

# Algebris IG Financial Credit Fund

Sustainability Report | June 2024



## ESG Integration Framework

ESG Integration Framework	Y/N	Threshold
Sustainable Investment Commitment	N	
PAI Considered	Y	
UN SDGs Alignment	N	na

### Exclusions - Climate

	Y	0.0%
Coal Mining	Y	0.0%
Coal Power	Y	0.0%
Arctic Oil	Y	0.0%
Tar Sands	Y	0.0%
Oil & Gas - Production	Y	40.0%
Oil & Gas - Power	N	na

### Exclusions - Ethics

	Y	0.0%
Controversial Weapons	Y	0.0%
Predatory Lending	Y	0.0%
Tobacco - Products	Y	0.0%
Tobacco - Services	Y	5.0%
Alcohol	N	na
Military Contracting	N	na
Small Arms	N	na
Gambling	N	na

### Exclusions - Normative

	Y	
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**ESG Best in Class Screening** Y **bottom 15%**

### Engagement

	Y
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Note: as of 28-June-2024

Note: more details available in Schedule II of the Fund's Supplement (the SFDR Annex)

## Social Metrics

Social Metrics	Value	Measure
Companies violating UNGC / OECD principles	0.0%	% invested
Exposure to companies exposed to defence sector	0.0%	% invested
Share of revenues from defence	0.0%	weighted ptf average
Exposure to companies involved in controversial weapons	0.0%	% invested
% Women on the Board	41.4%	weighted ptf average
Mean Gender Pay Gap	23.9%	weighted ptf average
CEO-employee pay ratio	92.0%	weighted ptf average
Companies without equal opportunity policy	0.9%	% invested
Companies without training policy	0.0%	% invested

Source: MSCI, S&P Global, Bloomberg Finance LP. Data as of 28-June-2024

## Governance Metrics

Governance Metrics	Value	Measure
Anti-corruption and bribery score (0-100, 100 = best)	89.19	weighted ptf average
Companies without anti-corruption policies	0.9%	% invested
Companies without health and safety policy	0.0%	% invested
Companies without human rights policy	1.6%	% invested
% independent directors	69.6%	weighted ptf average
Companies with qualified auditors opinions	0.0%	% invested
Companies without clawback provisions	22.3%	% invested
Companies with exec compensation linked to ESG	27.9%	% invested

Source: S&P Global, Bloomberg Finance LP. Data as of 28-June-2024

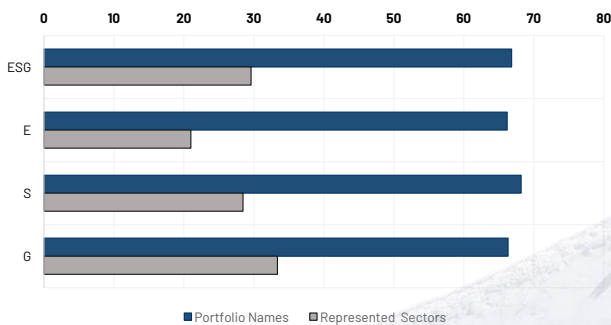
### % Invested in companies that ...:

	Value
Watchlisted - UNGC Principles	0.0%
Watchlisted - Human Rights	0.0%
Watchlisted - ILO Principles	0.0%

Source: MSCI. Data as of 28-June-2024

## ESG Scores

### Portfolio vs Sectors

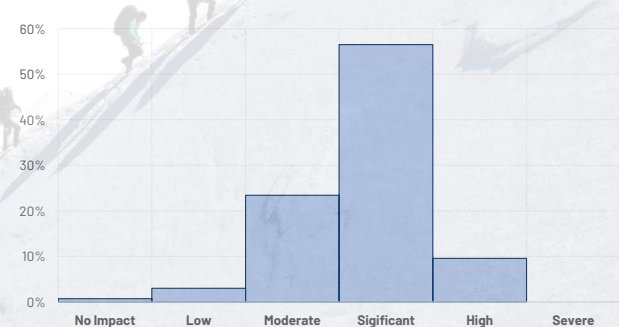


Source: S&P Global. Data as of 28-June-2024

Note: scores range from 0 to 100, with 100 being best. Weighted average using portfolio weights.

## Controversies

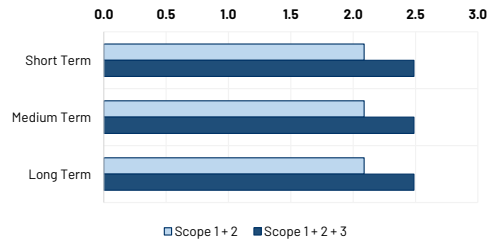
### % invested by severity



Source: Sustainalytics. Data as of 28-June-2024

Note: scores range from 0 to 100, with 100 being best. Weighted average using portfolio weights. See Sustainalytics Notices and Disclaimers at the end of the document.

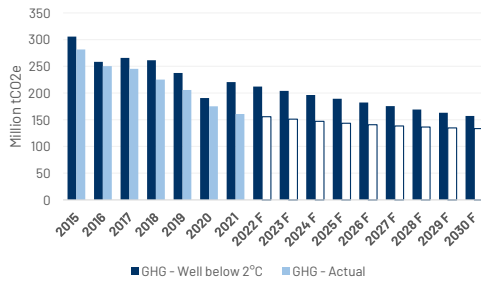
## Temperature Alignment (°C)



Source: Bloomberg Finance LP. Data as of 28-June-2024

Note: Temperature Rise Metrics translate corporate GHG emission reduction forecasts into implied temperature changes expressed in degrees Celsius. The figure reported above is the weighted average (using portfolio weights) of the temperature raise implied by investee companies' targets, over 3 time horizons.

## Paris Alignment Portfolio Emission Gap (%)



Source: S&P Global. Data as of 28-June-2024

Note: **GHG - Well below 2°C** is the weighted sum (using investment weights) of investees' emissions that are aligned with well below a 2°C outcome for the reported financial year. **GHG - Actual** is the weighted sum (using investment weights) of investees' actual or forecasted company emissions for the reported financial year. The **Gap (%)** is calculated as the % difference between Actual emissions and emissions compatible with alignment with well below 2°C, at the portfolio level.

## Share Invested in Climate Policy Relevant Sectors

Sector	% invested
Fossil Fuels	0.00%
Utility and Electricity	0.00%
Energy Intensive Sectors	0.00%
Buildings	0.00%
Transportation	0.00%
Agriculture	0.00%

Source: Bloomberg Finance LP. Data as of 28-June-2024

## Environmental Metrics

Environmental Metrics	Value	Measure
Carbon Footprint	74.51	t CO2e / EUR mln invested
Weighted Average Carbon Intensity (WACI)	941.65	t CO2e / EUR mln revenues
Exposure to companies with revenues from fossil fuels	0.0%	% invested
Companies with Set Near Term SBTs	15.8%	% invested
Companies with Validated Net Zero SBTs	0.0%	% invested
Share of revenues from Thermal Coal	0.0%	weighted ptf average
Share of revenues from Arctic Oil	0.0%	weighted ptf average
Share of revenues from Oil Sands	0.0%	weighted ptf average

Source: S&P Global, Bloomberg Finance LP, Sustainalytics. Data as of 28-June-2024

Note: in calculating financed emissions we use reported emissions, in line with the recommendations of the Partnership for Carbon Accounting Financials (PCAF). When reported data is not available, estimates from S&P Trucost are used.

## Physical Risk Portfolio Score

Scenario	2030 Horizon	2050 Horizon
Orderly Transition	54	57
Disorderly Transition	53	59
Hothouse Scenario	54	64

Source: S&P Global. Data as of 28-June-2024. Score is 0 to 100, with 0 being best.

Note: **Orderly Transition** is an aggressive mitigation scenario in which GHG emissions reduce to net zero by 2050, resulting in global average temperatures rising by 1.3-2.4°C by 2100. **Disorderly Transition** is a scenario in which GHG emissions stabilize at current levels until 2050 and then decline until 2100. This scenario is expected to result in global average temperatures rising by 1.3-2.4°C by 2100 but mitigation is backloaded. **Hothouse** is a low/no mitigation scenario in which GHG emissions triple by 2075 and global average temperatures rise by 3.3-5.7°C by 2100. Future scenarios may not materialise.

## Carbon Earnings at Risk Portfolio Scenarios

Reduction of EBITDA Margin:	2030 Horizon	2050 Horizon
Orderly Transition	-0.01%	-0.01%
Disorderly Transition	-0.08%	-0.08%
Hothouse Scenario	-0.04%	-0.08%

Share invested in companies with EBITDA at risk:	2030 Horizon	2050 Horizon
Orderly Transition	0.00%	0.00%
Disorderly Transition	0.00%	0.00%
Hothouse Scenario	0.00%	0.00%

Unpriced carbon costs / EBITDA	2030 Horizon	2050 Horizon
Orderly Transition	0.01%	0.02%
Disorderly Transition	0.06%	0.15%
Hothouse Scenario	0.07%	0.15%

Source: S&P Global. Data as of 28-June-2024. Higher reduction of EBITDA margin, Higher share invested in companies with EBITDA at risk, and/or a higher unpriced carbon costs/EBITDA signal higher risk.

Note: **Orderly Transition** is an aggressive mitigation scenario in which GHG emissions reduce to net zero by 2050, resulting in global average temperatures rising by 1.3-2.4°C by 2100. **Disorderly Transition** is a scenario in which GHG emissions stabilize at current levels until 2050 and then decline until 2100. This scenario is expected to result in global average temperatures rising by 1.3-2.4°C by 2100 but mitigation is backloaded. **Hothouse** is a low/no mitigation scenario in which GHG emissions triple by 2075 and global average temperatures rise by 3.3-5.7°C by 2100. Future scenarios may not materialise.

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