Chapter: Sustainable Investment

CALCULATION METHOD FOR FINANCED EMISSIONS

The following formulas were used to calculate impact and financial materiality:

ASSET CLASS	CALCULATION METHOD
Corporate Bonds and Local Equity	**LISTED COMPANIES:** $\text{Financed Emissions} = \dfrac{\text{Amount Invested}}{\text{EVIC*}} \times CO_2e \text{ Emissions}$ *EVIC = Enterprise Value Including Cash. **PRIVATE ENTERPRISE BONDS:** $\text{Financed Emissions} = \dfrac{\text{Amount Invested}}{\text{Total equity+debt}} \times CO_2e \text{ Emissions}$ To calculate the financed emissions for those companies where we have no GHG emissions data, we conduct an approximation based on sectorial ETFs to obtain an intensity factor. In such cases, the calculation formula is: $\text{Financed Emissions} = \text{Market Value} \times \text{Intensity Factor}$
Mutual Funds and ETFs	Financed emissions for mutual funds and ETFs are calculated by using an intensity factor for each fund, and the following formula: $\text{Financed Emissions} = \text{Market Value} \times \text{Fund Intensity Factor}$
Alternates	Financed emissions for alternate investments are calculated by using an approximation of sectorial intensity factors: $\text{Financed Emissions} = \text{Market Value} \times \text{Intensity Factor}$
Cash and Derivatives	Financed emissions for cash and derivatives are calculated by attributing them to the bank or counterpart issuer, as of the following formula: $\text{Financed Emissions} = \text{Market Value} \times \text{Counterpart Intensity Factor}$ Depending on the asset class, in some cases the market value is negative. The minimum value between 0 and the financed emissions is used in such cases.

ASSET CLASS	CALCULATION METHOD
Sovereign Bonds	Financed emissions for sovereign bonds is calculated by using an intensity factor for the country of origin. **Financed Emissions** = Market Value × Sovereign Intensity Factor