S&P Trucost provides robust, quality-checked, and standardized environmental data on more than 15,000 companies. Essential intelligence helps our clients measure impact, identify exposure, and manage risks and opportunities across different asset classes. Trucost data and analysis assists with investment decision-making by addressing challenges of climate change, water use, waste disposal, and the over-exploitation of natural resources.

Data Applications

<table>
<thead>
<tr>
<th>Portfolio Construction</th>
<th>Comprehensive coverage and a quantitative methodology helps enable portfolio optimization and capital allocation towards companies with lower environmental impact.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Management</td>
<td>A granular breakdown of the world economy into 464 activities allows our clients to actively screen for material risk factors.</td>
</tr>
<tr>
<td>Leadership and Engagement</td>
<td>Detailed corporate environmental profiles assist with strategic and targeted engagement to support risk awareness and resilience.</td>
</tr>
<tr>
<td>Scenario Analysis and Reporting</td>
<td>Multi-asset class analysis and forward-looking data supports TCFD(^2) aligned and national mandatory environmental reporting.</td>
</tr>
</tbody>
</table>

Environmental Key Performance Indicators

<table>
<thead>
<tr>
<th>Carbon and Climate</th>
<th>Energy</th>
<th>Water</th>
<th>Waste</th>
<th>Natural Resources</th>
<th>Land, Water, and Air Pollution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1, Scope 2, Scope 3 upstream and downstream, Direct + First Tier Indirect emissions, and future emissions/ transition pathways</td>
<td>Coal, oil, and natural gas production and GWh per energy source including renewables</td>
<td>Operational and supply chain water usage</td>
<td>Landfill, incinerated, nuclear, and recycled waste</td>
<td>Operational and supply chain natural resource usage</td>
<td>Operational and supply chain pollutants releases</td>
</tr>
</tbody>
</table>

\(^1\) Environmental, Social, and Governance  
\(^2\) Task Force on Climate-related Financial Disclosures
Moving to align with recommendations of the TCFD

From carbon footprinting to calculating your carbon earnings at risk using future carbon pricing scenarios, benefit from current and forward-looking data and risk and scenario analysis tools.

Multi-Asset Class Analysis

1. Set a baseline

   **Carbon Footprint**
   - Using Weighted Average (TCFD recommended), Assets Under Management (AUM), Revenue, or Enterprise Value Method

   **Attribution Analysis**
   - Determine what’s driving the portfolio’s relative efficiency versus the benchmark

   **Entity Level Contribution**
   - Deep dive into portfolio’s biggest contributors to portfolio’s carbon/environmental intensity

   **Scope 3 downstream**
   - Quantify emissions associated with downstream supply chain activities of portfolio holdings.

2. Add sector-specific metrics

   **Stranded Assets Exposure**
   - Emissions and financial implications that could arise if fossil fuel reserves become stranded/impaired assets

   **Exposure to Carbon-Related Assets**
   - The percentage of total portfolio weight coming from companies in the energy and utilities sectors

   **Coal Exposure**
   - Companies deriving revenue from coal extraction or coal power generation (split by coal type: thermal, metallurgical, or other coal)

   **Renewables Share in Energy Mix**
   - Assess portfolio’s energy mix by percentage of fossil fuels, renewables, and other power sources that make up the total energy generation

3. Conduct scenario analysis

   **Transition Risk**
   - Earnings at risk from future carbon pricing scenarios

   **2 Degree Alignment Assessment**
   - Transition pathways adopting methodologies highlighted by the Science Based Targets initiative, the SDA\textsuperscript{3} and GEVA\textsuperscript{4} approach
   - Portfolio variation from a 1.5\textdegree{}C - 5\textdegree{}C scenario over a 12-year time horizon

   **Physical Risk**
   - Company exposure to physical risk at the asset-level based on a database of over 500,000 assets from S&P Global’s proprietary and public databases
   - Seven climate hazard indicators (water stress, heatwave, coldwave, hurricane, wildfire, river and coastal flood risk) across low, moderate, and high climate change scenarios and a range of timeframes (2025, 2030, and 2050)

4. Report

   - Publish TCFD-Aligned report or use for internal planning purposes. This can inform stakeholder engagement and strategic allocation decisions across investing, lending, and insurance underwriting

Flexible Delivery Options

- Secure FTP feed
- EBoard Platform
- Portfolio Analytics on the S&P Capital IQ Platform
- Xpressfeed\textsuperscript{TM}
- S&P Global Market Intelligence Platform
- ClariFI\textsuperscript{®}

\textsuperscript{3} Sectoral Decarbonization Approach
\textsuperscript{4} Greenhouse Gas Emissions per unit of value added
Leverage Essential Carbon and Environmental Data Analytics with S&P Global Market Intelligence Platform

Visualize comprehensive company data and portfolio analytics on carbon and broader natural resource dependencies.

Benefit from an integrated approach to portfolio analysis and reporting

Portfolio Analytics on the S&P Global Market Intelligence and Capital IQ Platform

Product differentiation factors that deliver results

- **Quantitative Analytics**
  Quantification of environmental and social damage costs enables investors to make integrated business decisions

- **Strategic and Technical Guidance**
  Provide advice on technical questions and strategic guidance on interpreting implications and use of data to support stated objectives

- **Comprehensive Coverage**
  Use of international environmental accounting standards such as the GHG Protocol and the Natural Capital Protocol. Ability to fill gaps where disclosure is missing or incomplete using Trucost's multi-sector EEIO model and annual company engagement phase

- **Multi-Asset Class Analysis**
  Ability to assess assets across private & listed equity, corporate & sovereign fixed income, green bonds, infrastructure, real estate, and forestry

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5. Greenhouse Gas
6. Environmentally-Extended Input-Output
About Trucost
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