to be the most influential companies in forest-risk supply chains based on their exposure to one or more forest-risk commodities - soy, palm oil, beef, leather, pulp and paper or timber - industries with the most significant impacts on deforestation, according to analysis.

Companies are then scored, with low scores highlighting management practices and deforestation impacts of greatest concern. If companies achieve a bottom score of 0 or 1 out of 5, they are flagged. For a portfolio, the number of companies (scoring 0 or 1) making up the relevant percentage of the portfolio by weight is calculated.

# Appendix: ESG Tool reference guide

## Themes in detail



### Corporate governance

#### Promoting fair business practices

Governance encompasses the rules, roles, and processes which a company and its board have in place to run its business. Factors surrounding a company's management systems and how it conducts itself have been a part of environmental, social and governance considerations for many years. Issues such as board composition, executive compensation, corporate disclosure, fraud, and insider trading are some of these considerations. Striving towards good practices in this area contribute to a fairer, more just and well-run

corporate environment.

#### About this calculation

This shows the number of companies in the portfolio where issues related to a firm's corporate governance have been flagged. This metric flags concerns related to the following categories, poor auditing and accounting, corruption, bribery & fraud, governance structures, controversial investments, the appropriate behaviour of executives and independence of boards. For the total portfolio, the total number of companies who have experienced these incidents is shown.



### Air pollution

#### Promoting cleaner air for all

Keeping our air clean is crucial for health and wellbeing globally. As highlighted by the UN, air pollution is the single greatest environmental risk to human health and one of the main avoidable causes of death and disease globally, with some estimated **7 million deaths** (2016) across the world attributed to indoor and outdoor air pollution.

#### About this calculation

The air pollutant metric shows the quantity of air pollution particulates released by the companies invested in at company, fund or portfolio level for a universe of global companies who report this data. The total quantity of harmful particulates in tonnes aggregated across the following air pollutants.

- Acid Rain, Eutrophication, and Smog Precursors
- Dust and Particles
- Ozone Depleting Substances
- Volatile Organic Compounds
- Metal Emissions

This air pollution figure is generated for the company and ownership is then calculated by dividing this figure by the total market value of the company and multiplying this by the amount of the company you own in your portfolio.



### Recycling

#### Promoting recycling for a sustainable future

Growing waste levels pose a serious risk to ecosystems and human health. Every year, an estimated **11.2 billion tonnes of solid waste** is collected worldwide (UN) and emissions from solid waste, for example landfill, contribute to global greenhouse gas emissions. In 2018, less than 10% of plastic waste was recycled. Waste from electrical and

electronic equipment containing new and complex hazardous substances is also a key challenge.

#### About this calculation

This shows the percentage of waste recycled by the companies in the portfolio. The total quantity of waste that is generated by the company is calculated, and the amount recycled calculated as a percentage of this total. This is done for each company in your portfolio, and this is then used to create a weighted average for a fund or your whole portfolio.

# Find out more

## Sustainability frameworks & resources

The following globally recognised frameworks are considered in order to understand, inform, and verify sustainability issues of note reflected in the solution, and can provide useful resources for further reading.

- ▶ SASB (“SASB Materiality Map®” n.d.)
- ▶ Global Reporting Initiative (GRI, 2020)
- ▶ International Integrated Reporting Council (IIRC, 2013)
- ▶ Carbon Disclosure Project (CDP 2020, 2019)
- ▶ Task Force for Climate Related Disclosures (TCFD, n.d.)
- ▶ Carbon Disclosure Standards Board (CDSB, 2020)
- ▶ UN Sustainable Development Goals (United Nations n.d.)
- ▶ Cambridge Institute of Sustainability Leadership (CISL 2019)
- ▶ UN Global Compact (United Nations, n.d.)
- ▶ EU Taxonomy (EU, 2021)
- ▶ The Sustainable Finance Disclosure Regulation
- ▶ UN Principles for Responsible Investing

## Data providers

The data providers currently used are as follows:

	Sustainability providers	
Measurement	Core	Additional
ESG Providers	Sustainalytics MSCI	
Specialist metrics	Trucost (environmental, carbon) *	Forest500.org, by Global Canopy (Deforestation)
Look through analysis	Morningstar *	
Stewardship	Minerva	



# Find out more

## Use of comparison index & red, amber, green indicator display




For each metric, there will be a Red Amber Green status against either:



- ▶ **A comparison index metric value as a target point**
- ▶ **A default target point**

Boundaries for each of the Red, Amber, Green status will be defined based on the target point

### Default levels



Analysis provided context for appropriate deviation from the comparison index level which is sufficient to meaningfully define “high” and “low” yet not so large as to be considered unrealistic. Taking a three-tier approach, 100% is split equally into three categories to create an even spread numerically between red, amber, and green categories where the comparison index represents the baseline. Hence, in the case of carbon emissions, we defined the red/green categories as: “relative to the comparison index, the CO2-emission of this investment is c.30 percent or more, higher/lower than average”. The CO2-emission associated with the amber colour is described as “about average”.



Metric	Comparison
 Carbon Emissions	Metric values that are lower than the target point will move towards the Green status.* Metric values that are higher than the target point will move towards the Red Status.* Default target point: MSCI World All Countries Index metric value. Default upper amber limit: 133.33% of target point. Default lower amber limit: 66.67% of target point.
 Water used in litres	Metric values that are lower than the target point will move towards the Green status.* Metric values that are higher than the target point will move towards the Red Status.* Default target point: MSCI World All Countries Index metric value. Default upper amber limit: 133.33% of target point. Default lower amber limit: 66.67% of target point.
 Corporate Governance (only at fund level and portfolio)	Metric values that are lower than the target point will move towards the Green status.* Metric values that are higher than the target point will move towards the Red Status.* Default target point: MSCI World All Countries Index metric value. Default upper amber limit: 133.33% of target point. Default lower amber limit: 66.67% of target point.

Metric	Comparison
 Waste to landfill in kg	Metric values that are lower than the target point will move towards the Green status.* Metric values that are higher than the target point will move towards the Red Status.* Default target point: MSCI World All Countries Index metric value. Default upper amber limit: 133.33% of target point. Default lower amber limit: 66.67% of target point.
 % of women directors	Metric values that deviate away from the target point will move towards the Amber status and then the Red status. Default target point: default target of 50%. Default green limit: 10% away from target point. Default amber limit: 20% away from target point.



# Find out more

Metric	Comparison
 <p>Companies negatively impacting deforestation (only at fund level and portfolio)</p>	<p>Metric values that are lower than the target point will move towards the Green status. *</p> <p>Metric values that are higher than the target point will move towards the Red Status. *</p> <p>Default target point: MSCI World All Countries Index metric value.</p> <p>Default upper amber limit: 133.33% of target point.</p> <p>Default lower amber limit: 66.67% of target point.</p>
 <p>Human Rights (only at fund level and portfolio)</p>	<p>Metric values that are lower than the target point will move towards the Green status. *</p> <p>Metric values that are higher than the target point will move towards the Red Status. *</p> <p>Default target point: MSCI World All Countries Index metric value.</p> <p>Default upper amber limit: 133.33% of target point.</p> <p>Default lower amber limit: 66.67% of target point.</p>

Metric	Comparison
 <p>Recycling in %</p>	<p>Metric values that are lower than the target point will move towards the Green status.</p> <p>*Metric values that are higher than the target point will move towards the Red Status.</p> <p>*Default target point: MSCI World All Countries Index metric value.</p> <p>Default upper amber limit: 133.33% of target point.</p> <p>Default lower amber limit: 66.67% of target point.</p>
 <p>Air pollution in Kg of particles recorded</p>	<p>Metric values that are lower than the target point will move towards the Green status.</p> <p>*Metric values that are higher than the target point will move towards the Red Status.</p> <p>*Default target point: MSCI World All Countries Index metric value.</p> <p>Default upper amber limit: 133.33% of target point.</p> <p>Default lower amber limit: 66.67% of target point.</p>

# Find out more

## Important Information

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