



With People. By Tech. For Impact.



COP29

Baku
Azerbaijan

The Business Case of ESG and Sustainability

Delivered by:
Monaem Ben Lellahom Group CEO & Co-founder



About SS

180+ Clients Served
92.3% Customer Satisfaction Score
90% Customer Retention
9x Profit Increase (Financial Sustainability 2022)




10+ Markets of Operation



430+ Projects Delivered



13
Nationalities in Team



1:1.5
Male to Female Ratio



10+
Government Policies Created in GCC



2K+
Board capacity Building Sessions Delivered



12K
LinkedIn Followers



2
No. of ESG tech solutions

Our Portfolio

We have serviced clients across sectors, verticals and beyond geographical boundaries.

<p>Zamil Group</p> <p>التوركي ALTURKI</p> <p>CONGLOMERATES</p> <p>المهيدوب Al Muhaidib</p> <p>LANDMARK</p> <p>الكفاح</p> <p>Dabbagh</p> <p>Emirates Steel</p>	<p>arabtec</p> <p>Ambuja Cement</p> <p>المؤسسة العامة لبحر الملك فهد King Fahd Causeway Authority</p> <p>ARAB</p> <p>EMIRAN</p> <p>TARGET</p> <p>SUMMER TOWN</p> <p>INFRASTRUCTURE</p>	<p>Mayar</p> <p>اغذية</p> <p>التنمية TANNIAH</p> <p>akhdara</p> <p>F&B/AGRICULTURE</p>	
<p>BANKING</p> <p>الإمارات الإسلامية EMIRATES ISLAMIC</p> <p>بنك الاتحاد Bank al Ethhad</p> <p>بنك دبي الإسلامي Dubai Islamic Bank</p> <p>ADIB</p> <p>KCB</p> <p>البنك العربي المتحدة UNITED ARAB BANK</p> <p>المصرفي Mashreq</p> <p>بنك الإمارات دبي الوطني Bank of Dubai</p> <p>Emirates NBD</p> <p>بنك مسقط bank muscat</p> <p>NBO</p> <p>بنك نواصي Bank Nawa</p> <p>FAB</p> <p>بنك دبي دبي Bank of Dubai</p>		<p>INVESTMENT</p> <p>GULFCAPITAL</p> <p>أمانات Amanat</p> <p>DFM</p> <p>ominvest</p> <p>الشركة الكويتية للاستثمار KUWAIT INVESTMENT Co.</p> <p>سوق دبي المالي</p>	<p>INSURANCE</p> <p>ADNIC</p> <p>live</p>
<p>ENERGY</p> <p>PETROMIN</p> <p>ساتورب satorp</p> <p>QQ8</p> <p>بنك عمان LNG L.L.C.</p> <p>Bapco energies</p> <p>tabreed</p> <p>ENGIE</p> <p>النفط والغاز PETROGAS E.S.P</p> <p>إينوك enoc</p> <p>QQ</p> <p>VALE</p> <p>EQUATE</p> <p>صدارة Sadara</p>		<p>SOCIAL</p> <p>Al Muhaidib Social Foundation</p> <p>MAJID</p> <p>KFAS</p> <p>الراجحي الإنسانية</p> <p>YAYED SUSTAINABILITY PRIZE</p>	
<p>TELECOM & MEDIA</p> <p>عمانتل Omantel</p> <p>mbc GROUP</p> <p>InfoFort</p> <p>du</p> <p>OMG Omnicom MediaGroup</p> <p>stc</p> <p>vodafone</p>	<p>GOVERNMENT</p> <p>DIFC</p> <p>شرطة دبي DUBAI POLICE</p> <p>هيئة المساهمين المجتمعية - ماسا Authority of Social Contribution - Masaa</p> <p>موا</p> <p>الهيئة العامة للتطوير المجتمعي Community Development Authority</p> <p>هيئة تنظيم سوق العمل Sector Skills Councils</p> <p>هيئة تنظيم سوق العمل Sector Skills Councils</p> <p>AMMAN CHAMBER</p>		
<p>PRODUCTION/MANUFACTURING</p> <p>EGA</p> <p>السعودية saudireadymx</p> <p>أسياد ASYAD</p> <p>SOHAR ALUMINIUM</p> <p>عديد الإمارات أركان emirates steel arkan</p> <p>ompro</p> <p>Goodyear</p>	<p>TRANSPORT+LOGISTICS</p> <p>aramex</p> <p>ASAD</p> <p>الخطوط الجوية العماني عمان AIR</p>	<p>HEALTHCARE</p> <p>amc</p> <p>MSD</p> <p>الرفاهية الطبية أبوظبي Al Wahda Health Services</p> <p>reckitt</p>	<p>OTHERS</p> <p>ESAD SERVICES GROUP</p> <p>taaleem</p> <p>EDUCATION</p>



Agenda

For Today's Session

- ✦ Fundamentals of ESG and Sustainability
- ✦ Global, Regional and Local Emergencies
- ✦ ESG Drivers
- ✦ Emergency of the ESG Fixed-Income Market
- ✦ Access to Capital Through ESG
- ✦ Closing and Q&A



ESG has been a rapidly increasing topic in earnings calls since 2019

Corporate earnings calls mentioning ESG (%)



Source: Pimco

© FT

Fundamentals of Sustainability and ESG

The following are **practices** adopted by organizations to drive their business in a responsible and sustainable manner

Philanthropy

- Donations to worthy Social Causes
- Volunteering
- Community Charitable Partnerships

CSR

- Compliance with ethical and community standards
- Good corporate citizenship
- Supporting social and environmental initiatives

Creation Of Shared Values

- Addressing societal needs and challenges through the business itself, with a business model
- Making a profit

Sustainability

- Mitigating Risk and Harm
- Improve company performance
- Attract investments
- Improve brand

The following are **tools** that help organization **assess their performance** related to the above practices

SROI

- Social return on investment (SROI) is a method for measuring values that are not traditionally reflected in financial statements, including social, economic, and environmental factors.

ISO 26000

- Viewed as a way of assessing an organisation's commitment to sustainability and its overall performance.

ESG

- ESG means using Environmental, Social and Governance factors to assess companies and countries on how far advanced they are with sustainability

GHG Protocols

- GHG Protocol supplies the world's most widely used greenhouse gas accounting standards.
- Enable companies to develop comprehensive and reliable inventories of their emissions.



Examples of ESG Factors

ESG factors cover every aspect of the business to ensure a holistic and thorough analysis and management of risks and opportunities.

ENVIRONMENTAL ("E")	SOCIAL ("S")	GOVERNANCE ("G")
Biodiversity/land use	Community relations	Accountability
Carbon emissions	Controversial business	Anti-takeover measures
Climate change risks	Customer relations/product	Board structure/size
Energy usage	Diversity issues	Bribery and corruption
Raw material sourcing	Employee relations	CEO duality
Regulatory/legal risks	Health and safety	Executive compensation schemes
Supply chain management	Human capital management	Ownership structure
Waste and recycling	Human rights	Shareholder rights
Water management	Responsible marketing and R&D	Transparency
Weather events	Union relationships	Voting procedures

An aerial photograph of a rugged coastline with dark, jagged rocks protruding from the sea. White-capped waves are crashing against the rocks, creating a stark contrast with the deep blue water. The overall scene is dramatic and emphasizes the power of nature.

A Global, Regional and Local Emergency

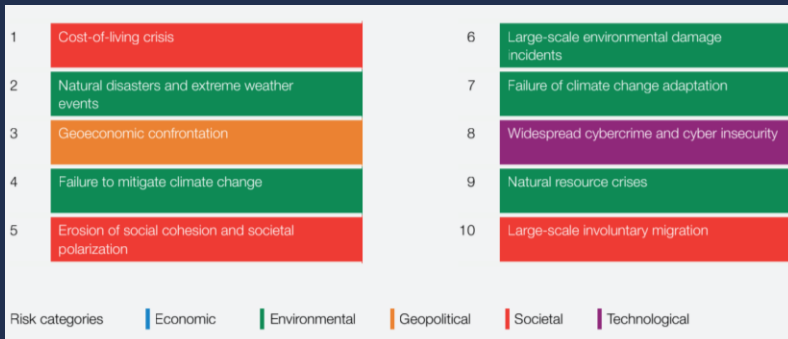


A global urgency calls for serious ESG consideration in business



The Global Risks Report 2023
18th Edition
INSIGHT REPORT

Global risks ranked by severity over the short term (2 years)



Relative severity of risks over a 2 and 10-year period



Source

World Economic Forum Global Risks Perception Survey 2022-2023.

Note

Severity was assessed on a 1-7 Likert scale [1 – Low severity, 7 – High severity].



The consequence of climate change are already **physical and noticeable**

Flooding death toll soars to 11,300 in Libya's coastal city of Derna, **aid group says**



This is Canada's worst wildfire season on record, **researchers say**



Greek PM says country is fighting a "war" on climate change after summer of fires and flooding





The Business Case and the Economic Returns

ESG vs Cost of Capital



Exhibit 3: Cost of capital across MSCI ESG Rating quintiles



Data period from August 2015 through May 2024. We divided the entire study sample (n = 4,319 unique issuers) into quintiles each month based on IAS score, which underlies the MSCI ESG Rating, and compared each quintile's cost of capital monthly (106 observations). The difference between the top and bottom ESG quintiles over the study period was significant at a 99% confidence level using the Mann-Whitney U test. Source: MSCI ESG Research

- The lowest-rated companies had the highest financing costs (7.9%, on average, over the study period), while the top-rated companies, on average, financed themselves at the lowest rate (6.8%) over the study period



ESG is positively affecting Share Prices

The image shows the cover of a report titled "ESG and Financial Sustainability: The Role of Saudi Corporate". The cover is dark blue with a white diagonal line. At the top right, there are logos for the Capital Market Authority (CMA) and King Fahd University of Petroleum & Minerals (KFUPM). The title is in white text. Below the title, the authors' names and affiliations are listed: Wadhaah Ibrahim Almubarak (Department of Finance, School of Business, King Fahd University, Al-Ahsa 31982, Saudi Arabia), Mohammed Abdullah Ammer (Department of Finance, School of Business, King Fahd University, Al-Ahsa 31982, Saudi Arabia), Kaouthar Chebbi (Department of Finance, School of Business, King Fahd University, Al-Hasa 31982, Saudi Arabia), and Ayth Ibrahim Almubarak (Department of Accounting, School of Business, King Fahd University, Al-Ahsa 31982, Saudi Arabia). The date "2023 March" is at the bottom. A disclaimer in Arabic and English is at the very bottom.

هيئة السوق المالية
Capital Market Authority

ESG and Financial Sustainability:
The Role of Saudi Corporate

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2023 March
هذه الدراسة تم تمويلها من هيئة السوق المالية

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هيئة السوق المالية
Capital Market Authority

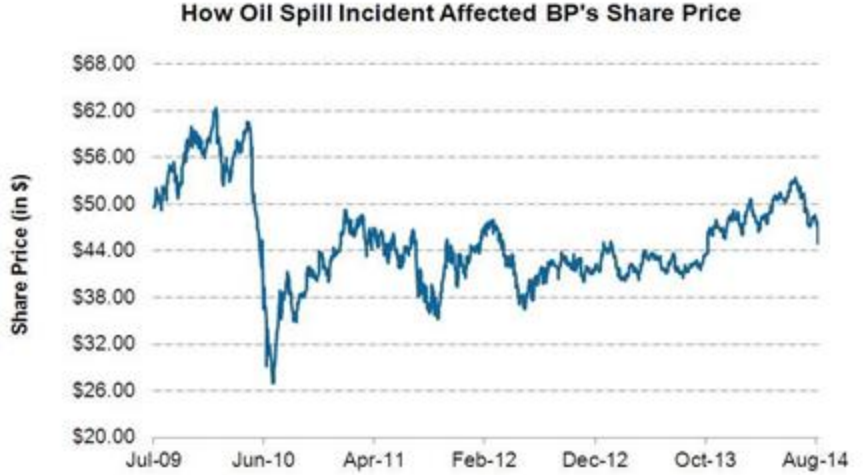
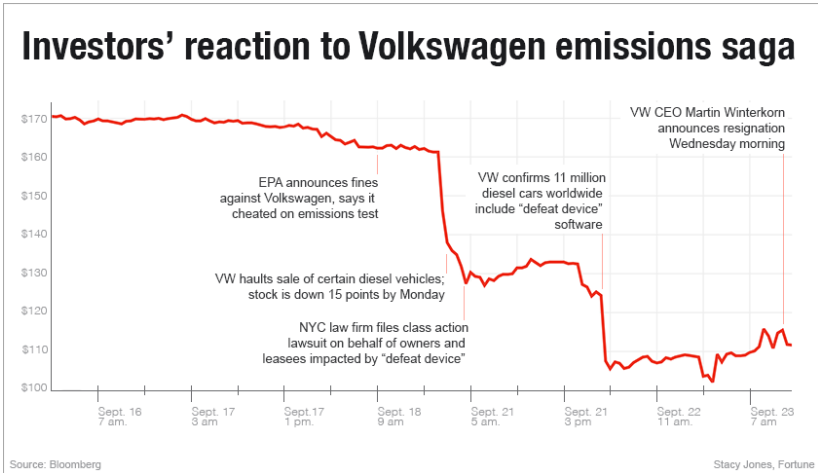


KFU
جامعة الملك فيصل
KING FAISAL UNIVERSITY

- The findings show a **positive relationship between ESG disclosure and financial sustainability**, particularly in companies with strong ESG commitments.
- The corporate governance reform of 2017 **further strengthened this relationship**, highlighting the role of governance in driving financial sustainability.
- However, the Covid-19 pandemic was found to **negatively affect this link**, revealing the vulnerability of even well-governed companies during crises.



Ignoring ESG Factors May Have Negative Effects



Market Realist[®]

Source: NYSE



Investment v/s Sustainability



1. **Race to net-zero:** Lead or be led
2. **Setting targets** will be profitable for all stakeholders
3. Companies must provide **purpose-driven value**
4. **Sustainability focused** companies will thrive
5. **SASB & TCFD** Become Crucial
6. The **pandemic has changed the relationship** between companies and stakeholders
7. Blackrock: Empowering clients with **choice on ESG votes**

Larry Fink - CEO of Blackrock: *an American multinational investment management corporation*



Tax on Emissions

More Countries Are Pricing Carbon, but Emissions Are Still Too Cheap 🌐

As the world gears up to avoid a climate catastrophe by limiting global warming to 1.5 to 2 degrees Celsius, more countries are putting carbon pricing at the center of their mitigation strategies.

Simon Black, Ian Parry, Karlygash Zhunussova

July 21, 2022

So far, **46 countries** are pricing emissions through carbon taxes or emissions trading schemes (ETS) and others are considering it.



Tax on Emissions- Scenario

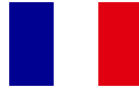
Countries with carbon tax implemented include
- (in US\$ per metric ton of CO2 Equivalent)



137



101



52



69



18



37

COMPANY X

2021 GHG Emissions
(Scope 1&2)
= **74,811 MT of CO2e**

Scenario for approx. carbon
price in the region
= **\$80-\$100**

Total Carbon tax
= ~ **\$6M-\$7.5M**



The Carbon Border Tax

EU adopts carbon border tax to fight polluting imports: "Carbon Border Adjustment Mechanism (CBAM)"

The measure will make it **possible to tax imports from the most polluting sectors** (steel, cement, fertilisers, and so on), coming from **countries with less stringent environmental standards**.

The idea is to **avoid "environmental dumping" or "carbon leakage"**—which would see manufacturers relocate their production outside Europe—while encouraging the rest of the world to increase its efforts to reduce greenhouse emissions.



EU's climate targets to reduce greenhouse gas emissions by at least 55% by 2030

An aerial photograph of a complex multi-level highway interchange in a city, overlaid with a semi-transparent blue filter. The image shows multiple lanes of traffic, overpasses, and ramps. In the background, several high-rise buildings are visible, including one with the word 'EMAAR' on its facade. The overall scene represents a major urban infrastructure project.

Key Drivers



Investors

Investors and especially socially-conscious investors are looking for companies that are **transparent about their ESG practices**.

ESG reporting gives them a better overall picture of the company and the risks associated with their investment.

65% of investors look to ESG reporting to **manage the risks of their investments** and ensure long term financial return.

Developing your **own report** allows you to give an **accurate representation of your ESG performance** and strategy which might **not be the case** if **third parties** provide the data to **potential investors**.





Rating Agencies

ESG rating agencies work much like company credit-rating agencies. They **rate companies** on their **ESG practices** based on the information made public by the company and develop classifications.

Why is this important?

Investors use the data as a **reason to invest in a company**. Investors are becoming more and more socially conscious due to demand from consumers & stability of the company.



Regulators

Market regulators are pushing listed companies to report on their ESG practices to promote transparency, align with the national and international agendas and help drive investment.





25-33 Recommended Sustainability Metrics

Environmental


Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Report/SDS/Value Pillar
GHG Emissions	E1.1) Total amount, in CO ₂ equivalents, for Scope 1 (if applicable)	13 CLIMATE ACTION	GRI 305: Emissions 2016	
	E1.2) Total amount, in CO ₂ equivalents, for Scope 2 (if applicable)			
	E1.3) Total amount, in CO ₂ equivalents, for Scope 3 (if applicable)			
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	13 CLIMATE ACTION	GRI 305: Emissions 2016	
	E2.2) Total non-GHG emissions per output scaling factor			
Energy Usage	E3.1) Total amount of energy directly consumed	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	GRI 302: Energy 2016	
	E3.2) Total amount of energy indirectly consumed			
Energy Intensity	Total direct energy usage per output scaling factor	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	GRI 302: Energy 2016	
	Total indirect energy usage per output scaling factor			
Energy Mix	Percentage Energy usage by generation type	7 AFFORDABLE AND CLEAN ENERGY	GRI 302: Energy 2016	
Water Usage	E4.1) Total amount of water consumed	6 CLEAN WATER AND SANITATION	GRI 303: Water and Effluents 2016	
	E4.2) Total amount of water reclaimed			
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No		GRI 305: Waste 2016	
	E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No			
	E7.3) Does your company use a recognized energy management system? Yes/No			
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No		GRI 102: General Disclosures 2016	
	Does your Board/Management Team oversee and/or manage other sustainability related risks? Yes/No			
Climate Risk Mitigation	Total amount invested annually in climate related infrastructure, resilience, and product development?	13 CLIMATE ACTION		

Social

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Report/SDS/Value Pillar
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	5 GENDER EQUALITY	GRI 405: Diversity and Equal Opportunity 2016	
Employee Turnover	S2.1) Percentage: Year-over-year change for full-time employees		GRI 401: Employment 2016	
	S2.2) Percentage: Year-over-year change for part-time employees			
Gender Diversity	S3.1) Percentage: Total enterprise headcount held by men and women	5 GENDER EQUALITY	GRI 103: General Disclosures 2016, GRI 405: Diversity and Equal Opportunity 2016	
	S3.2) Percentage: Entry- and mid-level positions held by men and women			
	S3.3) Percentage: Senior- and executive-level positions held by men and women			
	S3.4) Percentage: Senior- and executive-level positions held by men and women			
Temporary Worker	S4.1) Percentage: Total enterprise headcount held by part-time employees		GRI 102: General Disclosures 2016	
	S4.2) Percentage: Total enterprise headcount held by contractors and/or consultants			
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	10 GENDER EQUALITY	GRI 406: Non-Discrimination 2016	
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	3 GOOD HEALTH AND WELL-BEING	GRI 403: Occupational Health and Safety 2016	
Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	3 GOOD HEALTH AND WELL-BEING	GRI 103: Management Approach 2016	
Child & Forced Labor	S8.1) Does your company follow a child and/or forced labor policy? Yes/No	8 DECENT WORK AND ECONOMIC GROWTH	GRI 408: Child Labor 2016	
	S8.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No			
Human Rights	S9.1) Does your company follow a human rights policy? Yes/No	10 HUMAN RIGHTS	GRI 412: Human Rights Assessment 2016	
	S9.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No			
Nationalization	S10.1) Percentage of national employees	8 DECENT WORK AND ECONOMIC GROWTH	GRI 202: Market Presence 2016	
	S10.2) Direct and indirect local job creation			

Governance

Metric	Calculation	Corresponding SDGs	Corresponding GRI	Corresponding Report/SDS/Value Pillar
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	10 GENDER EQUALITY	GRI 405: Diversity and Equal Opportunity 2016	
	G1.2) Percentage: Committee chairs occupied by men and women			
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No		GRI 102: General Disclosures 2016	
	G2.2) Percentage: Total board seats occupied by independents			
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No		GRI 102: General Disclosures 2016	
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreements(s)	10 GENDER EQUALITY	GRI 401: Freedom of Association and Collective Bargaining 2016	
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	GRI 414: Supplier Social Assessment 2016	
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?			
Ethics & Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	GRI 102: General Disclosures 2016	
	G6.2) If yes, what percentage of your workforce has formally certified their compliance with the policy?			
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No		GRI 103: Management Approach 2016	
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No			
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No		GRI 400: Reporting 2016	
	G8.2) If yes, what percentage of your stakeholders have formally certified their compliance with the policy?			
Disclosure Practices	G9.1) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No		GRI 418: Customer Privacy 2016	
	G9.2) Does your company set targets and report progress on the UN SDGs? Yes/No			
	G9.3) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No			
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/No		GRI 102: General Disclosures 2016	
	Are your sustainability disclosures assured or validated by a third party? Yes/No			



Evolution of The ESG Fixed Income Market

Social Funds

Social Responsibility

Sustainability & Impact Investing

Risk / return scale ⓘ

① ② ③ ④ ⑤ ⑥ ⑦

Since inception ▲ 83.00%



GENDER EQUALITY EQUATQ

Since inception

▲ 17.96%

CUMULATIVE & ANNUALISED PERFORMANCE



TOP 10 HOLDINGS IN %

VIVENDI SE	6.24
COCA-COLA CO/THE	5.55
SAMPO OYJ-A SHS	5.46
UNITED THERAPEUTICS CORP	5.08
MERCK & CO. INC.	4.75
HERMES INTERNATIONAL	4.57
SODEXO SA	4.13
JDE PEET'S NV	3.98
TRANSURBAN GROUP	3.95
HARTFORD FINANCIAL SVCS GRP	3.79
Total	47.50

Data Source: Swissquote Bank Ltd.

Climate Funds



ZI Schroder ISF Global Climate Change Equity

Schroders

September 2024

Zurich fund information (as at 31/08/2024)

Launch date	10/07/2008
Current bid	USD 2.676
Fund size(m)	USD 20.26 (as at 30/08/2024)
FE sector	Specialist
Fund currency	USD
ZIL charge	0.75%
Annual management charge*	1.50%
Crown rating†	★★★★★
Risk rating**	4

Additional fund information (as at 31/08/2024)

Fund name	Schroder ISF Global Climate Change Equity
Benchmark	MSCI ACWI
Fund manager	Simon Webber, Isabella Hervey-Bathurst
ISIN Code	LU0302445910
SEDOL	B1Z88H8

Top ten holdings (as at 31/07/2024)

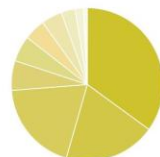
ALPHABET INC	6.3%
MICROSOFT CORPORATION	5.7%
AMAZON.COM, INC.	4.7%
SCHNEIDER ELECTRIC SE	3.5%
SWISS RE LTD	3.0%
HITACHI LTD	2.8%
VESTAS WIND SYSTEMS	2.6%
PRYSMIAN S.P.A.	2.6%
LOWES COMPANIES, INC.	2.4%
NEXTERA ENERGY INC	2.3%

Fund objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will benefit from efforts to accommodate or limit the impact of global climate change and which meet the Investment Manager's sustainability criteria.

Sectors (as at 31/07/2024)

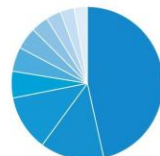
Industrials	35.0%
Information Technology	19.5%
Consumer Discretionary	19.3%
Communications	6.3%
Utilities	5.5%
Materials	4.5%
Consumer Staples	4.4%
Financials	3.0%
Real Estate	1.8%
Others	0.8%



Source: FE

Regions (as at 31/07/2024)

USA	46.5%
Others	13.6%
Japan	11.8%
France	5.7%
Germany	5.1%
UK	4.7%
Norway	3.7%
Taiwan	3.2%
Switzerland	3.0%
China	2.8%



Source: FE

Cumulative performance (as at 31/08/2024)

	1 mth	3 mths	6 mths	1 year	3 years	5 years	10 years	Since inception
% growth	1.41%	-0.07%	7.28%	8.04%	-13.62%	59.66%	96.73%	114.21%
MSCI ACWI	2.57%	6.62%	10.83%	23.99%	20.02%	81.59%	143.99%	262.20%
Sector	1.34%	2.75%	5.02%	14.24%	3.52%	36.20%	71.87%	251.44%
Quartile	2	4	2	4	4	1	2	-
Rank	71/177	149/176	60/175	132/174	141/164	34/150	39/115	-

3 year statistical fund data (as at 31/08/2024)

Monthly volatility	5.59%
Best 3 month return	15.25%
Worst 3 month return	-18.86%

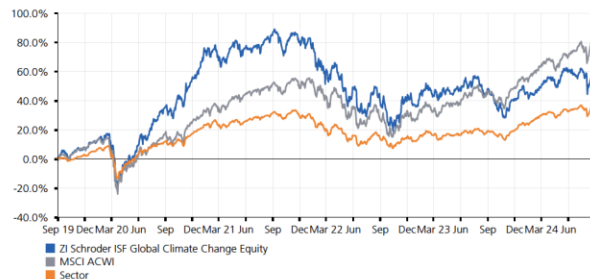
Source: FE, figures to 31/08/2024, bid to bid gross in USD. Past performance is not a guide to future performance.

Discrete performance (as at 30/06/2024)

	Jun 19 -Jun 20	Jun 20 -Jun 21	Jun 21 -Jun 22	Jun 22 -Jun 23	Jun 23 -Jun 24
% growth	8.5%	57.4%	-24.3%	11.8%	4.4%
MSCI ACWI	2.6%	39.9%	-15.4%	17.1%	19.9%
Sector	5.5%	22.1%	-13.5%	6.5%	13.5%
Quartile	2	1	3	1	4
Rank	49/149	16/160	122/165	43/169	141/175

Source: FE, figures to 30/06/2024, bid to bid gross in USD. Percentage growth figures are for discrete years, for example Jun 19-Jun 20 equals 30/06/2019 to 30/06/2020. Quartile and rank are based on the FE sector category as highlighted on page 1. Past performance is not a guide to future performance.

Fund performance vs benchmark and/or sector, 5 years/since inception



* Please note, this charge is deducted daily before calculating the unit price. This does not include any product charges. For further information on product charges, please refer to the prospectus.

Climate Bonds



ZI Invesco Environmental Climate Opportunities Bond



September 2024

Zurich fund information (as at 31/08/2024)

Launch date	09/04/2009
Current bid	USD 1.696
Fund size(m)	USD 0.89 (as at 30/08/2024)
FE sector	Global Fixed Interest
Fund currency	USD
ZIL charge	0.75%
Annual management charge*	0.75%
Crown rating†	👑👑👑👑👑
Risk rating**	2

Additional fund information (as at 31/08/2024)

Fund name	ZI Invesco Environmental Climate Opportunities Bond
Fund manager	Michael Matthews, Tom Hemmant
ISIN Code	LU0113592215
SEDOL	4538228

SEDOL codes © London Stock Exchange, reproduced under Licence

Top ten holdings (as at 31/07/2024)

US TREASURY NB	3.8%
EUROPEAN INVESTMENT BANK 3.75% BDS 14/02/33 USD1000	3.0%
USD200000144A	2.2%
UBS GROUP AG 144A	1.7%
INVESTCO LIQUIDITY FUNDS PLC US DOLLAR LIQUIDITY PORTFOLIO AGENCY USD	1.7%
LONDON POWER NETWORKS PLC 2.625% NTS 01/03/29 GBP100000	1.7%
ZURICH FINANCE (IRELAND) DESIGNATED ACTIVITY COMPANY 3% MTN 19/04/51 USD200000	1.5%
KONINKLIJKE DSM N.V. 0.625% BDS 23/06/32 EUR100000	1.5%
UNITED UTILITIES PLC 6.875% NTS 15/8/28 USD1000	1.4%
NATWEST GROUP PLC VAR 02/03/34	1.4%

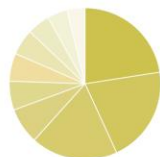
Source: FE

Fund objective

The objective of the fund is to generate income and achieve medium to long term capital growth and to support the transition to a low carbon economy over the medium to long term. The Fund invests primarily in debt instruments issued by governments or companies worldwide, including investment grade, non-investment grade and unrated debt instruments, which meet the Fund's environmental, social and governance (ESG) criteria.

Sectors (as at 31/07/2024)

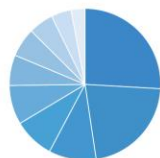
Utilities	22.6%
Others	20.6%
Banks	18.5%
Insurance	7.7%
Telecommunications	6.2%
Automobiles	6.0%
Technology	5.5%
Government Bonds	4.9%
Property	4.3%
Chemicals	3.8%



Source: FE

Regions (as at 31/07/2024)

UK	25.9%
USA	21.7%
Germany	10.1%
France	8.7%
Others	8.3%
Spain	6.5%
Netherlands	6.2%
Italy	5.3%
Switzerland	4.3%
International	3.0%



Cumulative performance (as at 31/08/2024)

	1 mth	3 mths	6 mths	1 year	3 years	5 years	10 years	Since inception
% growth	1.89%	4.81%	4.95%	10.27%	-0.71%	9.22%	7.08%	35.70%
Sector	1.77%	3.91%	3.73%	6.68%	-8.98%	-6.51%	0.82%	246.78%
Quartile	2	2	1	1	1	1	2	-
Rank	171/420	118/418	93/416	52/413	39/387	22/356	75/260	-

3 year statistical fund data (as at 31/08/2024)

Monthly volatility	2.33%
Best 3 month return	9.27%
Worst 3 month return	-6.79%

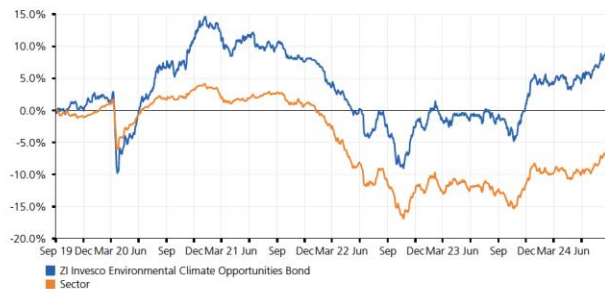
Source: FE, figures to 31/08/2024, bid to bid gross in USD. Past performance is not a guide to future performance.

Discrete performance (as at 30/06/2024)

	Jun 19 -Jun 20	Jun 20 -Jun 21	Jun 21 -Jun 22	Jun 22 -Jun 23	Jun 23 -Jun 24
% growth	1.7%	7.9%	-13.0%	3.7%	6.2%
Sector	2.1%	1.5%	-13.4%	-0.3%	2.9%
Quartile	3	1	2	1	1
Rank	215/355	43/379	189/387	51/396	71/413

Source: FE, figures to 30/06/2024, bid to bid gross in USD. Percentage growth figures are for discrete years, for example Jun 19-Jun 20 equals 30/06/2019 to 30/06/2020. Quartile and rank are based on the FE sector category as highlighted on page 1. Past performance is not a guide to future performance.

Fund performance vs benchmark and/or sector, 5 years/since inception



Source: FE as at 31/08/2024, bid to bid gross in USD. Past performance is not a guide to future performance.

30/08/2019 - 30/08/2024 Powered by data from FE

Governance Index



MSCI World Governance-Quality Index (USD)

The **MSCI World Governance-Quality Index** is based on MSCI World index, its parent index, which includes large and mid cap stocks across 23 Developed Markets (DM) countries*. The index aims to reflect the performance of a strategy that is seeking to capture both the financial and corporate governance aspects of Quality investing. The financial aspects of the Quality factor are captured using the same fundamental data as used in the MSCI Quality Index - return on equity, financial leverage and earnings variability. The standard of corporate governance is measured through measures such as independence and diversity of board of directors, ownership and control structure of the company, accounting practices and auditor opinions.

For a complete description of the index methodology, please see [Index methodology - MSCI](#).

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (NOV 2009 – AUG 2024)



ANNUAL PERFORMANCE (%)

Year	MSCI World Governance-Quality (%)	MSCI World (%)
2023	31.29	24.42
2022	-21.47	-17.73
2021	26.94	22.35
2020	21.68	16.50
2019	36.69	28.40
2018	-4.59	-8.20
2017	26.57	23.07
2016	6.97	8.15
2015	0.90	-0.32
2014	9.78	5.50
2013	28.04	27.37
2012	12.89	16.54
2011	4.26	-5.02
2010	11.59	12.34



INDEX PERFORMANCE – GROSS RETURNS (%) (AUG 30, 2024)

	ANNUALIZED							
	1 Mo	3 Mo	1 Yr	YTD	3 Yr	5 Yr	10 Yr	Since Nov 30, 2009
MSCI World Governance-Quality	3.54	7.03	30.55	22.14	9.58	17.07	13.31	13.57
MSCI World	2.68	6.67	25.00	17.09	7.42	13.66	10.15	10.80

ESG ETFs



J.P.Morgan ASSET MANAGEMENT JPM CARBON TRANSITION GLO EQ CTB ETF



UBS UBS ETF S&P 500 ESG ELITE



Invesco IVZ WORLD FINANCIALS ESG



Vanguard VANGUARD ESG DEVELOPED EUROPE ALL CAP UCITS ETF



- In 2024, ESG ETFs attracted **\$5.56 billion** in inflows by February, contributing to a total asset pool of **\$530.64 billion**. The percentage of inflows to ESG ETFs relative to total ESG fund inflows isn't explicitly stated, but this would be a smaller proportion compared to the **24%** from 2020. More granular data would be needed to calculate the exact percentage for 2024
- While some critics condemn ESG funds as “woke” investing, regular investors’ appetites remain strong for these funds, which consider the ESG factors of a portfolio’s companies along with the companies’ financial fundamentals.

Global ESG ASSETS



Global ESG assets predicted to hit \$40 trillion by 2030, despite challenging environment, forecasts Bloomberg Intelligence



Key Highlights:

- **ESG Matures Amid Challenges** Despite geopolitical and macroeconomic challenges, ESG assets are projected to surpass **\$40 trillion** by 2030, representing **over 25% of global AUM**.
- **Regulation and Scrutiny Bolster ESG Credibility** Enhanced regulations and scrutiny are expected to stabilize and strengthen the ESG market, minimizing greenwashing risks.
- **Europe Leads ESG Growth** Europe is forecasted to remain the largest ESG market, reaching **\$18 trillion** by 2030, retaining a **45% share of global ESG AUM**.
- **US Growth Slows** US ESG assets projected to grow to **\$9.5 trillion** by 2030, with growth hindered by elections, backlash, and market concentration.
- **Emerging Markets Expansion** Japan, Canada, and Australia show fast growth, with Japan's ESG AUM potentially reaching **\$7 trillion** by 2030.



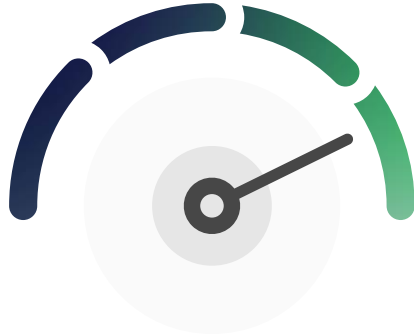


Accessing Capital Through ESG

Unlocking Sustainability Linked Finance



Why ESG Matters For Accessing Capital



ESG as a Performance Indicator:

Investors and financial institutions increasingly assess a company's ESG performance to evaluate risk, sustainability, and long-term value creation. **Strong ESG practices lower perceived risks**, improving access to capital.



Capital Incentives for ESG Commitment:

Financial institutions offer preferential lending rates and financing options to companies that meet ESG criteria or **commit to improving their sustainability** practices.



Sustainability-Linked Loan

Lower Borrowing Costs:

Companies committing to predefined ESG targets (like reducing carbon emissions, improving employee diversity, or enhancing governance standards) can access sustainability-linked loans (SLLs) at lower interest rates.

Incentives for ESG

Performance: Some loans may have zero interest or heavily reduced rates if ESG goals are met. This creates direct financial benefits for companies investing in sustainability.



Middle East | Sustainable Markets | Climate Change

UAE's Majid Al Futtaim raises \$1.25 bln sustainability-linked loan

By Reuters

December 5, 2022 2:41 PM GMT+4 · Updated 2 years ago



KPIs

- Gender diversity target for women to constitute 30% of board members and senior management roles
- All malls certified LEED Gold or better



Sustainable Account Proposition

Sustainable Banking

Operations: Leading banks like Standard Chartered offer sustainable accounts, where deposits are allocated to fund sustainable projects across their market footprint.

Linking Deposits to Impact:

Deposits in these accounts are used exclusively to support green and sustainable projects, providing clients with the assurance that their funds are aligned with positive environmental and social impact.



Case study: Decathlon

Decathlon embeds sustainable development commitments in cash management with Standard Chartered's Sustainable Account

Results: Decathlon gained the flexibility of retaining access to its cash for day-to-day liquidity, whilst using its surplus cash to support activities aligned with its vision for sustainable development.



Green, Sustainable Bonds

Green Bonds: Funds raised from green bonds are used to finance projects with clear environmental benefits, such as renewable energy, energy efficiency, or pollution prevention.

Sustainable Bonds: These bonds focus on broader ESG goals, funding projects that promote not just environmental sustainability but also social and governance-related initiatives (e.g., affordable housing, healthcare).

FAB issues \$600 mln worth of 5-year green bond

By Yasmine Elbehaihy — On Jun 5, 2023



Result: The green bond was successfully upsized from the initial target amount of \$500 million to \$600 million, thanks to a remarkable **2.8x oversubscribed** orderbook



Green, Sustainable Sukuk

Green Sukuk:

Sharia-Compliant Financing: Green Sukuk follows Islamic finance principles (no interest, ethical investments) while raising funds for environmentally friendly projects.

Financing Green Projects: Proceeds from Green Sukuk are allocated to projects with environmental benefits, such as renewable energy, waste management, sustainable agriculture, and clean transportation.

Sustainable Sukuk:

Broader ESG Focus: Unlike Green Sukuk, which focuses purely on environmental projects, **Sustainable** Sukuk funds both environmental and social initiatives, aligning with broader sustainability goals such as education, healthcare, and poverty reduction.

Socially Responsible Investing: These Sukuk ensure that investments are not only ethical but also contribute to solving critical social and governance challenges.

DIB successfully prices \$1 billion Sustainable Sukuk

13 Feb 2023



Result: The response from investors was overwhelming and despite issuing a larger size (\$1 billion), DIB achieved a **3x oversubscription** — which itself was the largest book size seen for a GCC bank in over a year.



Thank You

