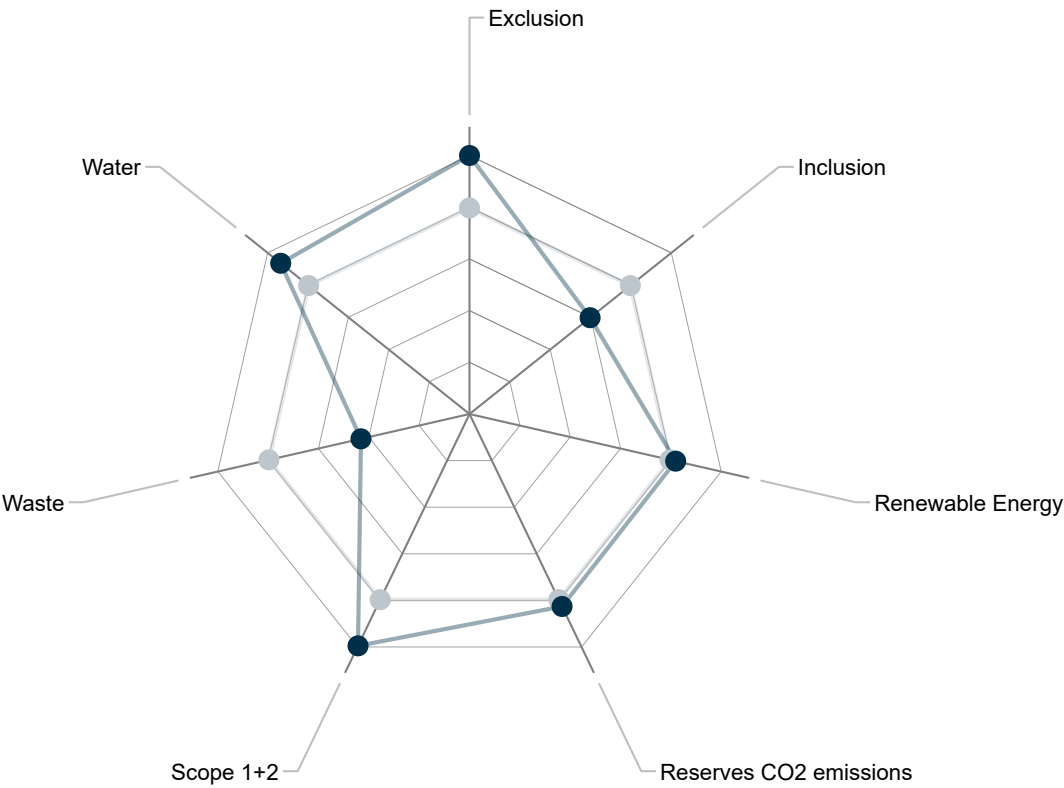


Overall comparison between portfolio(s) and benchmark average



- The plot to the left compares each of the sustainability parameters to the average of that of the benchmark portfolios.
- The faded dotted ring in the figure represents the average benchmark figure - a ratio of the portfolio to this of 1.
- A point above this represents a relatively better performance, and a point below this a relatively worse performance.

Who we are

Matter is a Danish fintech startup founded in 2017. We specialise in sustainable investments and have launched a sustainable pension product in Denmark in collaboration with Skandia in October 2018. Our team consists of people with diverse experience from the United Nations, asset management, management consulting and software development.

Portfolio Sustainability Analytics

Drawing upon wisdom-of-the-crowd inspired sustainability information and machine learning, we have developed automated tools to screen entire investment portfolios of listed assets on a range of sustainability criteria that can be utilized by pioneering investors wishing to create sustainable and impact-oriented portfolios. The portfolio sustainability tools enable the qualification of ESG strategies with concrete allocation targets – with respect to exclusion of controversial companies, reduction of the portfolio's CO2 impact, inclusion of additional beneficial investments and more. Sustainability metrics constitute a new dimension to traditional financial reporting that is here to stay.

Benchmarking

Selected portfolios

Selected Benchmarks



This analysis looks into the sustainability profile of the selected portfolio(s) and compares the results to the selected benchmark(s). Both selected portfolio(s) and benchmark(s) are shown to the left.

Throughout the report, the portfolio(s) is compared to the selected benchmark(s) for all metrics. Note that the presentation contains comparisons only, and the numbers should thus not be interpreted as general sustainability ratings.

Included metrics (1/2)



Impact metrics

Portfolio level

Measuring a portfolios impact on various metrics – from carbon emissions to renewable energy generation



Controversial corp. topics

Asset and portfolio level

Companies in the portfolio that are flagged for corruption, fossil fuels, weapons, human rights violations and much more customizable topics.



Controversial sovereign topics

Asset and portfolio level

The controversial sovereigns within the portfolio – e.g. sovereigns flagged for sanctions, corruption and more.



Beneficial corp. topics

Asset and portfolio level

The beneficial companies in the portfolio that are perceived to add cultural value, aim to benefit people and/or benefit the environment.



Included metrics (2/2)

Impact metrics	Controversial corp. topics	Beneficial corp. topics	Controversial sov. topics
Carbon emissions (Scope 1+2)	Adult entertainment	Best in class (among peers)	High fossil fuels exports
	Alcohol		Child labor
	Business ethics violations	Business ethics pioneers	Conventional weapons export
	Correctional facilities		Financial secrecy
Total reserves CO2 emissions (Oil, coal and gas)	Corruption	Diversity & inclusion pioneers	Low share of women in national parliament
	Defense & weapons		Political rights
	Environmental damage & disasters	Environmental protection	Voice and accountability
	Ethical norms violations		Press freedom
Water use (Direct and purchased)	Extreme executive pay	Great work environment	Rule of law
	Fossil fuels	Green energy production	Authoritarian state
	Gambling		Civil liberties
	GMO		Corruption
Waste generation (Landfill and incineration)	High GHG emissions	Low GHG emissions	Government effectiveness
	Human & labor rights violations		Peace
	Israeli settlements	Health & safety pioneers	Not free state
	Meat production		Political stability - no violence
Renewable power generation (Wind, solar, hydro, geothermal and wave/tidal)	Nuclear	Human & labor rights pioneers	Regulatory quality
	Pork		Sanctions
	Stem cells		Slavery
	Tax avoidance		Tax haven
	Tobacco		

The topics are based on more than 50 well renowned sources

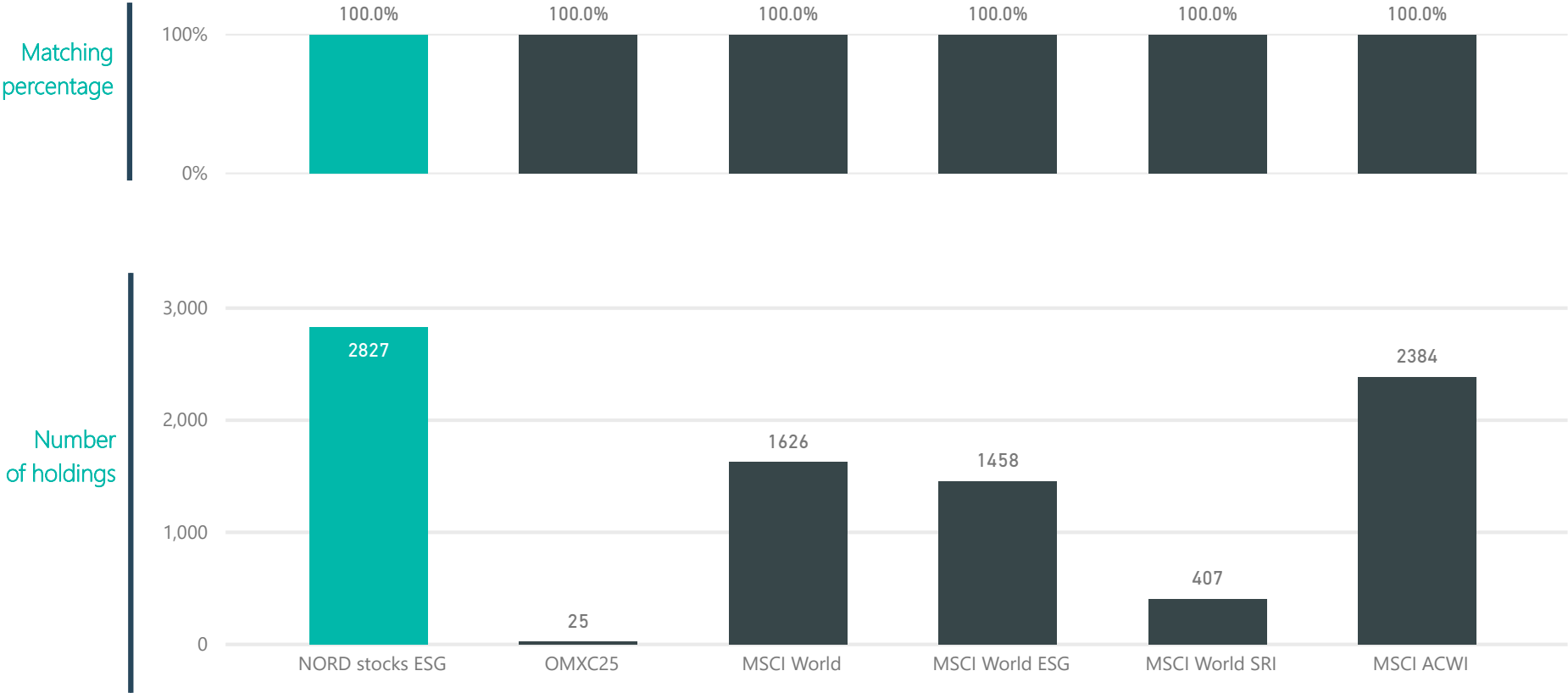


Sources



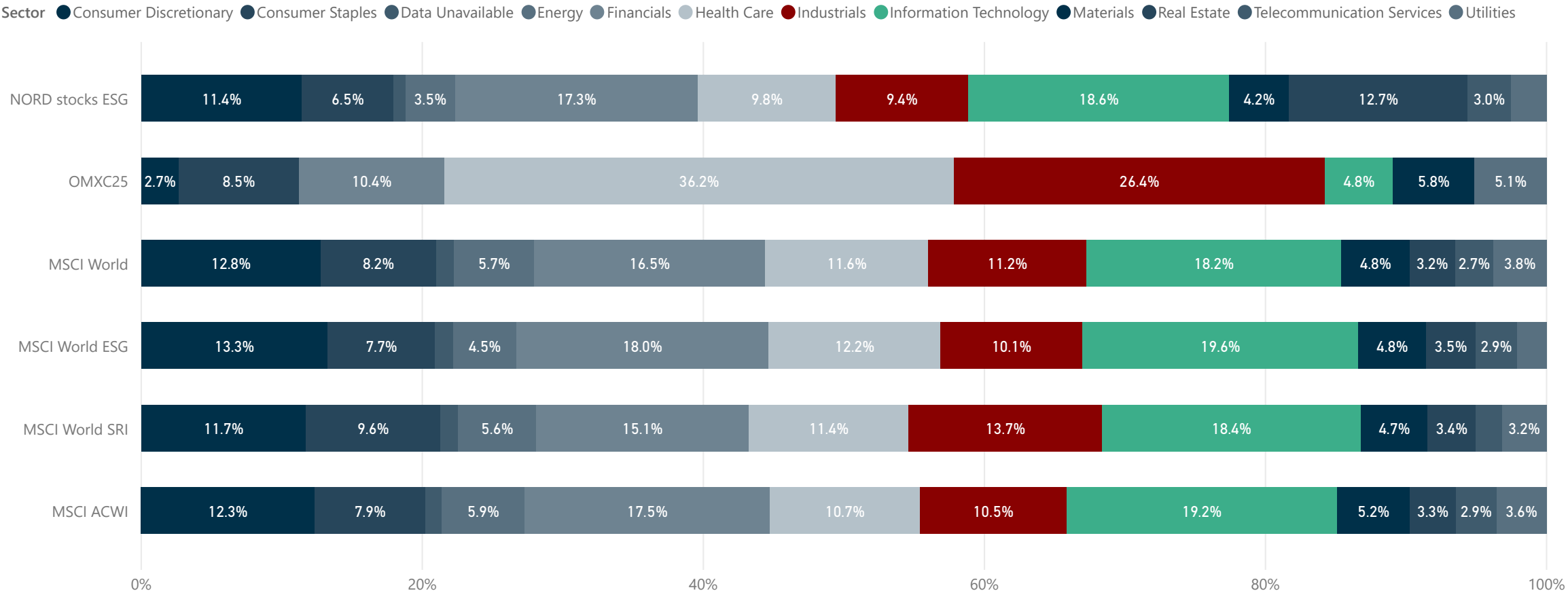


Number of holdings and matching percentage

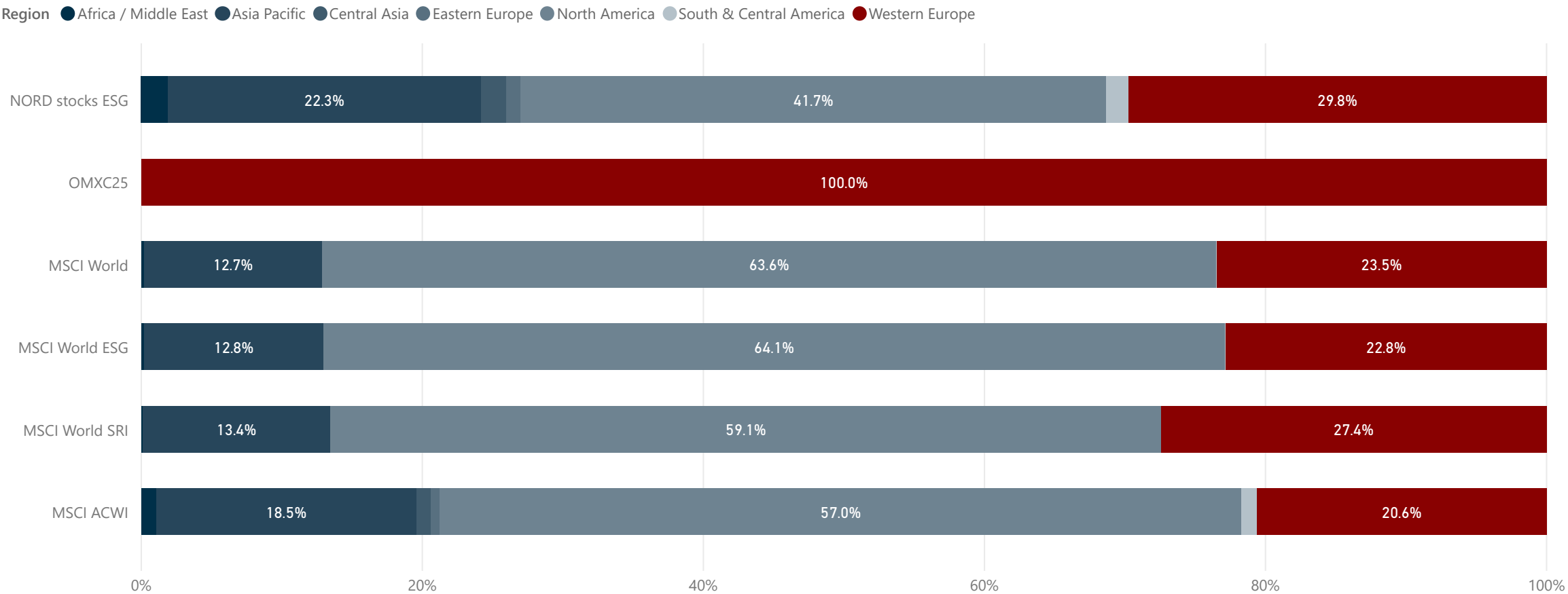


- The matching percentage is the share of the given portfolio which is matched in Matter’s database with either environmental impact or controversial and beneficial companies.
- A match can be obtained through ISIN or name matching.
- The figure to the left is the number of underlying securities in the analysed equity portfolio and the selected benchmark indices.

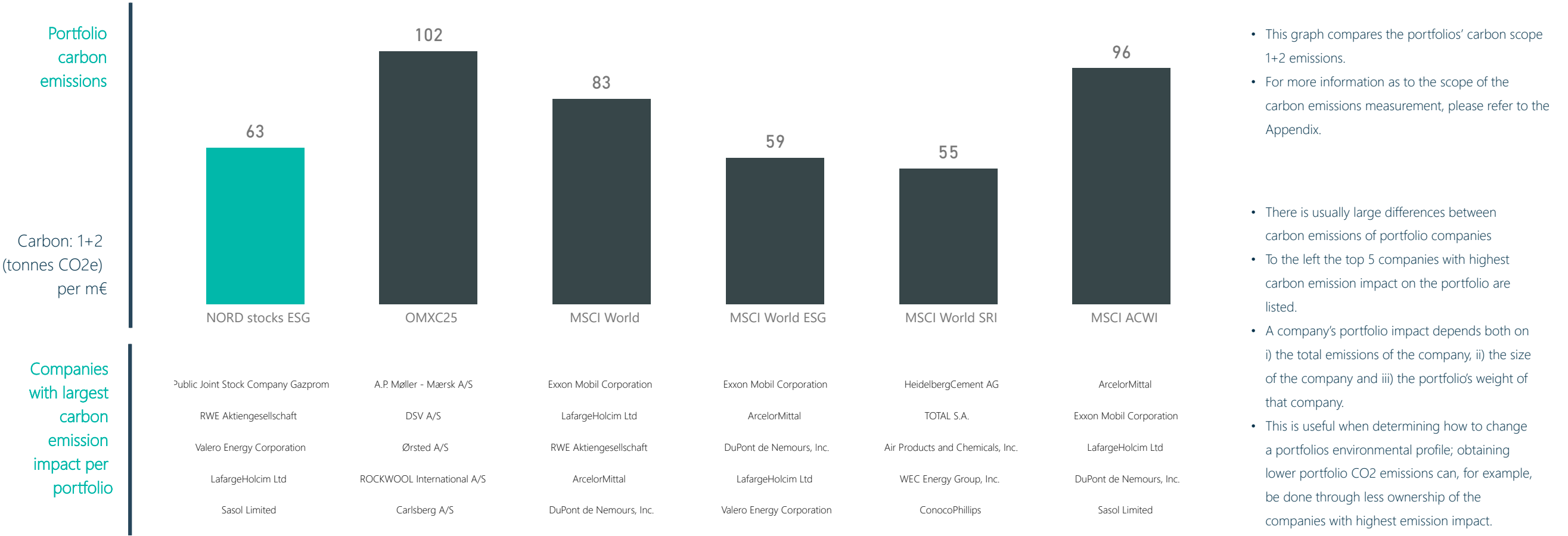
Sector allocation



Regional allocation



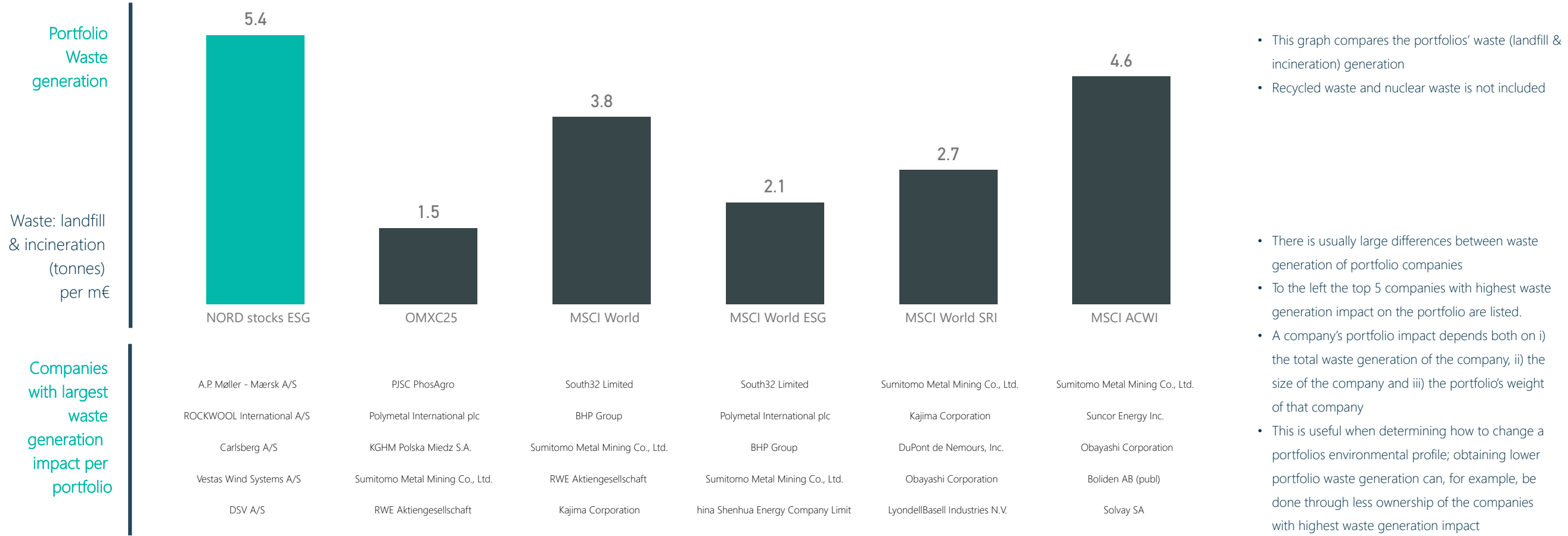
Carbon scope 1 + 2 emissions



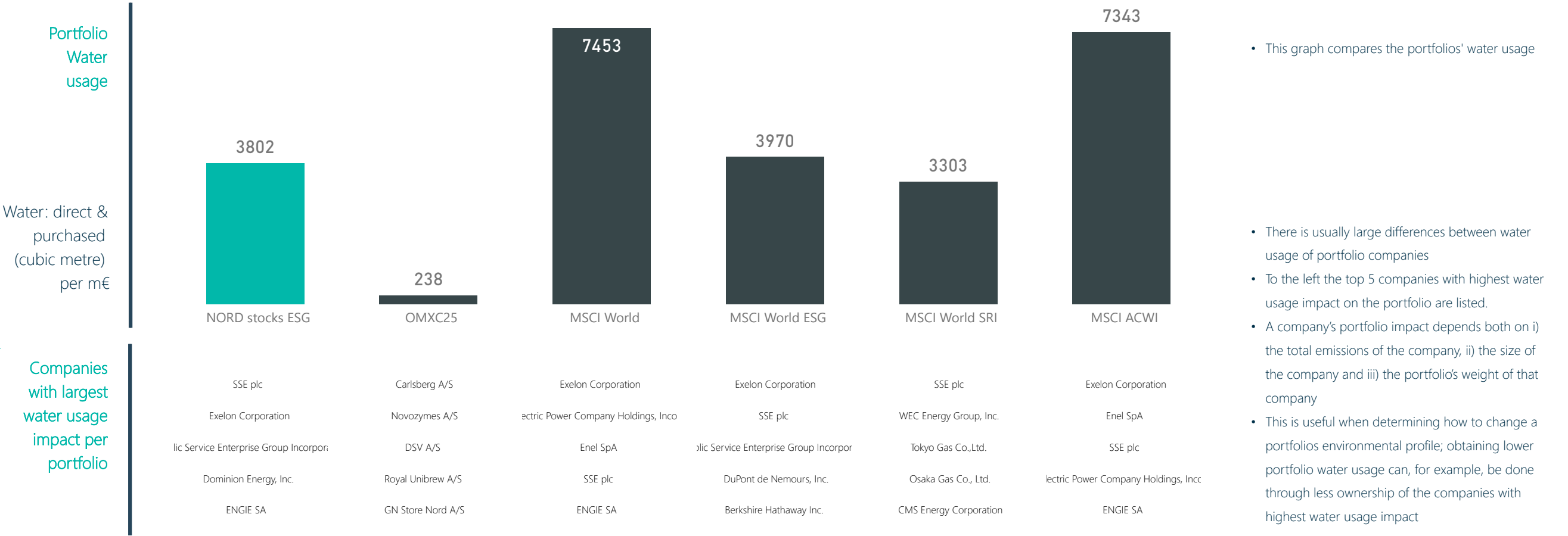
Oil, coal and gas reserves CO2 emissions



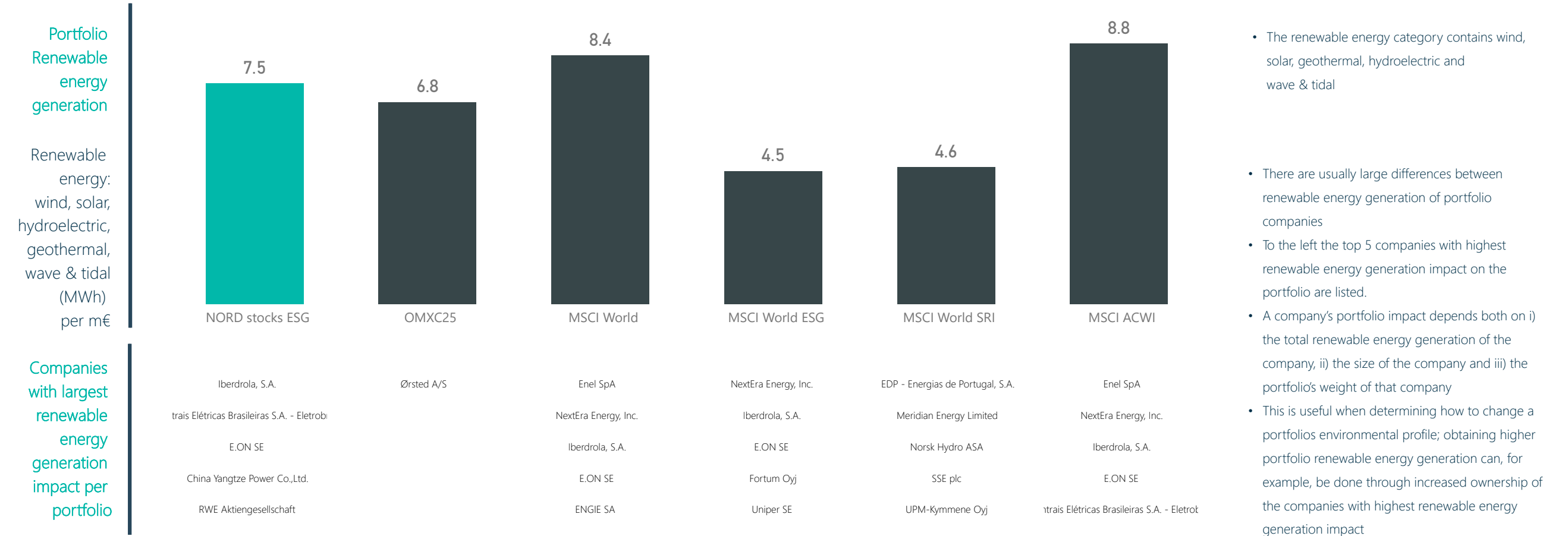
Waste generation



Water usage



Renewable energy generation



Carbon scope 1+2 emissions per sector



- The heatmaps seen to the left represent a sector breakdown of the portfolios' carbon (scope 1+2) figures shown previously.
- The numbers represent the carbon emissions per portfolio, seen earlier in the report, within each sector. If the number is 0, the given portfolio doesn't hold any companies within that particular sector.
- As a portfolio consisting solely of e.g. financials or IT companies will almost always carry lower carbon emissions than a portfolio containing only e.g. energy or materials companies, this analysis is valuable to determine how the portfolios and benchmarks fare per sector. For example, if a portfolio has higher Materials carbon emissions compared to the benchmarks, the portfolio holds relatively high-emitting Materials companies compared to the benchmarks.
- A breakdown like the one shown here can be made for all of the environmental metrics

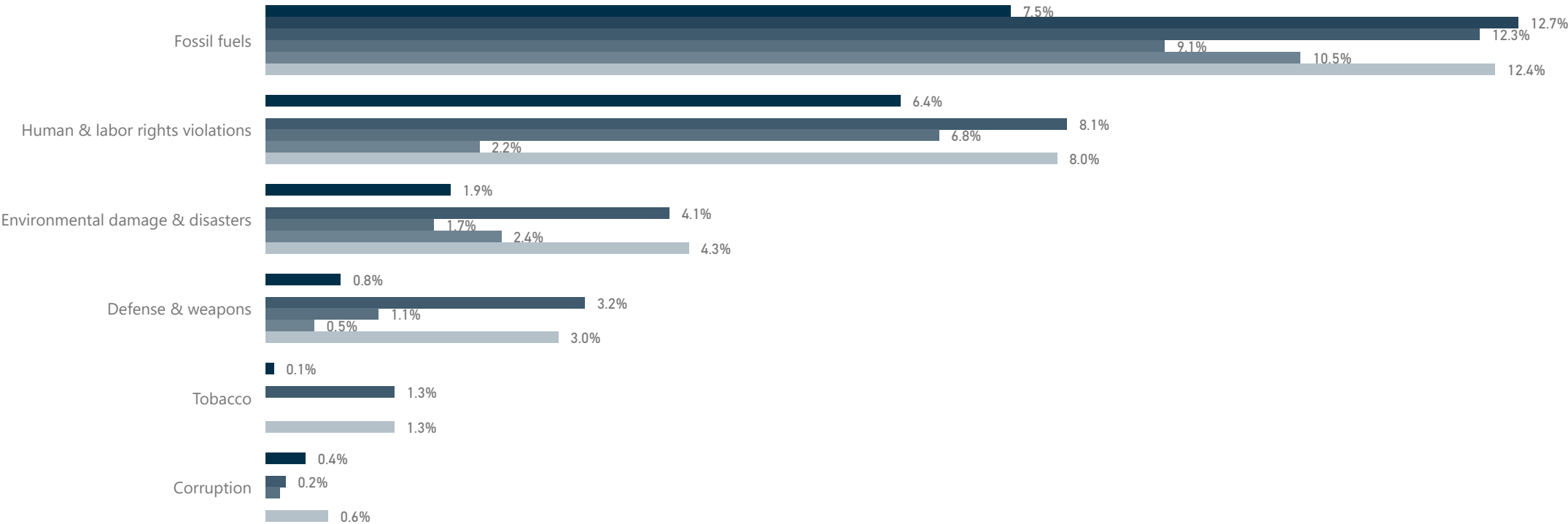
Aggregated statistics of controversial corporate flags



Portfolio shares per significant controversial corporate flag

Share of portfolio

Portfolio ● NORD stocks ESG ● OMXC25 ● MSCI World ● MSCI World ESG ● MSCI World SRI ● MSCI ACWI

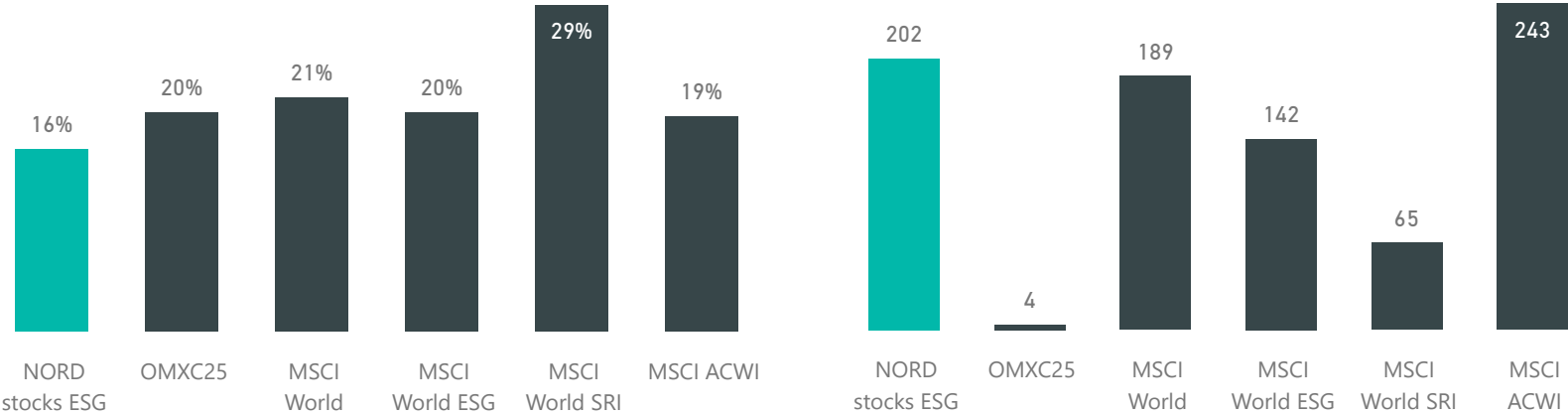


Aggregated statistics of beneficial corporate flags

Share of portfolio

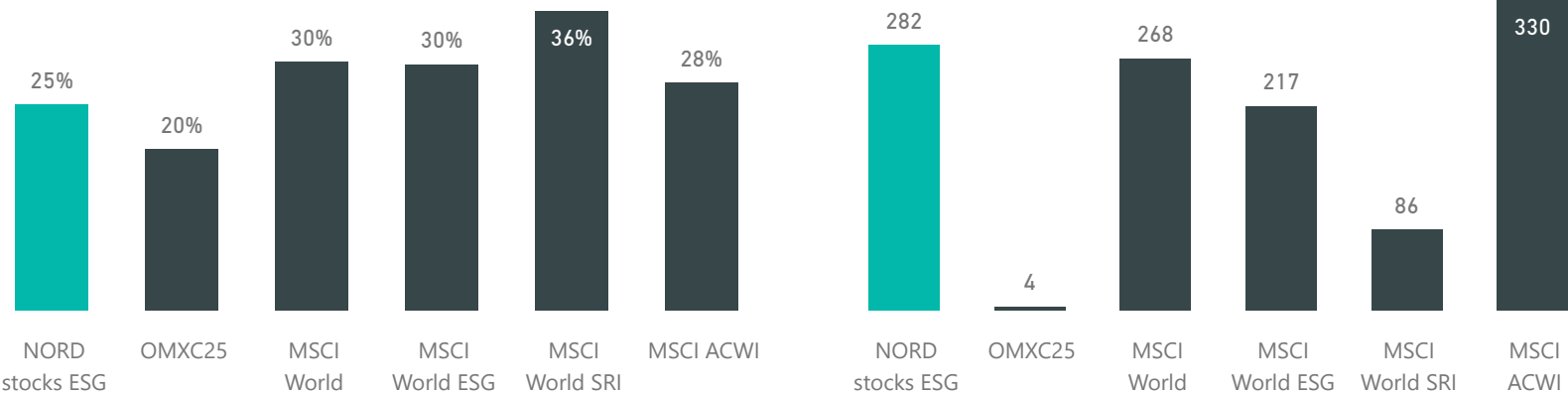
Number of companies

Significant
beneficial
corporate
flags



- The statistics to the left capture all companies in the portfolios which are flagged with one or more of the following beneficial topics: diversity & inclusion pioneers, environmental protection, green energy production and human/labor rights pioneers.

All
beneficial
corporate
flags

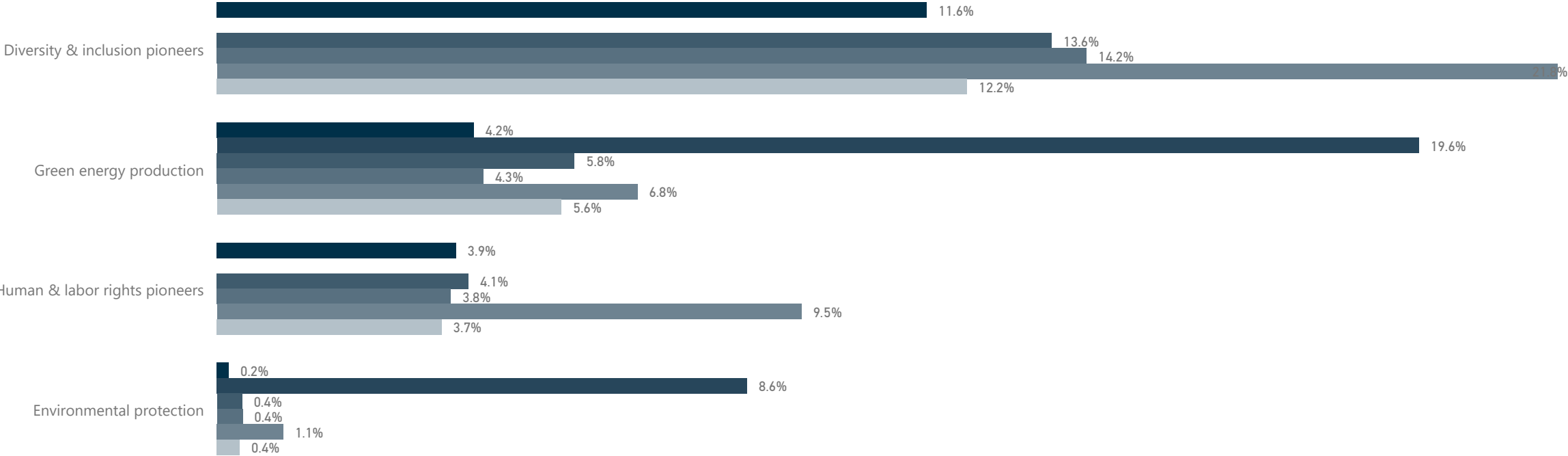


- The statistics to the left capture all companies in the portfolios which are flagged with any beneficial corporate flag; these can all be seen on the intro pages.

Portfolio shares per significant beneficial corporate flag

Share of portfolio

Portfolio ● NORD stocks ESG ● OMXC25 ● MSCI World ● MSCI World ESG ● MSCI World SRI ● MSCI ACWI



Definitions (1/2)

Trucost data and estimates

Calculations are based on Trucost Eboard data. The data samples employed are either reported by portfolio companies or estimated based on either prior emissions data or industry and peer performance. We calculate the carbon footprint for both equities and corporate bonds, but do not have data available on government bonds.

Carbon Scope 1 (tonnes CO2e)

Greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the company (reference: GHG Protocol).

Carbon Scope 2 (tonnes CO2e)

Greenhouse gas emissions from consumption of purchased electricity, heat or steam by the company (reference: GHG Protocol).

Carbon Scope 3 (tonnes CO2e)

Other indirect Greenhouse gas emissions, such as from the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc. (in line with GHG Protocol standards) (reference: GHG Protocol).

CO2 Equivalent (CO2e)

Each greenhouse gas differs in its ability to absorb heat in the atmosphere. Calculations of greenhouse gas emissions are presented in units of millions of metric tons of carbon equivalents (MMTCE), which weights each gas by its GWP value, or Global Warming Potential. The Global Warming Potentials used in this analysis are:

Greenhouse gas	CO2 equivalent
• Carbon Dioxide	1
• Methane	25
• Sulphur Hexaflouride	22,8
• Nitrus Oxide	298
• Per Fluoro Carbons	7850
• Hydro Flouro Carbons	2400

Definitions (2/2)

Total Reserves CO2 emissions (tonnes)

The calculations of total reserves for the portfolio is based on the list of companies in the portfolio that disclose fossil fuel reserves. These reserves have been converted into CO2 emissions to express amount of potential/future CO2 emissions owned by the portfolio.

Water Direct + Purchased (m3)

The volume of water that is directly abstracted or purchased from utility companies

Waste generation (tonnes)

Quantity of waste that is generated by the company and incinerated or disposed to landfill

Renewable energy generation (MWh)

MWh energy produced through renewable energy sources (hydro, solar, wind, geothermal, wave & tidal)

Methodology: Environmental Metrics

