



CLIMATE TRANSPARENCY REPORT 2020

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 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-5E898A34-AEEE-49A4-9AFC-EC34D01F0237/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). 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 2020 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 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	✓	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	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 14.6 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	
Name	Macquarie Investment Management Europe S.A., ValueInvest
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 5 - 9.99 billion AUM
Main Asset Class	>50% Listed Equity Internally Managed
Signed PRI Initiative	2010
Region	Europe
Country	Luxembourg
Disclosure of Voluntary Indicators	96% 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
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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.
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SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC	Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.
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Yes

	Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.
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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 MIME S.A. 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.

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 MIME S.A. ValueInvest.

Some of the specific climate-related risks and opportunities that our team has identified and factored into the investment process include:

- Weather events and other risks arising from climate change that affect food supply, raw material, etc.
- Risks associated to changes in policy that might cause an increase in the price of resources such as energy, water and other resources necessary for companies to operate and their ability to ensure a reliable supply of products to customers

No

SG 01.7 CC	Indicate whether the organisation has assessed the likelihood and impact of these climate risks?
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Yes

Describe the associated timescales linked to these risks and opportunities.

Yes, the investment team monitors the impact of such events on an ongoing basis and engages with companies on solutions and strategies.

As long-term investors the assessment is an element in our long-term investment horizon.

No

**SG 01.8
CC** Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
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 MIME S.A. 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

**SG 1.10
CC** 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
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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**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 heads of departments

- 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

SG 07.6
CC

For board-level roles that have climate-related issue 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, MIME S.A. ValueInvest operates with its own management and Board.

The MIME S.A. ValueInvest Board members execute their oversight for climate related issues though monthly reporting and board meetings in which the MIME S.A. ValueInvest managing directors account for the activities.

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

On a day-to-day basis, the Managing Directors of the MIME S.A. ValueInvest team are accountable for the climate related activities of the company, both towards the MIME S.A. ValueInvest Board as well as the clients.

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

Free text [500 words]

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1

Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

The investment teams at Macquarie have access to models that can measure the potential financial impact to a company related to their carbon emissions. The model assumptions can be adjusted to reflect different scenarios and each scenario's impact can be measured on a portfolio level.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2

Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

A company's climate profile can influence whether a stock is added to the portfolio and the weighting.

- We do not consider ESG issues in strategic asset allocation

SG 13.3

Additional information. [OPTIONAL]

In the asset allocation, the investment team considers ESG issues such as fossil fuels and avoids investments in companies whose main business derives from coal and coal-based energy.

Additionally, we measure the carbon emission of our portfolio's and each company's individual contribution. The investment team reviews the emission data on portfolio and company level to better understand the carbon risks and to inform investment decisions.

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC

Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

As part of the initial assessment of a company, scenario analysis and other climate-related analysis can be used to form the investment decision.

- Incorporation into investment analysis
- Inform active ownership

Describe

The result of a scenario analysis might trigger the investment team engaging a company on the issue or influence the proxy voting decision.

- Other

SG 13.5
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes

Describe

The time scale of the potential impact from climate-related risks varies and can be short-term, long-term and beyond. We are long-term investors, but as active investors, we do not apply fixed investment time horizons when investing.

- No

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> MIM's own tool
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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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
- 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, MIME S.A. 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.

SG 14 CC	Voluntary	Public	General
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SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<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.
Carbon footprint (scope 1 and 2)	<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.
Portfolio carbon footprint	<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.
Total carbon emissions	<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.
Carbon intensity	<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.

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
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Ⓒ Processes for climate-related risks are 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 Global Value Equities Strategy and are based on the latest available carbon emission numbers from MSCI ESG. The portfolio date is 31.12.2019

Weighted average carbon intensity: 106.50 tCO2/\$M revenue

Carbon Intensity of portfolio (scope 1+2): 70.84 tCO2/\$M revenue

Portfolio carbon footprint: 52.22 tCO2/\$M invested

- Processes for climate-related risks are not integrated into overall risk management

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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- Yes
- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes
- No