

# Excellence in Sustainable Investing

## A synopsis of our Sustainability Report for the year ending 31 December.

ESG-AM’s mission since our establishment in 2021 has been to provide leading-edge sustainable investing strategies, with sustainability at the core of our business offering. We are committed to investing sustainably and delivering ESG investment solutions with market-oriented returns and measurable sustainability-related performance. Our products aim to meet increasing stakeholder expectations and regulatory requirements while setting standards in the field of sustainable investing.

This document summarizes the findings presented in our Sustainability Report for the year ending 31 December 2022. It covers the following three topics:

### Sustainable Investment Framework

- I. **The approach we use to deliver our strategies’ sustainability-related performance.**  
The ESG-AM Sustainable Investing Framework allows us to define, measure and promote the sustainable investment objectives of our strategies.

### Sustainable Investment Objectives

- II. **The assessment of the sustainability-related performance of our strategies.**  
Our strategies were launched in 2022. We are delighted to present the highlights of the sustainability-related performance of “year one” to you.

### Engaging for Positive Change

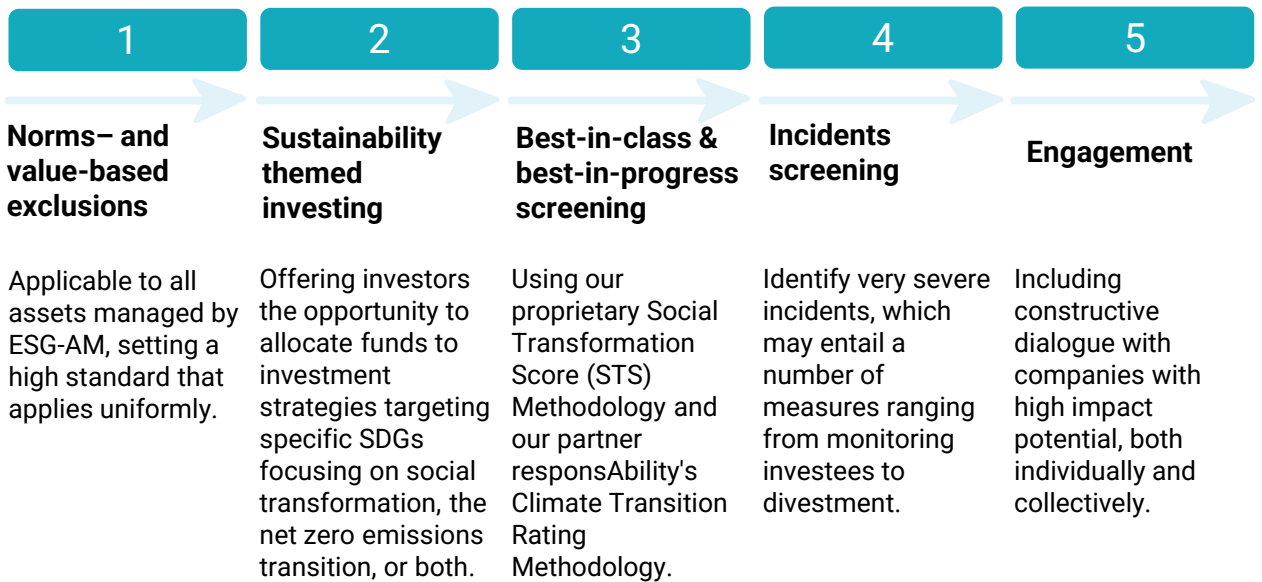
- III. **The engagement activities we conducted to trigger sustainability-related transformations.**  
We initiated our Engagement activities in 2022 and are proud to present the highly dynamic kick-off of our engagement activities to you.

# I. Sustainable Investment Framework

At the core of our investment approach is our Sustainable Investment Framework. The ESG-AM Sustainable Investment Framework encompasses five steps:



*The Sustainable Investment Framework allows us to promote sustainable objectives for our investment strategies, aligning with specific UN Sustainable Development Goals (SDGs).*



## II. Sustainable Investment Objectives

Highlights of the sustainability-related performance of investment strategies managed by ESG-AM, for the year ending 31 December 2022:



Investment strategies focused on social sustainable objectives and targeting **SDG 5 Gender Equality** and **SDG 8 Decent Work and Economic Growth**:

- We evaluated potential investment targets with our **proprietary Social Transformation Score (STS) Methodology**, which considers **equal opportunity, gender balance, fair working conditions, fair external relations and human rights**.
- All investee companies exceeded the minimum STS threshold, standing for their **strong social performance**.
- All investee companies had at least one female board member and on average exceeded the 30% threshold for women on board of directors. They **outperformed relevant benchmarks in terms of gender diversity at board, executives, management and workforce levels**.
- Investee companies have a **notably low incidence of social controversies**. Across all investee companies, there was only one social controversy of high severity in 2022; the controversy could be clarified and resolved through engagement.



Investment strategies focused on a climate-related sustainable objectives and targeting **SDG 7 Affordable and Clean Energy** and **SDG 13 Climate Action**:

- Companies invested into have collectively achieved a **reduction of annual emissions** amounting to **over 80 million tons of CO2 equivalent (CO2e)** in 2022.
- The average **Greenhouse Gas (GHG) reduction rate** achieved by investee companies across all relevant strategies in 2022 was **6.4%**.
- Forward-looking, the average expected GHG reduction rate of investee companies is **2.4%**.

## III. Engagement for Positive Change

At ESG-AM, Engagement plays a crucial role in our approach to driving positive change in business and supporting the advancement towards achieving the UN Sustainable Development Goals (SDGs).



**Paula Krol**

*ESG-AM's Engagement Officer*

**At ESG-AM, engagement is more than a buzzword** –it has been the spearhead of our sustainable investing ethos from the outset. We believe in the pay-offs of engaging: active dialogue can unlock valuable sustainability insights, identifying investment opportunities and risks while supporting long-term value creation. Much like a marathon, effective engagement takes time and persistent effort, particularly in the fixed-income sector. We are committed to making a difference as we pursue our contribution to a sustainable future with persistence.

In 2022, we developed the foundations of our Engagement pillar, onboarded a dedicated Engagement Officer and launched our Engagement activities. Engagement statistics and highlights in 2022 are:

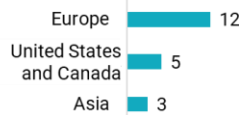
Number of companies engaged with in 2022

# 20

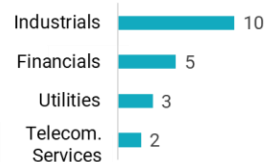
**Targeted SDG's**



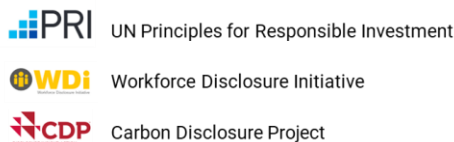
**Cases by Headquarter**



**Cases by Sector**



**Collaborative platforms**

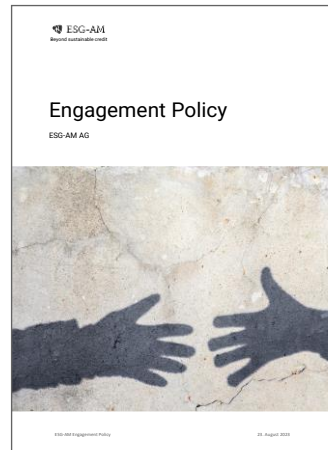


# INFORMATION & CONTACT

For more detailed information, check-out the full Reports on our [website](#):



**ESG-AM Sustainability Report 2022**



**ESG-AM Engagement Policy**



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