

SWISS CLIMATE SCORES

Reporting Year 2023

Globalance Sokrates Fund



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation



SWISS
CLIMATE
SCORES

Standard: SIF Update 2023



Greenhouse gas emissions



Global warming alignment



Verified commitments to net zero



Exposure to fossil fuel and renewable energy



SWISS CLIMATE SCORES

Best practice transparency for Paris aligned investing

Management to net zero



Credible climate engagement



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SWISS CLIMATE SCORES

Swiss Confederation

Globalance Sokrates Fund

Switzerland and its financial market have committed to reducing their greenhouse gas emissions to net zero by 2050. The Swiss Climate Scores (SCS) show whether and how well financial investments are in line with the Paris climate targets. The aim is to enable investors to identify financial risks and opportunities and encourage them to contribute to the climate goals through their investment decisions. Globalance has supported this voluntary initiative from the outset and shares its goal of making financial products on the market comparable through this “climate label”.

SWISS CLIMATE SCORES AND GLOBALANCE

Climate protection is a central pillar of the Globalance philosophy and plays a key role in our investment decision making. In 2023, Globalance was the first and to date remains the only bank to disclose the Swiss Climate Scores for all its assets under management.

INVESTMENT GOALS IN RELATION TO THE CLIMATE

Do you consider this portfolio to be aligned with the goal of the Paris Agreement?

Yes.

Explanation: The portfolio temperature is well below 2°C and therefore meets the minimum requirements of the Paris Agreement. Greenhouse gas emissions and net-zero ambitions of companies are also considered in our investment decisions. Companies with relevant revenues from fossil fuels are excluded.

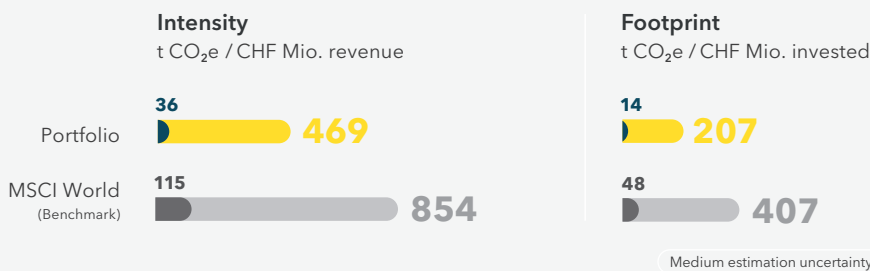
Do you consider that investing in this portfolio contributes to the mitigation of climate change?

Yes.

Explanation: We actively engage companies with material GHG emissions.

CURRENT STATE

1 GREENHOUSE GAS EMISSIONS ■ Scope 1 – 3 ■ Of which scope 1 & 2



The GHG intensities and footprints (scopes 1–3) are more than 50% lower than the comparative values of the MSCI World benchmark. The fossil fuel exposure is also much lower than the exposure of the MSCI World benchmark and we strive to lower it continuously.

2 EXPOSURE TO FOSSIL FUEL AND RENEWABLE ENERGY

	Exposure to coal	Exposure to other fossil fuels	Revenues related to renewable energy
Portfolio	0 %	1 %	2 %
MSCI World (Benchmark)	3 %	11 %	1 %

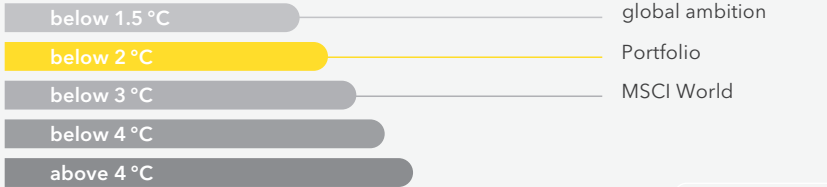
Low estimation uncertainty

Fossil fuels includes all companies that earn more than 0% of their revenues from fossil fuels.

Renewable energy represents the portion of revenues generated from renewable energy.

TRANSITION TO NET ZERO

3 GLOBAL WARMING ALIGNMENT



Science-based consensus on needed global ambition

Portfolio

MSCI World

High estimation uncertainty

The Global Warming Alignment is below 2 °C (measured as Implied Temperature Rise, ITR). This warming potential is well below the comparative value of our benchmark MSCI World (indicated as "below 3 °C").

4 COMPANIES WITH VERIFIED COMMITMENTS TO NET ZERO



Portfolio

MSCI World

Low estimation uncertainty

A net zero target is considered verified if it has been audited by an external body such as SBTi.

5 CREDIBLE CLIMATE ENGAGEMENT

Share of companies currently under credible climate engagement:



Share of climate votes supported:



Our memberships of climate engagement initiatives:

- Climate Action 100+
- Carbon Disclosure Project (CDP)

Medium estimation uncertainty

The analysis is only based on the proxy voting and engagement of direct equity investments.

Click here to read the [Stewardship Report](#).

6 MANAGEMENT TO NET ZERO

Does the investment strategy include a goal to reduce the greenhouse gas emissions of its underlying investment through concrete short (1 – 3 years) or mid-term (5 years) targets?

Yes.

Average annual reduction path (%):

In development.

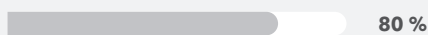
Is the portfolio part of a third-party verified commitment to net zero by the financial institution, including credible interim targets?

No.

Globalance is committed to achieving net zero by 2050. The needed reduction pathways are in development.

GENERAL INFORMATION

Coverage of eligible portion of portfolio



Portion of eligible vs. total portfolio



Reason for proportion of portfolio not covered by Swiss Climate Scores

Equity(fonds) and Corporate Bond(fonds) are part of the analysis. Other financial products are not part of the analysis. For a small number of issuers in scope data is not available.

Date	31.12.2023
Data supplier	MSCI ESG
Standard	SIF Update 2023

Glossary

Descriptions of the metrics

1 GREENHOUSE GAS EMISSIONS

Encompasses all sources of greenhouse gas emissions from invested companies (scope 1–3), including relevant emissions of their suppliers and products.

- **CO₂e** = CO₂ equivalents are a unit of measurement to standardise the climate impact of the different greenhouse gases. The amount of CO₂e emitted, is expressed in “tonnes of CO₂ equivalents” (t CO₂e).
- **Intensity:** Emissions in tonnes CO₂e per 1 million sales generated by the issuers in the portfolio.
- **Footprint:** Emissions in tonnes CO₂e per 1 million invested capital.
- **Scope 1:** Emissions from sources that a company owns or controls directly. Example transport company: Emissions from the company's own vehicle fleet.
- **Scope 2:** Emissions associated with the purchased electricity, steam, heat, or cooling. Example clothing factory: Purchasing electricity from a coal-fired power plant for the manufacturing process.
- **Scope 3:** All other, indirect emissions that occur in the value chain of a company. Example railroad company: purchase of steel for the construction of a railroad line.

2 EXPOSURE TO FOSSIL FUEL AND RENEWABLE ENERGY

There is scientific consensus regarding the need to phase-out coal and more generally fossil fuels as well as regarding the need to invest in renewable energy to enable the transition to net zero

- **Exposure to fossil fuels** (coal/ other fossil fuels) includes all companies that earn more than 0% of their revenues from fossil fuels.
- **Exposure to renewable energy** represents the portion of revenues generated from renewable energy.
- The scope of activities includes the whole value chain.

3 GLOBAL WARMING ALIGNMENT

This is the level of global warming that would occur if the global economy acted with the same ambition as the companies in the portfolio. Some portfolios with climate objectives may intentionally include investments in companies that are not yet on track to limit warming to 1.5°C but seek to contribute actively to climate goals by improving the alignment of investee companies to bring a larger share of the real economy into alignment over time.

4 COMPANIES WITH VERIFIED NET ZERO COMMITMENTS

Companies are increasingly committing voluntarily to transitioning to net zero and setting interim targets. The effectiveness of such commitments depends on whether interim emissions reduction targets applied are credible, science-based, transparent, and supported by credible action to cut emissions.

5 CREDIBLE CLIMATE ENGAGEMENT

Financial institutions can contribute to the transition to net zero, notably by utilising their shareholder voting rights at general meetings of investee companies and bringing climate-resolutions into being, as well as by engaging with invested companies on third-party verified, science-based net zero aligned transition plans until 2050.

6 MANAGEMENT TO NET ZERO

Financial institutions can align their investment strategy with a consistent 1.5°C decarbonisation pathway.

Climate Action 100+

“Climate Action 100+” is an investor-led initiative that aims to ensure that the most important GHG emitters are transitioning to net zero. 2023 Globalance joined two teams of the initiative.

Carbon Disclosure Project (CDP)

A non-profit organisation founded in London in 2000 with the aim of ensuring that companies and local authorities publish their environmental data, such as climate-damaging greenhouse gas emissions and water consumption. Once a year, the CDP collects data and information on CO₂ emissions, climate risks and reduction targets and strategies of companies on a voluntary basis using standardised questionnaires on behalf of investors.