



LEAG		Portfolio	Page
Materiality		Category	123
Type of engagement	Reason for interaction		
Individualist/stand-alone engagements	<input type="checkbox"/> To support investment decision-making by identifying ESG issues <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify		
Collaborative engagements	<input type="checkbox"/> To support investment decision-making by identifying ESG issues <input type="checkbox"/> To influence corporate practices for shared benefits <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify		
Service provider engagements	<input type="checkbox"/> To support investment decision-making by identifying ESG issues <input type="checkbox"/> To influence corporate practices for shared benefits <input type="checkbox"/> To encourage improved ESG practices <input type="checkbox"/> Other: specify		

# CLIMATE TRANSPARENCY REPORT

## 2019

Macquarie Investment Management Europe S.A., ValueInvest

# About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2019 PRI Reporting Framework.

## About this report

This report is an export of only the climate-related indicators from the 2019 Reporting Framework response. The full Public Transparency Report is available here ([https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-28E21957-12AB-47E5-862C-DBCEDB28BAAA/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C\\*complete\\*%7C\\*public\\*/Merged/](https://reporting.unpri.org/surveys/PRI-reporting-framework-2019/-28E21957-12AB-47E5-862C-DBCEDB28BAAA/00000000-0000-0000-0000-000000000000/doc/2/-%7C%7C*complete*%7C*public*/Merged/)). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2019 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

## TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.1	✓	Public				
SG 01.2	✓	Public				
SG 01.3	✓	Public				
SG 01.4	✓	Public				
SG 01.5	✓	Public				
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 01.11 CC	-	Public				
SG 01.12 CC	✓	Public				
SG 02.2	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	-	Public				
SG 13.1	✓	Public				
SG 13.2	-	Public				
SG 13.4 CC	-	Public				
SG 13.5 CC	-	Public				
SG 13.6 CC	-	Public				
SG 13.7 CC	-	Public				
SG 13.8 CC	-	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.4	-	Public				
SG 14.5	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	-	Public				
SG 15.3	-	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

# ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
<b>Name</b>	Macquarie Investment Management Europe S.A., ValueInvest
<b>Signatory Category</b>	Fund Management - Majority
<b>Signatory Type</b>	Investment Manager
<b>Size</b>	US\$ 1 - 4.99 billion AUM
<b>Main Asset Class</b>	>50% Listed Equity Internally Managed
<b>Signed PRI Initiative</b>	2010
<b>Region</b>	Europe
<b>Country</b>	Luxembourg
<b>Disclosure of Voluntary Indicators</b>	92% from 38 Voluntary indicators

Macquarie Investment Management Europe S.A.,  
ValueInvest

Reported Information

Public version

Strategy and Governance

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Investment policy

SG 01

Mandatory

Public

Core Assessed

General

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

SG 01.1

Indicate if you have an investment policy that covers your responsible investment approach.

Yes

SG 01.2

Indicate the components/types and coverage of your policy.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input type="checkbox"/> Formalised guidelines on environmental factors <input type="checkbox"/> Formalised guidelines on social factors <input type="checkbox"/> Formalised guidelines on corporate governance factors <input type="checkbox"/> Fiduciary (or equivalent) duties <input type="checkbox"/> Asset class-specific RI guidelines <input type="checkbox"/> Sector specific RI guidelines <input checked="" type="checkbox"/> Screening / exclusions policy <input checked="" type="checkbox"/> Engagement policy <input checked="" type="checkbox"/> (Proxy) voting policy <input type="checkbox"/> Other, specify (1) <input type="checkbox"/> Other, specify(2)	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

**SG 01.3**

Indicate if the investment policy covers any of the following

- Your organisation's definition of ESG and/or responsible investment and it's relation to investments
- Your investment objectives that take ESG factors/real economy influence into account
- Time horizon of your investment
- Governance structure of organisational ESG responsibilities
- ESG incorporation approaches
- Active ownership approaches
- Reporting
- Climate change
- Understanding and incorporating client / beneficiary sustainability preferences
- Other RI considerations, specify (1)
- Other RI considerations, specify (2)

**SG 01.4**

Describe your organisation's investment principles and overall investment strategy, interpretation of fiduciary (or equivalent) duties, and how they consider ESG factors and real economy impact.

ValueInvest AM believes responsible and sustainable investing to be a significant component in accomplishing successful outcomes in the long term. We have formally integrated the principles of responsible investments into our investment processes.

ESG risk management, active ownership, cooperation on and promotion of responsible investment principles, including engagements, is the basis of our work on responsible investments.

We have established a set of principles and expectations for responsible investments as presented in our ESG Policy. These form the basis for our priorities and activities.

Please see ESG Policy for further details.

**SG 01.5**

Provide a brief description of the key elements, any variations or exceptions to your investment policy that covers your responsible investment approach. [Optional]

The current ESG policy of ValueInvest was revised in February 2017 upon changing ESG data provider and is revised as changes occur, new knowledge is gained, or internal processes change. The ESG Policy is to be seen together with the Active Ownership: Engagement and Proxy Voting policy.

The policy includes the following key elements:

- We incorporate ESG issues into our investment analysis and decision-making processes
- We are active owners that incorporate ESG issues into our ownership policies and practices
- We are working with other investors to enhance ESG issues and responsible investment principles
- We seek disclosure on ESG issues by the entities invested in
- Observation and exclusion of sectors and companies

No

I confirm I have read and understood the Accountability tab for SG 01

I confirm I have read and understood the Accountability tab for SG 01

**SG 01 CC**

Voluntary

Public

Descriptive

General



**SG 01.6**  
**CC**

Indicate the climate-related risks and opportunities that have been identified and factored into the investment strategies and products, within the organisation's investment time horizon.

Consistent with its strong risk management focus, Macquarie considers climate change and future carbon constraints within the existing risk framework. The group-wide Environmental and Social Risk policy provides a robust process for embedding environmental and social risk management into investment decision making.

Matters with material environmental and social risks, including climate change risks, may be escalated to the Chief Risk Officer, Executive Committee or Macquarie Board.

Macquarie will continue to refine its portfolio analysis of carbon-intensive industries and assets and will undertake scenario analysis (including a two degrees Celsius scenario) as recommended by the Financial Stability Board's (FSB) Task Force on Climate-Related Financial Disclosures (TCFD) to assess resilience to climate-related risks.

At ValueInvest, ESG risks and opportunities, including climate-related risks and opportunities, is a central part of our investment strategy. Managing environmental risks in the portfolio is an important aspect of safeguarding our client's investments. As part of our work on environmental issues, special focus has been given to the environmental risks; water use and GHG emission.

We are long-term investors which allows us to work with the companies invested in on issues identified and the above approach applies to all products, portfolios and Funds at ValueInvest.

**SG 01.7**  
**CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

- Yes  
 No

**SG 01.9**  
**CC**

Indicate whether the organisation publicly supports the TCFD?

- Yes  
 No

**SG 01.10**  
**CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

- Yes

Describe

ESG risks, including climate-related risks and opportunities, is an integrated part of ValueInvest's investment strategy and ESG strategy where we identify and manage material risks. The ESG Manager and the Portfolio Managers monitor the companies invested in and identify and analyse material risks on an ongoing basis. Via our data provider, we receive data on risks and how the companies are managing those risks. This data is an integral part of monitoring the companies invested in and identifying and managing the related risks and opportunities.

- No

<b>SG 1.12 CC</b>	Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.
-----------------------	---

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other

<b>SG 02</b>	<b>Mandatory</b>	<b>Public</b>	<b>Core Assessed</b>	<b>PRI 6</b>
--------------	------------------	---------------	----------------------	--------------

**New selection options have been added to this indicator. Please review your prefilled responses carefully.**

<b>SG 02.1</b>	Indicate which of your investment policy documents (if any) are publicly available. Provide a URL and an attachment of the document.
----------------	--

- Policy setting out your overall approach

	URL/Attachment
--	----------------

- URL

	URL
--	-----

{hyperlink:[http://www.valueinvest.lu/UK/Responsible\\_Investment.aspx](http://www.valueinvest.lu/UK/Responsible_Investment.aspx)}

- Attachment (will be made public)

- Screening / exclusions policy

	URL/Attachment
--	----------------

- URL

	URL
--	-----

{hyperlink:[http://www.valueinvest.lu/UK/Responsible\\_Investment.aspx](http://www.valueinvest.lu/UK/Responsible_Investment.aspx)}

- Attachment (will be made public)

- Engagement policy

	URL/Attachment
--	----------------

- URL

	URL
--	-----

{hyperlink:[http://www.valueinvest.lu/UK/Responsible\\_Investment.aspx](http://www.valueinvest.lu/UK/Responsible_Investment.aspx)}

- Attachment (will be made public)

- (Proxy) voting policy

URL/Attachment

URL

URL

{hyperlink:http://www.valueinvest.lu/UK/Responsible\_Investment.aspx}

Attachment (will be made public)

We do not publicly disclose our investment policy documents

**SG 02.2**

Indicate if any of your investment policy components are publicly available. Provide URL and an attachment of the document.

Your organisation's definition of ESG and/or responsible investment and it's relation to investments

URL/Attachment

URL

URL

{hyperlink:http://www.valueinvest.lu/UK/Responsible\_Investment.aspx}

Attachment

ESG incorporation approaches

Active ownership approaches

URL/Attachment

URL

URL

{hyperlink:http://www.valueinvest.lu/UK/Responsible\_Investment.aspx}

Attachment

Reporting

URL/Attachment

URL

URL

{hyperlink:http://www.valueinvest.lu/UK/Responsible\_Investment.aspx}

Attachment

We do not publicly disclose any investment policy components

**SG 02.3**

Additional information [Optional].

The ESG Policy of ValueInvest as well as our Active Ownership Policy, addressing Engagement and Proxy Voting, is publicly available on our website.

All documents relating to our ESG activities (including statement of compliance with the UK Stewardship Code) are publicly available.

## Governance and human resources

**SG 07 CC**

Voluntary

Public

Descriptive

General

**SG 07.5  
CC**

Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.

Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or head of department

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

<b>SG 07.6 CC</b>	For board level roles for which have climate-related issues oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.
-----------------------	--

The Macquarie Group Board is responsible for approving Macquarie Group's ESG framework, including major ESG policies. In accordance with its charter, the Board Governance and Compliance Committee assists the Board in adopting appropriate governance standards and reviewing the operations of the group-wide Environmental and Social Risk (ESR) management policies.

MIM is one of the business groups of Macquarie Group and within MIM, ValueInvest operates with its own management and Board.

The ValueInvest Board members execute their oversight for climate related issues through monthly reporting and board meetings in which the ValueInvest CEO accounts for the activities.

<b>SG 07.7 CC</b>	For the management-level roles that assess and manage climate-related issues, provide further information on the structure and process involved.
-----------------------	--

On a day-to-day basis, the CEO and the CIO of ValueInvest are accountable for the climate related activities of the company, both towards the ValueInvest Board as well as the clients.

The CFO manages the ESG Manager who, together with the Portfolio Management team, implements the ESG processes, including climate-related issues, of the company.

## ESG issues in asset allocation

<b>SG 13</b>	<b>Mandatory</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	------------------	---------------	--------------------	--------------

<b>SG 13.1</b>	Indicate whether the organisation undertakes scenario analysis and/or modelling and provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).
----------------	--

- Yes, to assess future ESG factors
- Yes, to assess future climate-related risks and opportunities
- No, not to assess future ESG/climate-related issues

<b>SG 13.3</b>	Additional information. [OPTIONAL]
----------------	------------------------------------

ESG issues are a part of the strategic portfolio construction and allocation. A company's ESG performance and rating can influence whether a stock is added to the portfolio and when already a portfolio company, the weight of the stock in the portfolio.

<b>SG 14</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Additional Assessed</b>	<b>PRI 1</b>
--------------	--	---------------	----------------------------	--------------

**SG 14.1**

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)
- Other, specify(2)
- None of the above

**SG 14.2**

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify

other description

Encourage companies to report on CO2 emission.

- None of the above

**SG 14.3**

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

**SG 14.5**

Additional information [Optional]

As part of its screening process and ESG integration, ValueInvest has excluded investments in companies whose main business derives from coal or coal-based energy.

Further, we encourage portfolio companies to disclose information on CO2 emissions in order to calculate and monitor carbon emission, carbon intensity, and carbon footprint.

Emissions data is monitored by the portfolio managers and ESG manager and is part of the data used to form investment decisions and monitor portfolio companies, including risks relating to carbon emission.

<b>SG 14 CC</b>	<b>Voluntary</b>	<b>Public</b>	<b>General</b>
-----------------	------------------	---------------	----------------

<b>SG 14.6 CC</b>	Please provide further details on these key metric(s) used to assess climate related risks and opportunities.
-------------------	---

<b>Metric Type</b>	<b>Coverage</b>	<b>Purpose</b>	<b>Metric Unit</b>	<b>Metric Methodology</b>
<b>Weighted average carbon intensity</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitoring of climate risks of portfolio and to inform investment decisions	tCO2/\$M revenue	Calculations are based on MSCI ESG data on carbon emission. Upon request, this information is shared with clients.
<b>Carbon footprint (scope 1 and 2)</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitoring of climate risks of portfolio and to inform investment decisions	tCO2e	Calculations are based on MSCI ESG data on carbon emission. Upon request, this information is shared with clients.
<b>Portfolio carbon footprint</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitoring of climate risks of portfolio and to inform investment decisions	tCO2/\$M invested	Calculations are based on MSCI ESG data on carbon emission. Upon request, this information is shared with clients.
<b>Total carbon emissions</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitoring of climate risks of portfolio and to inform investment decisions	tCO2e	Calculations are based on MSCI ESG data on carbon emission. Upon request, this information is shared with clients.
<b>Carbon intensity</b>	<input checked="" type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Monitoring of climate risks of portfolio and to inform investment decisions	tCO2/\$M revenue	Calculations are based on MSCI ESG data on carbon emission. Upon request, this information is shared with clients.

<b>SG 14.8</b> <b>CC</b>	Indicate whether climate-related risks are integrated into overall risk management and explain the risks management processes for identifying, assessing, and managing climate-related risks.
-----------------------------	---

- Process for climate-related risks is integrated into overall risk management

	Please describe
--	-----------------

We take a systematic approach to risk monitoring and the investment process has been designed to take climate factors into account. The Portfolio Managers consider environmental, social, and governance issues that could have a significant impact on portfolio returns and hence the outcome for the clients. Each analysed company's ESG performance can influence whether the stock will be included in portfolios as well as the size of the allocation.

We monitor and calculate key carbon emission indicators that are used to influence our investment decisions and to monitor the companies in our portfolios.

The numbers below represent our ValueInvest Global Equities strategy and are based on the latest available carbon emission numbers from MSCI ESG. The portfolio date is 31.12.2018

**Weighted average carbon intensity:** 111.59 tCO2/\$M revenue

**Carbon Intensity of portfolio (scope 1+2):** 79.95 tCO2/\$M revenue

**Portfolio carbon footprint:** 62.30 tCO2/\$M invested

- Process for climate-related risks is not integrated into our overall risk management

<b>SG 14.9</b> <b>CC</b>	Indicate whether the organisation undertakes active ownership activities to encourage TCFD adoption.
-----------------------------	--

- Yes

	Please describe
--	-----------------

At ValueInvest, material climate-related risks are identified by monitoring the companies invested in and updating climate related information from our ESG data provider on a weekly basis. This data is assessed by the ESG manager and the PM team and any material risks are analysed and a course of action is decided in meetings between the PM team and the ESG Manager.

As part of the work with other PRI signatories on collaborative engagements, and to encourage better disclosure of climate-related risks of the companies invested in, ValueInvest has signed the Investor Expectation on Corporate Carbon Footprint, which encourages carbon footprint disclosure.

ValueInvest also endorsed the Corporate Climate Lobbying working group's statement, which focused on the direct and indirect policy engagement practices of companies on climate issues, including companies' public disclosure of climate change policy, e.g. through the CDP questionnaire.

These initiatives, which both ended in 2018, helped support TCFD adoption by encouraging better disclosure and practices that relate to climate-related risks.

- No, we do not engage

<b>SG 15</b>	<b>Mandatory to Report Voluntary to Disclose</b>	<b>Public</b>	<b>Descriptive</b>	<b>PRI 1</b>
--------------	--	---------------	--------------------	--------------



**SG 15.1**

Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.

- Yes
- No