



Principle	Principle	Principle
UEN 1.1	UEN 1.2	UEN 1.3
Investment managers should engage investee companies to improve their environmental, social and governance (ESG) performance and to address material ESG risks. Investment managers should also engage with other stakeholders to improve their ESG performance and to address material ESG risks.	Investment managers should engage investee companies to improve their environmental, social and governance (ESG) performance and to address material ESG risks. Investment managers should also engage with other stakeholders to improve their ESG performance and to address material ESG risks.	Investment managers should engage investee companies to improve their environmental, social and governance (ESG) performance and to address material ESG risks. Investment managers should also engage with other stakeholders to improve their ESG performance and to address material ESG risks.
UEN 1.1	UEN 1.2	UEN 1.3
Principle	Principle	Principle
Mandatory	Mandatory	UEN 1.3
Type of engagement	Response for investment	
Individual/institutional scale engagements	<input type="checkbox"/> To support investment decisions and to address material ESG risks	
Collaborative engagements	<input type="checkbox"/> To encourage companies to improve ESG performance	
Service provider engagements	<input type="checkbox"/> To support investment decisions and to address material ESG risks	

CLIMATE TRANSPARENCY REPORT 2020

Cordiant

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/-99325B41-3F12-4716-9200-30CF1ACFD332/79894dbc337a40828d895f9402aa63de/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	-					
SG 13.5 CC	-					
SG 13.6 CC	-					
SG 13.7 CC	-					
SG 13.8 CC	-					
SG 14.1	✓	Private				
SG 14.2	✓	Private				
SG 14.3	✓	Private				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Private				
SG 15.2	✓	Private				
SG 15.3	✓	Private				

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	Cordiant
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ 1 - 4.99 billion AUM
Main Asset Class	>50% Fixed Income CF Internally Managed
Signed PRI Initiative	2008
Region	North America
Country	Canada
Disclosure of Voluntary Indicators	71% from 38 Voluntary indicators

Cordiant

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.

SG 01.6 Additional information [Optional].

Cordiant proactively engages with relevant actors to garner insight into existing and potential business, environmental and political risks that might arise as part of its operations. Adequately addressing these factors will enhance Cordiant's front-end risk management and ensure a more nuanced and thoughtful approach to risk scenario analysis, pricing, and repayment risk.

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.

Yes

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

Climate Policy

Cordiant's investment thesis is drawn upon the argument that ESG has a role in investment portfolios that extends beyond ethical considerations, particularly for investors interested in tilting toward safer opportunities. This is a way, for Cordiant, to manage important inherent risks to position itself to take advantage of emerging opportunities. Accordingly, Cordiant's investment strategy and frameworks are aligned with low-carbon transition objectives.

This strategy is consistent with Cordiant's ESG integration process as it contributes to an energy transition curve, as well as social and environmental progressive outcomes and opportunities.

Oil & Gas Sectors: Active Management: Inclusionary vs exclusionary strategies

We do however only invest in businesses with high standards of business integrity.

The Systematic implementation of our ESG Risk Management System (ESMS) is also the key part of value creation, while protecting the interests of our shareholders. This implies that environmental, health and safety, and social compliance issues are not just a matter of fulfilling investors' requirements but constitute an essential part of our investment philosophy which will enable us to achieve superior shareholder performance through environmentally and socially sustainable operations. For all investments, the team seek to understand how the borrowers address (i) general factors, such as climate change and energy, through long-term plans and current initiatives; (ii) more technical factors such as how the company is managing the socio-economic impacts and environmental, health and safety risks of operating across the production line, and in different locations it operates.

The process, indicators and reporting elements detailed in the present guidance document allows for consistency and alignment with applicable international standards, including with the International Association of Oil & Gas Producers.

Coal Mining and Coal-Based Energy Production

Cordiant strongly believes that companies most exposed to coal-related activities should not be a part of our investment portfolio. This decreases environmental, social and reputational risks and generates positive impact through support of other forms of more sustainable and cleaner energy.

No

**SG 01.7
CC**

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

Yes

Describe the associated timescales linked to these risks and opportunities.

Climate change risk management approaches. In other words, Cordiant focuses on "mitigation"-efforts to reduce greenhouse gas emissions, and to minimize the environmental risks. Additionally, Cordiant assess the potential investment's exposure to climate related risks such as drought, water scarcity, water uses and disposal, pollution, floods, and other important material risk factors, based on the industry in which the potential borrowers are operating.

As such, Cordiant agrees with the statement that risk is the combination of the likelihood of an event and its consequences.

No

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

Explain the rationale

We do not publicly support the taskforce, but we are supporting other relevant and important initiatives in the field,

Engagements and Commitments to Impact Investing

- UNPRI-Ceres Sustainable Forest Initiative
- Original signatory of United Nations' Principles for Responsible Investing
- Original Signatory of the IFC Operating Principles for Impact Management
- Member of the Global Impact Investing Network (GIIN)
- Contributor to the GIIN's Gender Lens Framework
- Contributor to the GIIN's IRIS+ Framework & Impact Metrics
- New Member of the Blended Finance Taskforce's Sustainable Infrastructure Investor Club

**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

Our strategy is integrated within our ESG risk management framework and preliminary risk-exposure assessment.

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

**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

Portfolio managers

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

Investment analysts

- 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

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

Describe

It is integrated in all the areas of activities at Cordiant.

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

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

We do not consider ESG issues in strategic asset allocation

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.

Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Exposure to carbon-related assets	<input type="checkbox"/> All assets <input type="checkbox"/> Majority of assets <input checked="" type="checkbox"/> Minority of assets			

**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.

Processes for climate-related risks are integrated into overall risk management

Please describe

Non-Renewable Energy Policy:

Although the projects in the present industry are expected to bring economic and social benefits, the sector intrinsically involves different potentially complex and significant and diverse ESG risks and impacts, depending on the type of energy production-which are applicable to both the construction and operational

phases (i.e. upstream, midstream, and downstream operations). Those inherent risks and impacts are likely to have material implications for long-term shareholder value, if transition to low carbon economy is not taken into account into the decision making process.

In this context, we integrate our existing corporate values, principles and policy commitment with reference to (i) quality of products; (ii) safety and reliability of operations; (iii) care for the environment and communities; (iv) engaging stakeholders; (v) respect for others and their rights; and (vi) innovative solutions.

Cordiant's Engagement Strategy & The development of company-wide proactive compliance strategy

Cordiant is committed to participating in dialogue with borrowers on the effects of their activities-the impacts, benefits, risks and trade-offs, as well as corporate responsibility or environmental, social and governance (ESG). The team employs a stepwise process to addressing ESG matters inherent in this industry. This is a central element of due diligence, investment structuring and on-going ownership and monitoring.

Policy: Benefits of Renewable Energy Investments

Investing in low carbon energy transition assets is in itself a value added investment. For investors, it is a preferable alternative to fossil-fuel based energy production systems which are now categorised as "stranded assets". As well, it reduces the impacts on the environment and on biodiversity, compared to traditional sources of energy.

Alignment with Best Practices & Sustainable Development Goals

As part of its Fiduciary Responsibility and Responsible Investment Approach, Cordiant ensures that its business strategy is consistent with, and contributes to, the development goals, as expressed in the SDGs and Paris Agreement[4] on climate change. Investing in the clean and renewable energy sector thus allows Cordiant to be aligned with the sustainable development goals[5] (SDGs), including;

- SDG 7: Affordable and clean energy
- SDG 9: Industry, Innovation& Infrastructure
- SDG 11: Sustainable Cities and Communities
- SDG 12: Responsible Consumption and Production
- SDG 13: Climate Action

The scaling-up of national climate action plans, also known as Nationally-Determined Contributions (NDCs), and which represents a key opportunity to address a wide range of issues, by addressing investment gaps in the clean energy sector. Accordingly, by applying its ESG risk management system and Responsible Investment Process to the clean energy sector, Cordiant is systematically maximizing positive impacts while minimizing negative impacts.

Scope & Applicability of the Clean Energy Policy and Due Diligence Process

Although renewable sources are more environmentally friendly compared to non-renewables, the exact type and intensity of environmental risks and impacts varies depending on the specific technology used, the geographic location, and a number of other factors. By understanding the current and potential environmental issues associated with each renewable energy source, we can take steps to effectively avoid or minimize these impacts as they become a larger portion of our electric supply.

- 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.

- Yes
- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.