

UI-Aktia Sustainable Corporate Bond

LU2459309501

Issuer	Aktia Bank Plc
Fund provider	Universal Investment
Fund type/Asset class	Bond fund
Legal form	UCITS
Fund issue date	01/09/2022
Last Update	02.01.2024
Benchmark	Bloomberg MSCI Euro Green Bond Index: Corporate
Tranche	Private Investors Institutional Investors foundations



Risk Indicator (PRIIP)	Licensed in	Classification by SFDR	EU Taxonomy	% of Sustainable Investments according to SFDR
-	D, A, CH, LU	Article 9	50.0% aligned 86% eligible	-

Principal Adverse Impacts



Sustainable Development Goals



NORMAL ALLOCATION

Equities	Excluded
Bonds	51 % to 100 %
Money market/Bank deposits	0 % to 20 %
Commodities	Excluded
Direct investments	51 % to 100 %
Derivatives	0 % to 10 % (for hedging only)
Other	-

Sustainability approach

Principal Adverse Impacts	<ul style="list-style-type: none"> ✓ Greenhouse Gas Emissions ✓ Water ✓ Waste ✓ Biodiversity ✓ Energy Efficiency and Fossil Fuels ✓ Social and Employee Matters
Further remarks on the consideration of SDGs	-

Rationale behind classification according to SFDR	<p>Article 9</p> <p>The objective of the Sub-Fund is to make a positive net impact through investing in ICMA compliant (this means that the labelled bond in question is aligned with principles on sustainable finance of the International Capital Markets Association (ICMA)), social projects (social bonds), the combination of these (sustainability bonds) or sustainability linked bonds. The positive impact focuses on four sustainability themes that address the global and local fields of action: Environment, Society, Knowledge and Health. Aktia examines issuers and bonds true impact using net impact model of The Upright Project (The Upright net impact model is a mathematical model of the economy that produces continuously updated estimates of the net impact of e.g. companies, products, services or funds (the The objective of the Sub-Fund is to make a positive net impact through investing in ICMA compliant (this means that the labelled bond in question is aligned with principles on sustainable finance of the International Capital Markets Association (ICMA)), social projects (social bonds), the combination of these (sustainability bonds) or sustainability linked bonds. The positive impact focuses on four sustainability themes that address the global and local fields of action: Environment, Society, Knowledge and Health. Aktia examines issuers and bonds true impact using net impact model of The Upright Project (The Upright net impact model is a mathematical model of the economy that produces continuously updated estimates of the net impact of e.g. companies, products, services or funds (the "Upright Project"). The Model analyses three parts of the value chain: internal impact; upstream impacts and downstream impacts. Aktia consider both instrument level and company level net impact. The sub-fund only invests in ICMA compliant sustainable corporate bonds which use of proceeds have an overall positive net impact. The use of proceeds for the instruments used may include e.g. green energy, energy efficiency, social housing or other environmental or social projects. The investment universe comprises all bonds that meet the Aktia's Responsible Investment Policy and fund's ESG screening criteria and have undergone fundamental analysis within the sustainability themes. In Aktia, investment decisions and portfolio management are based on overall, in-debt analysis and views of positive and negative factors, including ESG and impact, aiming to achieve the best possible return on the chosen risk level.</p>
Engagement	<p>Both internally and externally</p> <p>Link to engagement policy</p>
Voting	<p>Both internally and externally</p> <p>Link to voting policy</p>
Best-in/of-Class	No
ESG-Integration	<p>Yes</p> <p>The objective of the Strategy is to make a positive contribution (positive impact) on sustainability themes that address global and local fields of action: environment, society, knowledge and health. The objective of the Strategy is to make an overall positive impact through investing in ICMA conform sustainable corporate bonds, in which the use of proceeds are used to finance environmental projects (green bonds), social projects (social bonds), the combination of these (sustainability bonds) or sustainability linked bonds. Net impact is quantified and every bond has to show a positive net impact. The Strategy is SFDR Article 9 compliant. For quantitative and qualitative ESG analysis we utilise different ESG sources and data including: ESG data, analysis and climate data by Morningstar/Sustainalytics and ISS ESG; norms-based screening by ISS-ESG; annual responsibility and impact reports provided by issuers; net impact by Upright Project; UN SDG alignment by Upright Project; and in the future also EU taxonomy eligibility and Principal Adverse Impact indicators by Upright Project. We apply the following ESG screening criteria methods in investments: Exclusion of controversial sectors, minimum social safeguards screening, ESG risk analysis and net impact analysis. We apply Aktia's Responsible Investment Policy and exclusion list to consider negative external impacts and to manage the economic and social risks. We do not invest in companies using child labour or companies using controversial, aggressive or unethical methods in lending. In addition, we exclude the following sectors, with the turnover limit: Controversial/unconventional weapons, including nuclear weapons (production, downstream) 0% Conventional weapons (production, downstream) 5% Tobacco (production) 5% Gambling (production, downstream) 5% Cannabis (production, downstream) 5% Adult entertainment (upstream, production, downstream) 5% Alcohol (production, downstream) 5% We examine the UN Global Compact principles using ISS ESG and do not invest in issuers with a verified breach in norm-based screening. ISS ESG monitors companies according to the criteria based on the UN Global Compact principles. The ISS ESG screening includes three categories: no violations (green), possible problem (amber), and verified breach (red).</p>
Norm-based screening	<ul style="list-style-type: none"> ✓ UN Global Compact ✓ ILO core labour standards ✓ OECD Guidelines for Multinational Enterprises
Themes	<ul style="list-style-type: none"> ✓ Climate change ✓ Agriculture and forestry ✓ Social projects ✓ Renewable Energies ✓ Biodiversity ✓ Water ✓ SDGs <p>The most important themes and outcomes in the strategy relate to climate change, renewable energies and social projects.</p>
Impact Investing	<ul style="list-style-type: none"> ✓ Environmental ✓ Social ✓ Governance <p>We examine the true impact of issuers and bonds using the net impact model of the Upright Project. We consider both instrument level and company level net impact. We only invest in bonds which use of proceeds have a positive net impact. For analysing the net impact of issuers and bonds, we use a data model of the Finnish based innovation company the Upright Project. Net Impact ratio is divided into four dimensions of society, knowledge, health and environment, including total of nineteen impact categories. The model analyses three parts of the value chain: internal impact; upstream impacts and downstream impacts. The Upright net impact model is a mathematical model of the economy that produces continuously updated estimates of the net impact of, e.g., companies, products, services or funds. It utilises an information integration algorithm that consolidates data from humanity's accumulated scientific knowledge and public statistical databases. The model considers both costs and gains, and provides their net sum in a manner that figures for different issuers are comparable within and across industries, capturing the whole value chain. Net impact ratio is defined as: (positive impacts - negative impacts) / positive impacts. The maximum value for the net impact ratio is 100 %, representing a theoretical company with no negative impacts. The minimum value is minus infinity.</p>
Further information on the sustainability approach	<p>https://misc.aktia.fi/data-service/documents/investment/Rahastot/Seulontakriteerit/UI-Aktia/ESG_screening_criteria_UI_Aktia_SustCorpBond.pdf https://fondfinder.universal-investment.com/api/v1/LU/LU2459309410/document/SRD/en</p> <p>Link to sustainability approach</p>

Research and Transparency

In-house sustainability analysis	Yes, 5
Research partners	Yes Morningstar/Sustainalytics, ISS, The Upright Project, numerous investment banks
Percentage of portfolio with sustainability analysis	100 %
Strategically important suppliers included	No
Sustainability advisory committee	Right of proposal and veto Aktia's ESG committee include ESG-specialists and representatives of different asset classes. Meetings monthly. The ESG committee handles recent issues, ESG training, ESG reporting, assessing ESG tools and service providers.
Analysis of portfolio CO2	Yes, both forward and backward-looking indicator Analyzing both recent and historical CO2-figures of issuers and their reduction targets
Sustainability reporting	Yes Monthly reporting on Net Impact and sustainable investments. Quarterly reports on climate data (CO2's, ESG ratings). Periodic ESG report annually according to SFDR requirements.
At least monthly portfolio publication	Yes Link to monthly portfolio publication
Certification/Label awarded by independent auditors	✓ FNG Label

Environmental

EXCLUSION OF SECTORS / AREAS OF BUSINESS – COMPANIES

Fossil fuels (Coal, Oil and Gas)	No
Nuclear power (operation and components)	No
Green genetic engineering	No
Chlorine and agrochemicals (biocides)	No
Other	The reason for no exclusion threshold for fossil fuel usage is that the strategy only invests in use-of-proceeds sustainable bonds, where investments are made in sustainable (green) projects of companies in a credible transition.

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Environmentally damaging behaviour	Yes
Damage to biodiversity	Yes
Other	We follow the UN Global compact. Norm based screening analyzes issuers in this aspect No investments in companies with verified breaches.

EXCLUSION CRITERIA – COUNTRIES

Non-ratification of the Paris Climate Agreement	N/A
Non-ratification of the Protocol on Biosafety	N/A
Non-ratification of the UN Biodiversity Convention	N/A
Nuclear power by proportion of gross energy production	N/A
Other	We only invest in companies in the European credit markets, so exclusion criteria for countries not applicable.

Social

EXCLUSION OF SECTORS / AREAS OF BUSINESS – COMPANIES

Weapons/Armaments	Yes 5 % Turnover threshold
Cluster bombs and anti-personnel mines	Yes
Weapons of mass destruction (ABC/CBRN)	Yes
Tobacco products	Yes 5 % Turnover threshold
Pornography	Yes 5 % Turnover threshold
Spirits/Alcohol	Yes 5 % Turnover threshold
Gambling	Yes 5 % Turnover threshold
Other	Cannabis 5 % Turnover threshold

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Labour rights (ILO core labour standards)	Yes
Exploitative child labour	Yes
Violation of human rights	Yes
Animal testing	No
Other	-

EXCLUSION CRITERIA – COUNTRIES

Labour rights	N/A
Violation of human rights	N/A
Military spending as a percentage of GDP	N/A
Death penalty, torture	N/A
Countries classified by Freedom House as not free	N/A
Violations of the Nuclear Non-Proliferation Treaty	N/A
Violations of other non-proliferation treaties	N/A
Other	-

Governance

EXCLUSION OF BUSINESS PRACTICES – COMPANIES

Corruption and bribery	Yes
Tax: planned avoidance & detected violations	Yes
Other	-

EXCLUSION CRITERIA – COUNTRIES

Corruption	N/A
Other	-

Quelle: Unternehmensangaben. | Für die Angaben der Unternehmen kann keine Haftung übernommen werden. Die Angaben dienen nur zur Information und stellen keine Beratung oder Empfehlung dar. Bitte beachten Sie den Haftungsausschluss unter www.forum-ng.org/disclaimer. Das FNG-Nachhaltigkeitsprofil bietet nur einen ersten Überblick und ist kein Ersatz für eine eigenständige Analyse. Weiterführende Erläuterungen finden Sie unter www.forum-ng.org