



# Carbon Portfolio Report

Portfolio Information		Carbon Risk Rating Coverage	
Name	Number of Constituents	By Portfolio Weight	By Number of Constituents
<b>Portfolio</b> MIB ESG	40	<div style="width: 100%;"><div style="width: 100%;"></div></div> 100%	40
<b>Benchmark</b> MIB ESG Universe	60	<div style="width: 100%;"><div style="width: 100%;"></div></div> 100%	60

# Overview

The Carbon Portfolio Report provides a deeper understanding of a portfolio's position with regards to the transition towards a low-carbon economy. It compares the portfolio with a benchmark across four carbon assessments: Carbon Risk Rating, Carbon Intensity, Fossil Fuel Involvement and Carbon Solutions Involvement. The combination of these assessments provides a multi-dimensional view of the portfolio's performance versus the benchmark and provide useful insights about the portfolio holdings.

- Portfolio
- Benchmark



## Carbon Risk Rating

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The Carbon Risk Rating quantifies the company's exposure and management of material carbon issues in its own operations as well as its products and services.

Overall, the portfolio falls into the Medium carbon risk category, and has 12% lower carbon risk than the benchmark.

Score	Category
10.1	Medium
11.4	Medium

## Carbon Risk Rating

- Portfolio
- Benchmark

The Carbon Risk Rating quantifies the company's exposure and management of material carbon issues in its own operations as well as its products and services. At each value chain stage, a company's vulnerability to carbon risks is assessed. This is followed by an assessment of how much of this risk is manageable as opposed to systemic, with a final step of evaluating the degree to which management policies are already in place.

Overall, the portfolio falls into the **Medium** carbon risk category, and has 12% lower carbon risk than the benchmark.

The portfolio has 31% more exposure to companies with High and Severe carbon risk than the benchmark.

**Overall Carbon Risk Score**

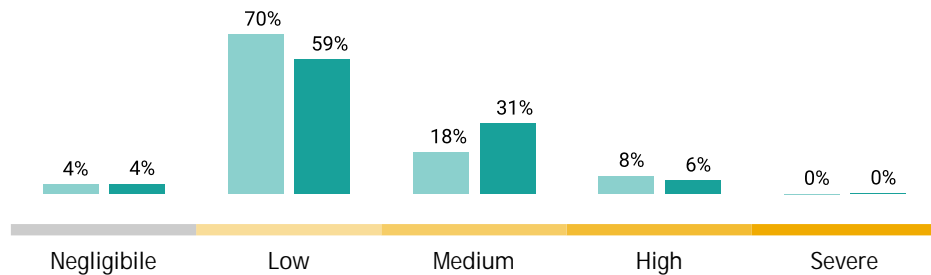


**Category**  
Medium  
Medium

### Carbon Risk Categories

- Negligible: 0**  
The portfolio has little to no material carbon risk
- Low: 0 - 10**  
The portfolio has carbon risk that could have material impact
- Medium: 10 - 30**  
The portfolio has carbon risk that is material
- High: 30 - 50**  
The portfolio has carbon risk that is highly material
- Severe: > 50**  
The portfolio has severe carbon risk

Carbon Risk Category by aggregate portfolio weight %



## Carbon Exposure

Exposure considers a company's sensitivity or vulnerability to carbon risks. Very low exposure suggests that an issue is not material to a company; higher exposure suggests that the issue is material.

Overall, the portfolio has 2% less exposure to carbon risk factors than the benchmark and falls into the Low exposure category.

**Overall Exposure Score**



**Category**  
Low  
Low

## Carbon Management

Management considers a company's commitments and actions to determine how a company approaches and handles carbon issue through policies, programmes, quantitative performance and involvement in controversies. Higher scores indicate stronger management.

Overall, the portfolio has 8% stronger management of carbon risk than the benchmark and falls into the Strong management category.

**Overall Management Score**



**Category**  
Strong  
Strong

## Operations

### Operations

Score	Category
3.0	Low
3.2	Low

Overall, the portfolio falls into the Low operations carbon risk category, and has 6% lower operations carbon risk than the benchmark.

### Exposure

Score	Category
11.8	Low
11.5	Low

Overall, the portfolio has 3% more exposure to carbon risk factors in operations than the benchmark.

### Management

Score	Category
43.5	Average
44.4	Average

Overall, the portfolio has 2% weaker management of carbon risk in operations than the benchmark.

■ Portfolio  
■ Benchmark

## Products & Services

### Products & Services

Score	Category
5.5	Low
6.8	Low

Overall, the portfolio falls into the Low product and services carbon risk category, and has 18% lower products and services carbon risk than the benchmark.

### Exposure

Score	Category
8.3	Low
9.8	Low

Overall, the portfolio has 16% less exposure to carbon risk factors in products and services than the benchmark.

### Management

Score	Category
12.7	Weak
13.9	Weak

Overall, the portfolio has 9% weaker management of carbon risk in products and services than the benchmark.

## Sector Contribution

Looks at the Carbon Risk Rating score across sectors. Lower scores equal lower risk.

Sector	Score	Contribution	
		Portfolio Weight	Carbon Risk Contribution
Consumer Discretionary	2.9	15.1%	28.5%
Consumer Staples	0.1	1.5%	0.5%
Energy	3.0	8.5%	29.4%
Financials	1.5	39.0%	15.1%
Healthcare	0.1	2.6%	1.5%
Industrials	1.0	6.3%	10.2%
Information Technology	0.3	8.5%	3.2%
Telecommunication Services	0.0	0.6%	0.4%
Utilities	1.1	17.8%	11.2%

## Companies with the Highest Carbon Risk in the Portfolio

Identifies the 10 companies with the highest carbon risk score.

Company Name	Sector	Portfolio Weight	Carbon Risk				
			Score	Weighted Score	Category	Exposure	Mngmt
Eni SpA	Energy	7.9%	36.0	2.8	High Risk	77.6	76.8
Stellantis NV	Consumer Discretionary	10.2%	27.1	2.8	Medium Risk	44.0	38.3
Leonardo SpA	Industrials	2.5%	24.5	0.6	Medium Risk	42.0	56.4
Brembo SpA	Consumer Discretionary	0.5%	19.9	0.1	Medium Risk	36.2	44.9
Saipem SpA	Energy	0.7%	18.6	0.1	Medium Risk	28.6	43.5
Banca Mediolanum SpA	Financials	0.6%	12.7	0.1	Medium Risk	18.5	31.4
Webuild SpA	Industrials	0.3%	11.4	0.0	Medium Risk	25.8	69.8
Prismian SpA	Industrials	3.6%	10.7	0.4	Medium Risk	28.8	62.8
UnipolSai Assicurazioni SpA	Financials	0.3%	9.8	0.0	Low Risk	21.0	53.2
SNAM SpA	Utilities	2.3%	8.8	0.2	Low Risk	35.4	81.1

## Companies with the Lowest Carbon Risk in the Portfolio

Identifies the 10 companies with the lowest carbon risk score.

Company Name	Sector	Portfolio Weight	Carbon Risk				
			Score	Weighted Score	Category	Exposure	Mngmt
Moncler SpA	Consumer Discretionary	3.8%	0.0	0.0	Negligible Risk	0.0	0.0
Salvatore Ferragamo SpA	Consumer Discretionary	0.2%	0.0	0.0	Negligible Risk	0.0	0.0
OVS SpA	Consumer Discretionary	0.1%	0.0	0.0	Negligible Risk	0.0	0.0
Banca Generali SpA	Financials	0.5%	0.6	0.0	Low Risk	21.0	97.0
Intesa Sanpaolo SpA	Financials	10.4%	0.9	0.1	Low Risk	17.1	95.0
Unipol Gruppo SpA	Financials	0.8%	1.5	0.0	Low Risk	11.4	86.9
TERNA Rete Elettrica Nazionale SpA	Utilities	2.9%	2.2	0.1	Low Risk	9.0	75.0
Assicurazioni Generali SpA	Financials	6.8%	2.4	0.2	Low Risk	21.0	88.6
Acea SpA	Utilities	0.2%	2.7	0.0	Low Risk	10.8	75.0
Nexi SpA	Information Technology	0.9%	3.3	0.0	Low Risk	7.6	56.8

## About This Report

Sustainalytics' Carbon Risk Ratings are designed to help investors identify and understand financially material carbon risks at the security and portfolio level and how they might affect the long-term performance for equity and fixed income investments. The Carbon Risk Ratings combined with qualitative analyses, provide clients with a differentiated risk signal and deeper insights into the materiality of certain carbon issues for a company and what the company is or is not doing to manage them effectively. Sustainalytics normalizes the security weights of the matched security results within the selected portfolio and benchmark to equal 100% of the total portfolio weight, by evenly redistributing unmatched security weights and by combining the weights of securities matched to the same company. If there are no security weights available, Sustainalytics will assign equal weights to all securities.

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