GIVES

Global Impact Value Equity Strategy

2021 IMPACT REPORT

LYRICAL

Contents

GIVES Mission Statement

The world faces difficult and growing challenges. We view the United Nation's 17 Sustainable Development Goals (SDGs) as major problems the world needs to solve, and we believe for-profit organizations should be a part of the solutions. As public equity investors, we aim to drive companies to align their profit seeking with positive societal impact.

In our Global Impact Value Equity Strategy (GIVES), our goal is to create a virtuous cycle. We invest capital in companies that are making a positive societal impact, which we believe should increase their valuations and lower their costs of capital. Through long-term engagement, we have built strong relationships with company management, who share our dual objectives of creating a positive societal impact and achieving financial returns. We work with our portfolio companies to measure and report their impact, helping them gain the recognition they deserve, which we believe should also drive stock price appreciation.

> **Good financial returns through impact investing lead to increased impact investment and greater benefits to the world.**

For us to succeed, we believe that we must, first and foremost, generate good financial returns. Good financial returns through impact investing should lead to increased impact investment and greater benefits to the world. This is why our approach combines the financial returns from value investing with the societal returns from impact investing.

If we can outperform broad indices while owning world-changing businesses,* we believe we can turn impact investing from a growing niche into a mainstream investment approach. As more funds flow into impact investing, we expect more companies will reshape their approaches to solving global challenges like the SDGs, in turn causing valuations of those companies to rise and drive more investors into impact investing.

GIVES was founded to drive this virtuous cycle forward.

*An investment in this strategy entails substantial risks. Please visit lyricalam.com/notes.

Value, Quality, Analyzability, and Impact

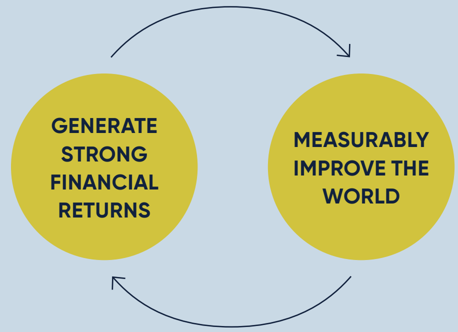
Value:

As with all investing at Lyrical, our GIVES investment process begins with Value. We only look to buy businesses that trade at a significant discount to our estimate of their intrinsic value. The GIVES portfolio today trades for 11.6x forward earnings, a steep discount to the MSCI World at 17.4x.

Value is the fuel for our returns; it is the reason we expect to outperform the MSCI World Index by 500-1,000 basis points annually. Looking back to 1975, the cheapest quintile delivered an annualized return 5.9 percentage points above the MSCI. We expect to do significantly better than that because we only invest in businesses with superior fundamentals.

Quality & Analyzability:

We don't just buy cheap stocks; we buy high-quality, simple to understand, attractively valued stocks. In our hunting ground, most stocks are cheap for a reason. For that reason, we add two additional investment criteria to help sort the gems from the junk. We buy Quality businesses, producing at least 10% returns on tangible capital. We also buy Analyzable businesses or those we can reasonably model on a long-term basis. Buying good and understandable businesses leads to stronger earnings growth, at more predictable rates. The companies in GIVES have grown their EPS at a 9.4% rate from 2007-23, compared with the MSCI World at only 4.3%.



Impact:

From this small universe of cheap, good, and simple businesses, we invest only in those companies that are materially improving the world with their core businesses. Each company must possess four criteria to qualify as an Impact business: Material, Measurable, Intentional, and Sustainable. First, the company's impact must be Material. This means at least 50% of the company's revenue must be directly tied to a SDG. We view the SDGs as major problems the world needs to solve, and each of our companies must be solving at least one of these problems with at least half its business. Second, this impact must be Measurable; we must be able to quantify the positive change the company is making. Third, the company must be Intentional about its impact. Positive change must be deeply rooted in the company's culture and business. Finally, the company itself must be Sustainable, which means that the good things a company is doing cannot be offset by bad things. Every company has negative externalities, and we analyze them to determine if they are relatively small. The purpose of this report is to show you how we assess these four pillars for each company.

Reflects the historical change of earnings per share of the companies comprising the LAM GIVES Portfolio as of February 28, 2022, using composite weights as of February 28, 2022, and the change in earnings per share of the MSCI World Index over the same period. Earnings per share is computed using consensus earnings data per FactSet, which include certain adjustments from reported, GAAP earnings. 2007-23 reflect estimated earnings per share.

Lyrical's historical cheapest quintile is based on data from Fama French and from FactSet. To see the full historical data and methodology, contact Lyrical at info@lyricalpartners.com.

Portfolio Financial & Impact Highlights

2021-24 ESTIMATED POSITIVE IMPACT ON SOCIETY

SDG 3
HEALTH IMPROVERS

Lives Saved

74,400

SDG 7
CLIMATE & CLEAN ENERGY LEADERS

Clean Energy Installed

47,100 MW

Emission Reductions

27.7 MtCO2e

SDG 8
JOB CREATORS

SDG 16
IDENTITY PROTECTORS

Economic Impact

$3.4 B

Economic Savings

$79.3 M

Employees Helped

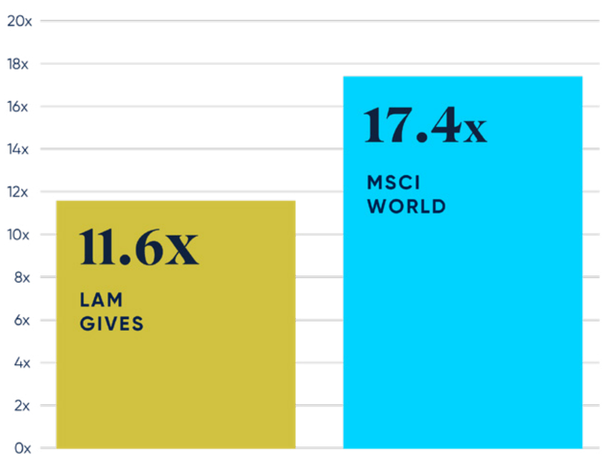
145,000

SDG 12
RESOURCE REDUCERS

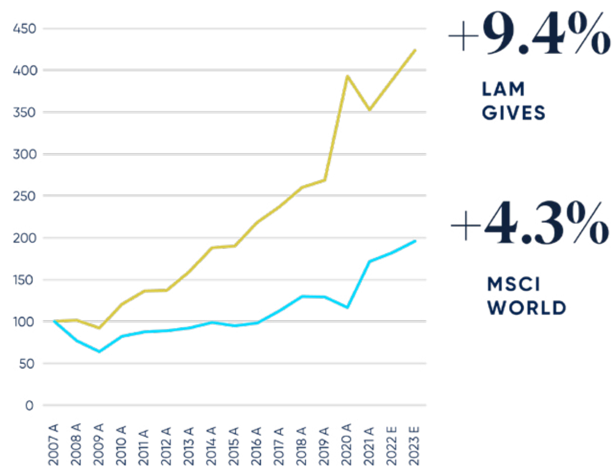
Water Savings

420 B Liters

FORWARD P/E RATIO



INDEX EPS GROWTH



MtCO2e is a metric unit equal to 1 million tonnes of carbon dioxide equivalent emissions.
Megawatt (MW) is a unit of power equal to 1 million watts, which is typically used as a measure of the output of a power station.
All monetary figures are expressed in U.S. dollars.
This chart depicts the weighted average next twelve months P/E ratios for the LAM GIVES Portfolio and the MSCI World Index each as of February 28, 2022.
The MSCI World Index captures large and mid cap representation across 23 Developed Markets (DM) countries. With 1,601 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

GIVES Portfolio Themes

THEME	Health Improvers	Climate & Clean Energy Leaders	Job Creators	Resource Reducers	Identity Protectors
SDG	**SDG 3** Good Health & Wellbeing	**SDG 7** Affordable & Clean Energy	**SDG 8** Decent Work & Economic Growth	**SDG 12** Responsible Consumption & Production	**SDG 16** Peace, Justice & Strong Institutions
PORTFOLIO HOLDINGS	Centene HCA NXP Semiconductor	Flex Hitachi Kinden Kyudenko Quanta SPIE	Concentrix eBay Grupo Catalana Primerica Redbubble	Crown Holdings Elis Hanesbrands Konecranes United Rentals Whirlpool	NortonLifeLock

Thematic Highlights

SDG 3
GOOD HEALTH & WELLBEING

Centene Corporation

WELLBEING

From 2021-24, we expect Centene's managed Medicaid services to generate about:

$12.0 billion in annual governmental savings

Lower cost per member by $680 on average.

SDG 8
DECENT WORK & ECONOMIC GROWTH

Grupo Catalana

JOB CREATOR

From 2021-24, Grupo Catalana's credit insurance business will:

Increase global credit insurance by 7%.

This will increase global trade by:

0.7% or $141.8 billion, equivalent to 11% of Spain's GDP.

SDG 7
AFFORDABLE & CLEAN ENERGY

SPIE

CLIMATE & CLEAN ENERGY LEADER

From 2021-24, the multi-service engineering firm SPIE will install:

56,000 EV charging stations.

This is a meaningful contribution to society by:

Generating an economic impact of $490 million

Servicing 582,000 EVs and reducing emissions by 1.6 million tCO2e.

SDG 12
RESPONSIBLE CONSUMPTION & PRODUCTION

Crown Holdings

RESOURCE REDUCER

From 2021-24, as a circular producer of cans, Crown is estimated to:

Save lifetime emissions of 508,000 tCO2e compared to plastic and 7.5 million tCO2e compared to glass.

For each percentage point of additional volume growth, it generates:

An additional positive impact of 5,100 tCO2e and 75,000 tCO2e of avoided emissions, compared to plastics and glass, respectively

SDG 3
Health Improvers

CENTENE Corporation

Impact overview

From 2021–24, we expect Centene's managed Medicaid services to generate about $12 billion in annual governmental savings, reducing individual member costs by $681 on average. Medicaid provides a critical service to disadvantaged populations, but it represents a large portion of state budgets that are under pressure to reduce costs. Centene helps states reduce what is typically their largest budget item, while improving health outcomes.

3 GOOD HEALTH AND WELL BEING

Company Description/Thesis

Centene is a leader in the healthcare industry with more than 25 million members, across all 50 states and internationally. The company's core competency is managing lower-income populations. Centene is the largest provider of government-sponsored healthcare through Managed Medicaid, helping states support more than 13.6 million patient lives. They are also a key player in Medicare Advantage, where they manage over four million lives, and on the Health Insurance Marketplace, where they cover over two million. Centene possesses a durable competitive advantage, driven by its strong provider networks, highly effective support services, and a proven ability to apply data and experience to improve health outcomes and lower costs.

Environmental or Social Problem

Medicaid is a critical program that provides healthcare to lower-income populations without access to private health insurance. The Medicaid population includes a large portion of medically complex, high-need beneficiaries, including nearly 13.6 million

THEME

Health Improvers

SUSTAINABLE REVENUE

67%

SDG SUB-GOAL

Goal 3.8
Achieve financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality and affordable essential medicines

ACTIVITY

Managed Medicaid business provides better health outcomes to patients while reducing costs

OUTPUT

In 2021, added 1.4 million Medicaid members, expanding the total to 15 million

OUTCOME

In 2021, created an average government savings of $675 per patient, totaling $10.9 billion in savings

IMPACT

From 2021-24, the company's Medicaid services aims to add 3.3 million customers, totaling 16.9 million members, generating about $12 billion in annual governmental savings and reducing individual member costs by $680 on average elderly and people with disabilities, who depend on the government for quality healthcare. Medicaid coverage is at risk because it represents a large portion of state spending, and state budgets are increasingly under pressure to reduce costs. Medicaid accounted for 29% of all state spending in 2018, up from 21% a decade earlier. In order for Medicaid to be sustainable, states must lower the cost of Medicaid, but without sacrificing the quality of care for the people who need it most.

Centene's Impact: Providing Good Health & Wellbeing to Disadvantaged Populations

Centene's managed Medicaid business provides better health outcomes to patients while reducing costs 8% to 15% (11.5% mid-point), contributing to SDG 3 by providing a better service at a lower cost than traditional fee-for-service. Centene's cost savings comes from coordinating fragmented services and providing preventative care by addressing the social determinants of health. For example, Centene works with its members to make sure they have access to adequate housing and nutrition. In 2021, Centene's approach lowered government healthcare costs by about $10.9 billion, realizing a savings of $676 per member. Lowering healthcare costs is even more critical going forward because COVID-19 has led to a cumulative state budget shortfall of $555 billion for FY 2020-22. Centene is a key player in improving state budgets while also improving health outcomes for disadvantaged populations, contributing significantly to SDG 3.

> **Centene's managed Medicaid business provides better health outcomes to patients while reducing costs 8% to 15% (11.5% mid-point), contributing to SDG 3 by providing a better service at a lower cost than traditional fee-for-service.**

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
67% of Centene's business comes from their managed Medicaid business, where they are focused on improving outcomes and lowering costs for disadvantaged populations, contributing toward achieving SDG 3: Good Health & Wellbeing.

Measurability

YEAR	MEDICAID MEMBERSHIP (MM)	MEDICAID REVENUE ($B)	9-YEAR COMPOUND SAVINGS	TOTAL SAVINGS ($B)	TOTAL SAVINGS PER MEMBER
2021	15.0	$84.1	11.5%	$10.9	$676
2022	15.6	$89.2	11.5%	$11.6	$670
2023	16.2	$94.5	11.5%	$12.3	$683
2024	16.9	$100.2	11.5%	$13.0	$696
Average				**$12.0**	**$681**

Intentionality
Improving health outcomes and lowering costs are at the core of Centene's business model. The company's intentionality is demonstrated both externally, through its collaboration with the World Economic Forum and UN, and internally with its ESG committees at the Board and employee levels. The employee-level committee is represented by 16 of the largest business units to promote coordination between the Board, the C-Suite, and the entire organization, which spans across all 50 states and internationally.

Sustainability
Overall, Centene's positive impact outweighs any negative externalities from their operations. It is important to note, however, that a material ESG risk for managed care providers is data privacy. Indeed, in 2021, Centene was a victim of a cyberattack that stole 1.3 million patients' information, and the company now faces a class action lawsuit in California. Centene has a number of established procedures for responding to data incidents and is currently suing Accellion to help support remediation, including providing credit monitoring.
We continue to track Centene's cybersecurity incidents.

ESG RISK RATING

Refinitiv
C (40.7)

Sustainalytics
Medium (22.5)

Carbon Intensity
1.3 (tCO2e/$m Revenue)

Board of Directors:
Diversity & Inclusion
31% Female
69% Male

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Drees, J. 2021. Centene Sues Cloud Vendor Over Member Data Exposed in Cyberattack. Beckers Hospital Review: https://www.beckershospitalreview.com/cybersecurity/centene-sues-cloud-vendor-over-member-data-exposed-in-cyberattack.html

HCA Healthcare℠

Impact overview

GOOD HEALTH AND WELL BEING

HCA makes an important contribution to SDG 3 because of its scale and outpatient model for delivering quality care. HCA's integrated approach lowers overall healthcare costs. To measure how HCA decreases the cost of healthcare we analyzed cost data from comparable out-/inpatient procedures as a proxy to demonstrate HCA's outpatient cost reductions. We found that outpatient treatment costs between 44%-83% less on average than the same procedure in an inpatient setting. Additionally, HCA's model helps keep healthcare costs low. From 2021-24, we estimate that HCA's annual cost of care increases will be 3.6 percentage points lower than the medical care Consumer Price Index (CPI).

Company Description/Thesis

HCA Healthcare is the largest healthcare services company in the U.S. with 185 hospitals and more than 1,200 outpatient facilities, totaling 44,000 beds in 20 states and England. With an out-/inpatient model at more than 2,000 sites, HCA has a dense and integrated network that yields superior operational efficiencies and exceptional utilization of critical resources.

HCA is a highly stable and growing business with large local market shares. Most of its facilities are in the country's fastest growing urban environments, where average population growth is 50% faster than the national average. These attractive demographics combined with an aging population in the U.S. have led to consistent volume gains at HCA facilities.

Environmental or Social Problem

Two of the most pressing challenges to solving SDG 3 are the high cost of and access to quality healthcare.

THEME

Health Improvers

SUSTAINABLE REVENUE

100%

SDG SUB-GOAL

Goal 3.8
Achieve financial risk protection, access to quality essential healthcare services, and access to safe, effective, quality, and affordable essential medicines.

ACTIVITY

Integrated model that locally optimizes healthcare resources by directing patients requiring critical procedures to hospitals, while sending patients with more routine problems to lower cost outpatient facilities

OUTPUT

In 2021, provided outpatient care to 1.4 million patients

OUTCOME

As of 2021, lowered the cost of procedures by about 44%-83%, on average, and increased outpatient admissions by 5.7% (CAGR)

IMPACT

From 2021-24, HCA's outpatient cost of care is expected to decrease by 0.9% (CAGR) compared to the medical care CPI which is estimated grow by 2.8% (CAGR)

With overall healthcare cost increases outpacing wage inflation, it is increasingly difficult for many people to afford necessary, sometimes life-saving healthcare services. A 2016 study from the University of Chicago revealed that 44% of Americans, including many who are insured, refused to go to a doctor because of cost concerns. Rising healthcare costs are a major problem, especially for lower and middle-income people. Americans spent $3.6 trillion on healthcare in 2018, or greater than $11,000 per capita. These costs are expected to rise to nearly $17,000 per capita by 2027.

To overcome these issues, it is critical to take a systematic approach and help patients get to the most appropriate facilities (out- vs. inpatient) quickly, while maintaining quality of care. Outpatient procedures are a necessary and effective way to improve healthcare delivery because inpatient treatments are up to two times more expensive and drive up the overall cost of healthcare.

HCA Impact: Improving Good Health & Wellbeing through Affordable & High-Quality Care

HCA's core business improves health outcomes and helps solve SDG 3 with its out-/inpatient model that reduces costs. About 40% of HCA revenues come from outpatient facilities, where similar procedures can be done at a cost savings of roughly 50%. Most of these savings are passed on to HCA's patients. HCA's integrated model and strong local market positions allow it to optimally utilize its resources by directing patients requiring critical procedures to hospitals, while sending patients with more routine problems to lower cost outpatient facilities.

To measure how HCA lowers the cost of healthcare, we compared cost data from similar out-/inpatient procedures. Our analysis is consistent with our literature review, and we found that outpatient treatment is 44%-83% less expensive on average than the same procedure in an inpatient setting. We found similar results when we compared two surgeries, lumbar discectomy and unicompartmental knee arthroplasty (UKA), which are 44-53% less expensive on average when conducted at an inpatient facility.

OUT- VS. INPATIENT HEALTHCARE COSTS

	OUTPATIENT UKA	DRUG REHABILITATION	LUMBAR DISCECTOMY
Avg. Outpatient Cost	$26,345	$10,000	$11,339
Avg. Inpatient Cost	$46,845	$60,000	$24,273
Percent Change	-44%	-83%	-53%

We also compared HCA revenue per outpatient procedure with the medical care CPI in cities to measure how HCA's scale and systematic approach keeps healthcare costs low. From 2021-24, we estimate that HCA's annual cost of care is expected to be 3.6 percentage points lower than the medical care CPI. Overall, HCA's scale and out-/inpatient model makes an important contribution to solving SDG 3 by improving good health and wellbeing, at a lower cost.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
100% of HCA Healthcare's business is focused on solving SDG 3 and improving health outcomes through superior healthcare, while also lowering costs to make healthcare more affordable.

Measurability

YEAR	OUTPATIENT ADMISSIONS (MM)	INPATIENT ADMISSIONS (MM)	MEDICAL CARE IN U.S. CITIES CPI	HCA INPATIENT REVENUE PER VISIT	HCA OUTPATIENT REVENUE PER VISIT
2021	1.4	2.1	525	$17,710	$15,031
2022	1.5	2.2	540	$17,796	$14,758
2023	1.6	2.2	555	$18,154	$14,715
2024	1.7	2.3	570	$18,477	$14,643
CAGR	**5.7%**	**3.3%**	**2.8%**	**1.4%**	**-0.9%**

Intentionality
Sustainability is deeply rooted in HCA's culture. HCA is an active member of Practice Greenhealth (PGH), a founder of the Healthier Hospitals Initiative (HHI), and a founding sponsor of the Greening the Operating Room initiative. It also has a multi-disciplinary Sustainability Steering Committee which governs four taskforces on material environmental issues and HCA's local sustainability coordinators. There is a HCA sustainability coordinator at all of its 185 hospitals, responsible for implementing the company's ESG policies and best practices.

Sustainability
HCA is a sustainability leader and its negative externalities do not outweigh its important contribution to SDG 3. The following examples shine light on HCA's high-quality care:

- Top hospital ratings: 81% of HCA's U.S. hospitals received a Hospital Safety Grade of A or B from the Leapfrog Group in 2019, compared with just 57% of non-HCA Healthcare U.S. hospitals.
- Better healthcare outcomes: In 2019, HCA delivered nearly 220,000 babies with a mortality rate of 4.3 per 100,000 deliveries, compared to 14.2 per 100,000 nationally.
- Proactive health management: HCA is a leader in combatting the opioid crisis. Data from more than 107,000 surgeries revealed that patients using HCA's Enhanced Surgical Recovery (ESR) approach can decrease opioid use by up to 50%.

Additionally, HCA has not faced any controversies in the last five years and has implemented several policies and best practices to mitigate material ESG issues, such as waste disposal, cybersecurity, employee health and safety, business ethics, and diversity and inclusion.

ESG RISK RATING

Refinitiv
B (58.6)

Sustainalytics
Medium (26.5)

Carbon Intensity
20.0 (tCO2e/$m Revenue)

Board of Directors: Diversity & Inclusion
20% Female
80% Male

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Richter, D. & Diduch, D. 2017. Cost Comparison of Outpatient Versus Inpatient Unicompartmental Knee Arthroplasty. National Library of Medicine:https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5400228/#:~:text=The%20primary%20cost%20savings%20were,%25%20of%20charges%2C%20or%20%2425%2C550.
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HCA Healthcare, 2020.

Impact overview

NXP Semiconductors N.V. ("NXPI") makes an important contribution to SDG 3 and SDG 11 by improving traffic safety and increasing access to safe forms of transportation. From 2021-24, we estimate that 73 million new cars with NXPI radar technology will hit the road globally, which will result in about 74,400 fewer fatal car crashes. To put this in perspective, there are about 50,000 fatal car collisions per year in North America.

Company Description/Thesis

NXPI is a best-in-class global semiconductor company, focused on growing markets, including Automotive (44%), Communications Infrastructure (22%), Industrials/IoT (21%), and Mobile (14%). Its product solutions are used in a range of applications, including 5G mobile infrastructure, automotive radar, electric vehicals (EV) battery efficiency, and industrial computing.

NXPI is a great business with a return-on-tangible capital of greater than 50%. NXPI develops specialized engineering solutions and is an outsourced research and development partner for its customers. 90% of its chips are sole-sourced design wins that cannot be replaced.

Environmental or Social Problem

Approximately 1.3 million people die each year of traffic collisions and 20-50 million are injured. Tragically, road traffic crashes are the leading cause of death and injuries of children and young adults aged 5-29 years and more than 50% of road traffic deaths affect the most vulnerable users: cyclists, pedestrians, and motorcyclists. The public health

THEME

Health Improvers

SUSTAINABLE REVENUE

Expect to reach 50% in the next 3-5 years

SDG SUB-GOAL

Goal 3.6
Halve the number of global deaths and injuries from road accidents

Goal 11.2
Improve road safety

ACTIVITY

Provides automotive solutions through ADAS technology

OUTPUT

In 2021, installed 11.3 million ADAS units

OUTCOME

ADAS can prevent 40% of all crashes and 29% of deaths from car crashes

IMPACT

From 2021-24, NXP expects to save approximately 74,400 lives challenge from traffic collisions is at a crossroads. The number of cars on the road is expected to increase by 41% over the next 20 years, which could increase collisions, while technology could minimize the collision rate.

NXPI's Impact: Reducing Global Deaths & Injuries from Road Collisions

NXPI designs a wide range of sustainable products, which as defined by the EU Taxonomy, should reach 50% of total revenues within the next 3-5 years. These products include wireless internet of things (IoT) chips and battery management systems. For this report, we will focus on NXPI's advanced driver-assistance systems (ADAS) technology.

NXPI's automotive solutions, through their ADAS technology, make a meaningful contribution to SDG 3 and SDG 11 by improving safety and increasing access to safe forms of transit. ADAS uses a human-machine interface to improve earlier detection and provide safety assistance through early warning and automated systems. Specifically, NXPI is the leading designer of automotive radar systems, which are core to operation of ADAS, and allows for 360° perception, adaptative cruise control, front/rear cross traffic functions, lane change assistance, and more. The integration of ADAS in passenger vehicles can prevent 40% of all crashes and 29% of deaths from crashes. In 2021, we estimate that 11.3 million new cars were equipped with NXPI's radar technology, potentially saving 7,700 lives. Over the next few years, we expect NXPI's impact to substantially increase. From 2021-24, we estimate that 73 million new cars with NXPI technology will hit the road, which will result in about 74,400 fewer fatal car crashes. To put this in perspective, there are about 50,000 fatal car collisions per year in North America.

> **The number of cars on the road is expected to increase by 41% over the next 20 years, which could increase collisions, while technology could materially reduce the collision rate.**

WHO. 2021. Road traffic injuries. World Health Organization: https://www.who.int/news-room/fact-sheets/detail/road-traffic-injuries

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NXP. No date. Automotive Radar Systems. NXP: https://www.nxp.com/applications/automotive/adas-and-highly-automated-driving/automotive-radar-systems:RADAR-SYSTEMS

AAA FTS, 2018.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality

NXPI makes a strong contribution to SDG 3 and SDG 11 through its automotive technology, including ADAS and battery management systems (BMS). In 2020, these sustainable activities represented 20% of NXPI's revenues. After speaking with the company, we anticipate NXPI to reach 50% sustainable revenues as defined by the EU Taxonomy within the next 3-5 years. Within these product lines, NXPI is experiencing fast growth. For example, we expect its radar and BMS segments to grow at 25%-30% and 60% (CAGR), respectively, over the next few years.

Measurability

YEAR	GLOBAL AUTO PRODUCTION (MM)	RADAR PENETRATION RATE	NXPI MARKET SHARE	CARS WITH NXPI RADARS (MM)	LIVE SAVED PER YEAR TOTAL
2021	75.8	44%	34%	11.3	7,700
2022	82.6	51%	36%	15.2	13,600
2023	92.0	60%	36%	19.9	21,400
2024	97.3	70%	38%	26.2	31,700
Total	**348**			**73**	**74,400**

Intentionality

NXPI's Board of Directors and Senior Leadership are committed to making a positive impact since developing innovative and sustainable solutions is core to the company's business model. NXPI's leadership in sustainability can be seen by its active engagement with internal and external stakeholders. For example, in 2020 members of the Board of Directors, Investor Relations, Corporate Sustainability, and other business groups met to discuss ESG topics with shareholders, suppliers, and the communities in which the company operates. NXPI incorporated their feedback in several ways, including establishing an ESG Management Board and holding direct meetings with major active shareholders, including Lyrical.

Sustainability

NXPI's negative externalities do not outweigh its positive impact on society. NXPI has robust GHG emissions and energy reduction policies and practices, and is focused on improving its product lifecycle management. NXPI reached its 2020 target of reducing normalized Scope 1 & 2 emissions by 30%, decreased absolute energy consumption by 7%, increased renewable energy consumption by 27%, and launched a $3.7 million green bond to improve energy efficiency in several products. Other material sustainability topics include intellectual property protection and competitive behavior, waste and water management, and materials sourcing. No material controversies were identified in these areas. E.g., NXPI did not have any fines or settlements regarding anti-competitive behavior. Lastly, while supply chain management and materials sourcing can be a challenge to semiconductor companies, NXPI suppliers certify using the Conflict Minerals Reporting Template (CMRT) and Responsible Minerals Assurance Process (RMAP).

ESG RISK RATING

Refinitiv
A- (76.66)

Sustainalytics
Low (19.9)

Carbon Intensity
94.2 (tCO2e/$mm Revenue)

Board of Directors: Diversity & Inclusion
25% Female
75% Male

SDG 7
Climate & Clean Energy Leaders

flex

Impact overview

We estimate that Flex will increase global solar output by 18,100 MW, from 2021–24, which would raise global solar production by 1–2%. This additional solar output could power 3.6 million homes, the equivalent of every apartment, group of rooms, house, mobile home, and single room/separate living quarters in the County of Los Angeles, which has a population of 10 million. Additionally, Flex helps solve SDG 12 through its best-in-class outsourced business model built on its global scale, provision of real-time supply chain insight, and logistics services. To measure its sustainable impact we compared Flex's carbon, waste, and water intensity to those of Jabil and Foxconn. Flex outperforms its peers in most categories.

Company Description/Thesis

Through its NexTracker brand, Flex is the leading global producer of solar trackers, which automatically tilt solar panels to follow the sun. With industry-leading technology and a trusted brand, NexTracker has a moat around its business that has helped it garner a 30% market share.

Flex is the second largest outsourced manufacturing company in the world, with approximately 200,000 employees at 100 sites in 30 countries. Flex makes a wide variety of everyday products for well-known original equipment manufacturers (OEM), such as desktop computers for Apple, wearable devices for Fitbit, in-car connectivity products for Ford, connected medical devices, and more.

Environmental or Social Problem

Solar energy plays a critical role in decreasing GHG emissions and reaching the Paris Agreement's goal of limiting global warming to 2 degrees Celsius by 2050. To limit the worst effects of climate change, the global energy mix needs to be 90% renewables, with 70% of that energy coming from solar and wind. Yet, in the thirty years since the United Nation's Framework Convention

THEME

Climate & Clean Energy Leaders

SUSTAINABLE REVENUE

Goal 7.1
15%

Goal 12.2
85%

SDG SUB-GOAL

Goal 7.1
Number of people with clean power

Goal 12.2
Sustainable management and efficient use of natural resources

ACTIVITY

Goal 7.1
Nextracker – Smart solar trackers boost efficiency by 15-20%

Goal 12.2
Outsource manufacturing company

OUTPUT

Goal 7.1
Between 2021-24, the company is expected to improve installed solar capacity by shipping 322 million solar trackers

Goal 12.2
Outsourced manufacturing provides real-time supply chain insight and logistics services which reduce emissions, waste, and water

OUTCOME

Goal 7.1
Between 2021-24, Flex aims to increase installed solar capacity output by 18,100 MW

Goal 12.2
Flex outperforms its peers in carbon (29.46 tCO_2e/\$m Revenue) and water intensity (240 cubic M/\$mm Revenue), but Jabil's waste intensity is slightly more efficient than Flex's (5.22 vs. 3.44 tCO_2e/\$mm Revenue)

IMPACT

Goal 7.1
By 2024, we expect the company to raise global installed solar capacity output by 1-2%, equivalent to powering 3.6 million homes

Goal 12.2
Improve clients' corporate resilience to climate risks, such as by identifying high risk locations. Additionally, Flex's ability to measure environmental impact has helped improve the lifecycle of its customers' products, i.e. lowering carbon footprint by optimizing supply chain

on Climate Change (UNFCCC) was signed, emissions from energy and industry have increased 60% from preindustrial levels. To mitigate these effects, the world needs to add 496 GW of solar power over the next 30 years. Increasing the efficiency of solar panels is key to achieving this target.

To help mitigate the environmental impact of the manufacturing sector, the world needs to rapidly scale renewable energy deployment. From 1995 to 2016, GHG emissions from manufacturing increased by 120%, raising that share of global emissions from 15% to 23%. The growth of this sector's emissions is primarily due to the dramatic increase in net investment within emerging markets. Unfortunately, improvements in the manufacturing sector's circularity are not outweighed the negative impact of the industry's growth. While many companies want and need to reduce the environmental impact from manufacturing products, they have limited experience and technical capacity to effectively reduce and measure emissions. Insourced manufacturing tends to be more wasteful than outsourced production.

Flex's Impact: Affordable & Clean Solar Energy/Responsible Production & Consumption of Goods

Flex's contribution to SDG 7 comes from its NexTracker brand which is the #1 global producer of solar trackers. Solar trackers improve the capacity of solar panels by automatically positioning each panel, increasing production by 15-30%. For example, in the Northeastern U.S. the tilt of the panels must change by 30 degrees every six months to capture the maximum amount of sunlight. In 2021, NexTracker shipped 52 million solar trackers, increasing solar output by 2,900 MW.

We expect Flex's contribution to SDG 7 to grow over the next few years. From 2021-24, we estimate that Flex will increase global solar output by 18,100 MW which would raise global solar production by 1-2%. This additional solar output could power 3.6 million homes, the equivalent of about every apartment, group of rooms, house, mobile home, and single room/separate living quarters in the County of Los Angeles. By producing solar trackers, Flex's products enable the energy transition and support the growth of solar development around the world, helping society achieve SDG 7.

To measure Flex's contribution to SDG 12 we compared the carbon, waste, and water intensity to those of its largest competitors, Jabil and Foxconn. Flex outperformed its peers in most categories, however Jabil's waste intensity is slightly more efficient than Flex (5.22 vs. 3.44 tCO2e/$mm Revenue).

	FLEX			JABIL			FOXXCONN		
Year	Carbon Intensity (tCO2e/ $mm Revenue)	Waste Intensity (t/$mm Revenue	Water Withdrawn Intensity (M3/$mm Revenue)	Carbon Intensity (tCO2e/ $mm Revenue)	Waste Intensity (t/$mm Revenue	Water Withdrawn Intensity (M3/$mm Revenue)	Carbon Intensity (tCO2e/ $mm Revenue)	Waste Intensity (t/$mm Revenue	Water Withdrawn Intensity (M3/$mm Revenue)
2016	38.48	5.39	344	71.45	3.59	676			
2017	36.72	5.70	299	75.20	3.59	622			
2018	35.58	5.55	287	33.21	3.55	628	42.97		649
2019	31.43	5.22	272	31.59	3.44	521	43.64	29.16	640
2020	29.56	5.16	240				41.45		477

Flex helps solve SDG 12 through its best-in-class outsourced business model which is built on its global scale, provision of real-time supply chain insight, and logistics services. To improve the sustainability of its clients' services and products Flex focuses on two key activities: 1) analysis and measurement and 2) product lifecycle services. Due to the company's scale, Flex can gather data from 100 sites and 1,000 customers. The company then disseminates the results to clients to improve their science-based approach to sustainability. This also allows them to improve clients' corporate resilience to climate risks, such as by identifying high risk locations. Additionally, Flex's ability to measure environmental impact has helped improve the lifecycle of their customer's products. For example, it can minimize the carbon footprint of a company's supply chain by helping them regionalize their distribution centers, depots, and modes of transportation.

We used 2019 data to compare Flex, Jabil, and Foxconn since Jabil has not reported its 2020 data yet.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
15% of Flex's operating profits come from NexTracker's production of solar trackers (SDG 7: Affordable & Clean Energy) and 85% is from the outsourcing business model (SDG 12: Responsible Consumption & Production).

Measurability

YEAR	SOLAR TRACKERS SHIPPED (MILLIONS)	SOLAR TRACKERS SHIPPED (MW)	INCREASED PRODUCTION FROM NEXTRACKER	LOW END INCREASED SOLAR OUTPUT (MW)	HIGH END INCREASED SOLAR OUTPUT (MW)	CUMULATIVE INCREASED SOLAR OUTPUT (MW)
2021	50.6	12,700	15-30%	1,900	3,800	2,900
2022	80.8	20,300		3,000	6,000	4,500
2023	100.0	24,500		3,700	7,300	5,500
2024	92.5	23,100		3,500	6,900	5,200
Total Cumulative	**321.9**	**80,500**				**18,100**

Intentionality
Flex's commitment to sustainability extends from the Board of Directors and C-Suite to all the company employees. Its new CEO, Revathi Advaithi, is a well-known sustainability advocate, who has continued to drive Flex to increase its positive impact, from diversity and inclusion to its environmental footprint. For example, the Board's Compensation and People Committee recently linked the CEO's compensation to ESG and its Nominating and cross-functional Corporate Sustainability Leadership Committee measures the company's sustainability practices with the use of external benchmarks, including State Street's "R-Factor" score for responsibility and ISS's Governance and QualityScore. Additionally, Flex is well ahead of its peers when it comes to achieving the SDGs – its impact strategy has been aligned with the SDGs since they were launched in 2015.

Sustainability
While the benefits of solar energy outweigh its negative externalities, the solar energy supply chain has material environmental impacts. Flex is developing a strong ISO 14001 environmental management system to mitigate negative impacts and has already implemented the program across 68.3% of its operations. From an upstream perspective, Flex requires its suppliers to undergo both a rigorous environmental and social impact assessment (ESIA) and Responsible Business Alliance (RBA) training. At the manufacturing level, Flex has negligible ESG risks and controversies, and its carbon intensity is 78% lower than the MSCI World's average. Downstream impacts are decreasing since solar systems' lifespans have grown to 30 years and are now 80% recyclable. However, because something is recycable doesn't mean it will be recycled. e-Waste is a growing challenge for the industry since solar decommissioning won't happen at scale for 10-20 years due to solar's long lifespan. Currently, over 90% of decomissioned U.S. solar panels end up in a landfill. Flex is working with customers and partners to minimize e-waste and is developing a circular economy approach to its products.
We will track the progress of these initiatives.

ESG RISK RATING

Refinitiv
A (85.2)

Sustainalytics
Negligible (7.2)

Carbon Intensity
29.7 (tCO2e/$m Revenue)

Board of Directors:
Diversity & Inclusion
27% Female
73% Male

IEA. 2021. Net Zero by 2050: A Roadmap for the Global Energy Sector. IEA: https://www.iea.org/reports/net-zero-by-2050

HITACHI
Inspire the Next

Impact overview

Hitachi makes a strong contribution to SDG 7, 9, and 11 through its Mobility, Energy, and Automotive segments. We will focus on solutions related to mass transit since they are a prime example of a sustainable activity that promotes clean energy, creates modern infrastructure, and makes cities more inclusive. For example, Hitachi and Alstom's Metro Rail Project in Lucknow, India help solve this important challenge by decreasing the number of cars on the road, lowering emissions, and connecting communities across that vast city. We found that the metro project makes a solid contribution toward the SDGs since electric trains emit 80% less emissions than cars powered by fossil fuels. Between 2021-24, we estimate that Hitachi will help mitigate the environmental impact of 124,000 cars, or about 40% of the cars currently registered in Lucknow, reducing emissions by 60,300 tCO2e.

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

Company Description/Thesis

Hitachi is a technology-driven conglomerate with deep roots in manufacturing. It has global leadership positions in eight segments, including Mobility, Energy, IT, and Smart Life. In its energy business, Hitachi is the largest maker of smart grid technology in the world. The company's railcar business manufactures world-class trains that incorporate predictive software for when a train will need preventative maintenance. This "smart-train" solution leads to lower lifetime costs and emissions for Hitachi's customers. Hitachi's Smart Life segment develops ecofriendly home appliance, urban energy management, and more.

Hitachi is a collection of good businesses, each of which leverages Hitachi's core expertise in technology and operational

THEME

Climate & Clean Energy Leaders

SUSTAINABLE REVENUE

58%

SDG SUB-GOAL

Goal 7.3
Double the global rate of improvement in energy efficiency

Goal 9.4
Upgrade infrastructure and increase clean energy technology

Goal 11.2
Provide access to affordable, accessible and sustainable transport systems

ACTIVITY

Develops solutions to electrify mass transportation

OUTPUT

Case study: Lucknow Metro Rail Project in India expected to carry one million passengers by 2030

OUTCOME

Electric train cars reduce emissions by 80%, compared to cars

IMPACT

Between 2021-24, we estimate Hitachi will mitigate the environmental impact of 124,000 cars, or about 40% of the cars currently registered in Lucknow, and reduce emissions by 60,300 tCO2e

Bus Rapid Transit (BRT) is an alternative to subways and delivers efficient and sustainable service through dedicated lanes, busways, traffic signal priority, off-board fare collection, and more. It is an affordable option for communities where cost can be prohibitive and where there are land use constraints.

excellence. Hitachi competes only where it perceives distinct competitive advantages, which helps explain why the company has posted an average double-digit return on equity (ROE) over the past decade. This focus comes after a significant transformation over the past ten years, which has seen Hitachi exit major, commodity-like manufacturing operations.

Environmental or Social Problem

Globally the transit sector makes up approximately 23% of emissions and almost 95% of its fuel is petroleum-based. Transportation is a critical challenge because it touches on several interrelated issues. First, to decrease the sector's emissions, sustainable public transit needs to be rapidly scaled through the deployment of buses, monorails, subways, and trains powered by electricity. However, these solutions face several difficulties such as ensuring a consistent power supply to minimize disruptions. If trains are unreliable riders will be discouraged and go back to more traditional modes of transit.

Second, fragile power grids can compound issues for electric forms of mass transit because of aging legacy assets and the threats posed by extreme weather events. For example, in 2019, a power outage from outdated infrastructure temporarily stopped all train traffic into New York's Penn Station, affecting the morning commute of 650,000 riders. This is problematic, as commuting through Penn Station generates almost $900,000 in revenues for New York City, per day.

Third, in the past, urban transit by car was designed in ways that result in gentrification and the isolation of communities. In the 1940s, the developer Robert Moses famously constructed the Cross Bronx Expressway to help New Yorkers leave the city for the countryside. But, because buses could not fit under the bridges, it destroyed vast swaths of the Bronx, isolating its residents, and further decaying the neighborhood, which was trying to rebound economically.

Hitachi's Impact: Affordable & Clean Solar Energy/Responsible Production & Consumption of Goods

Hitachi supports SDGs 7, 9, and 11 through the following segments: Mobility (sustainable transit systems), Energy (modern power grids), and Automotive Systems (EV technology development). We focus on solutions related to mass transportation since they are prime examples of a sustainable activity that promotes clean energy, creates modern infrastructure, and makes cities more inclusive. Beyond mobility, other business segments make a meaningful contribution toward the SDGs, including Industry and Smart Life that contribute to SDG 12.

India has faced rapid population growth and rural-to-urban migration, which has led to large and overcrowded cities. Hitachi and Alstom's Metro Rail Project in Lucknow, the capital of Utter Pradesh, helps solve this important challenge by decreasing the number of cars on the road and lowering emissions. Also, trains can increase access to communities, which creates economic opportunities for residents in an inclusive way.

The metro project makes a solid contribution toward the SDGs since electric trains emit 80% less emissions than cars powered by fossil fuels. Hitachi Energy designed the energy efficient and noise-reducing traction transforms for Alstom's trains. Each train carries 1,100 passengers and ridership is expected to increase to over one million per day by 2030. Between 2021-24, we estimate that Hitachi will help mitigate the environmental impact of 124,000 cars, or about 40% of the cars currently registered in Lucknow, and reduce emissions by 60,300 tCO_2e.

The population of Lucknow is approximately three million and growing.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality

Businesses representing 35% of Hitachi's revenues make an impact on SDG 7, 9, and 11 by encouraging sustainable forms of transportation, constructing modern energy grids, and promoting inclusive and sustainable cities. The company also contributes to SDG 12 through its Industry and Smart Life segments, which increases materiality to 58%.

Measurability

YEAR	DAILY PASSENGERS	CARS MITIGATED	TOTAL ANNUAL DISTANCE DRIVEN (MI MM)	ANNUAL EMISSIONS FROM VEHICLES (tCO2e)	REDUCTION IN EMISSIONS FROM RAIL	ANNUAL EMISSIONS MITIGATED (tCO2e)
2021	60,000	40,000	66	13,000	80%	10,400
2022	66,000	44,000	73	13,600	80%	10,900
2023	73,000	48,000	80	14,200	80%	11,400
2024	186,000	124,000	204	34,600	80%	27,700
Total			**423**	**75,400**		**60,300**

As an example of Hitachi's work reducing emissions through its rail business, we measure the outcomes of Hitachi's Metro Rail Project in Lucknow, the capital of Utter Pradesh, which will significantly reduce vehicle emissions.

Intentionality

Sustainability and the SDGs are a core part of Hitachi's philosophy and business model. In order to be good global citizens, the company created a 2021 Mid-term Management Plan and improved its sustainable governance to fulfill its responsibilities to the SDGs. As part of Hitachi's Mid-term Plan, it clearly articulates how it aims to invest $17-22 billion to scale its sustainable business activities such as acquiring ABB's power grid segment and Ansaldo STS, a technology company that supports railway and mass transit. Additionally, Hitachi has improved sustainable governance practices through its Executive Sustainability Committee. The committee oversees ESG policy implementation, tracks and shares its progress and results, and develops new initiatives. As recognition of its commitment to sustainability, Hitachi was recently selected for the first time to be a constituent of the MSCI Japan ESG Select Leaders Index.

Sustainability

Hitachi is considered High Risk by Sustainalytics largely because of an anti-trust issue at an automotive subsidiary from years ago that Sustainalytics now considers immaterial. This development is reflected in Refinitiv's "A" ESG rating. Hitachi did not experience any material anticompetitive cases in 2021 and one in 2020. It's important to note that anti-competitive practices are not uncommon in the electrical and electronic equipment industry, but it is concerning that many of the lawsuits that Hitachi was involved in resulted in fines. Even though the penalties are not large, further fines may pose a financial burden should Hitachi continue its involvement in anticompetitive behavior. We have found no concerning practices in its other material ESG issue areas: energy management, waste and hazardous materials, product quality and safety, product design and lifecycle management, and materials sourcing.

While Hitachi's carbon intensity is 60% less than the MSCI World Benchmark, we recognize that Hitachi has 106 million tCO2e of Scope 3 emissions. Hitachi set an SBTi approved goal of reducing GHG emissions 50% by 2030 and becoming carbon neutral throughout its value chain by 2050. Overall, Hitachi's contribution to SDGs 7, 9, and 11 are not outweighed by its externalities.

ESG RISK RATING

Refinitiv
A (86.9)

Sustainalytics
High Risk (34.4)

Carbon Intensity
53.7 (tCO2e/$m Revenue)

Board of Directors: Diversity & Inclusion
15% Female
85% Male

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Kinden + Make Next. KYUDENKO

Impact overview

Kinden and Kyudenko, Japanese electrical engineering firms, each make material contributions toward solving SDG 7 and SDG 9 by helping Japan accelerate the deployment of renewable energy and energy efficiency technology. For this report, we will focus on Kyudenko's sustainable impact. We estimate that Kyudenko will increase its renewable energy capacity from 331 to 384 MW over the next four years. Kyudenko supports solving SDG 9 by retrofitting buildings and upgrading Japan's infrastructure. We found that Kyudenko's impact could reduce Japan's total emissions by 1.8 million tCO2e by deploying energy efficiency technology. These reductions are equivalent to the annual emissions of 450,000 Japanese homes.

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

THEME

Climate & Clean Energy Leaders

SDG SUB-GOAL

Goal 7.1	Goal 9.4	Goal 9.4
number of people with clean power	upgrade infrastructure and increase clean energy technology	upgrade infrastructure and increase clean energy technology
SUSTAINABLE REVENUE **Kinden** 2% **Kyudenko** 12%	**SUSTAINABLE REVENUE** **Kinden** 85% **Kyudenko** 88%	**SUSTAINABLE REVENUE** **Kinden** 85% **Kyudenko** 88%
ACTIVITY Electrical engineering firm – Install solar and wind	**ACTIVITY** Electrical engineering firm - modernize infrastructure, resulting in improved energy efficiency	**ACTIVITY** Energy management solutions (EMS) - smart meters and data from energy storage units to balance demand and supply issues from intermittent energy sources
OUTPUT As of 2021, Kyudenko had completed 87 MW of solar, 38 MW of wind, and 206 MW of renewable energy through equity investments, totaling 331 MW	**OUTPUT** Replacing outdated equipment in industrial, commercial, and residential buildings, Kyudenko can reduce emissions by 12%	**OUTPUT** Case study: In 2018, Kyudenko partnered with the Government of Indonesia to develop sustainable energy systems on Samba Island
OUTCOME By 2024, install an additional 53 MW of renewable energy from equity investments, raising installed capacity to 384 MW	**OUTCOME** Reduce Japan's total emissions by 1.8 million tCO2e	**OUTCOME** The Government of Indonesia used EMS technology to deploy renewable energy and battery storage systems
IMPACT Solar and wind projects alone could provide clean power to approximately 77,000 households in Japan	**IMPACT** Energy efficiency projects can reduce emissions equivalent to 450,000 Japanese homes	**IMPACT** Installed sustainable energy system helped: 1) lower/stabilize the cost of energy in remote areas, 2) create a strong business case to scale Samba's energy transition, 3) encourage more projects abroad

Company Description/Thesis

Kinden and Kyudenko are integrated electricity and facility engineering firms in Japan. They lead the design, construction, and maintenance of electrical infrastructure and systems. Kinden and Kyudenko are separate investments in GIVES, but, because of their similarities, we are including them in the same report.

Both companies focus on 1) developing and operating renewable energy facilities, such as solar and wind, 2) retrofitting residential, commercial, and industrial buildings with new efficient energy management and HVAC systems, 3) upgrading and installing energy infrastructure such as overhead/underground transmission lines, distribution lines to homes, and battery storage systems for frequency and voltage support.

Kinden and Kyudenko each operate simple and predictable business models, with more than 40% of revenues coming from more recurring maintenance and renewal work. These are structurally attractive, asset-light companies with double-digit returns on capital.

Environmental or Social Problem

Island nations are disproportionally impacted by climate change, facing challenges such as growing deforestation/desertification, increasing frequency and intensity of storms, and rising sea levels and temperatures. Despite having an abundance of natural resources for hydro, solar, and/or wind power, many islands have an overreliance on imported fossil fuels. 93% of Japan's energy supply is imported and the country has one of the highest carbon intensities from power generation in the world. Japan also is the sixth largest emitter of GHG emissions behind China, the U.S., the EU, India, and Russia. To overcome these challenges, Japan committed to reaching net-zero by 2050, with with an interim goal of reducing emissions 46% by 2030. Additionally, the government aims to improve energy efficiency by 35%. To reach its climate targets, Japan is focusing on the energy sector since it makes up 37% of emissions. The country is determined to shut down all unabated coal-fired power generation by 2030 and increase solar and wind power by 275 GW by 2050. Also, while Japan's largest cities have adopted energy efficient and grid modernization technology, there is room for improvement nationally.

Kinden & Kyudenko's Impact: Affordable & Clean Energy/Building Resilient Infrastructure

Kinden and Kyudenko are separate firms operating in different regions of Japan. They make similar material contributions toward solving SDG 7 and SDG 9 by helping Japan accelerate the deployment of renewable energy, energy efficiency, and grid modernization technology. These two businesses build and service technology that will enable the country to meet its long-term energy, resource reduction, and climate resilience goals. Both Kinden and Kyudenko have dedicated renewable energy segments that construct and maintain solar power systems and wind turbines. Their commitment goes beyond being a supplier. For example, Kyudenko built and maintains an equity interest in the Nanatsu Island Mega Solar Power Station, one of the largest in Japan. For this report, we will focus on Kyudenko's sustainable impact as we work with Kinden to improve their data disclosures to support our impact measurements.

To measure Kyudenko's contribution to SDG 7, we focus on Kyudenko's solar and wind generation from its own projects and its equity investments in renewables. Over the next three years we expect Kyudenko to increase its renewable energy capacity from 331 MW to 384 MW.

Kyudenko supports solving SDG 9 by retrofitting buildings and upgrading Japan's infrastructure to improve resource efficiency by adopting clean technology.

Energy consumption from industrial, commercial, and residential buildings in Japan make up 29% of total emissions. Kyudenko has about a 5% market share in modernizing the built infrastructure through energy efficient technology such as HVAC and exhaust heat recovery systems. Replacing outdated equipment in industrial, commercial, and residential buildings can reduce emissions by 12%. Using these assumptions, we estimate that Kyudenko's impact could reduce Japan's total emissions by 1.8 million tCO_2e. This is equivalent to the emissions of 450,000 Japanese homes.

Additionally, Kyudenko's EMS further improve grid modernization and resource efficiency by using smart meters and data from energy storage units to balance demand and supply issues from intermittent energy sources, like solar and wind power. The company aims to scale its EMS segment to developing countries, especially other island nations, to help with their specific energy and resource efficiency challenges.

For example, in 2018 Kyudenko partnered with Indonesia's Ministry of the Environment and Ministry of Economy, Trade, and Industry to develop sustainable energy systems on Sumba Island, which has a population of 600,000. On islands it can be difficult to develop a financially attractive business case for upgrading energy infrastructure. The Indonesian government used Kyudenko's EMS technology to deploy renewable energy and battery storage systems to lower/stabilize the cost of energy and improve reliability in remote/under-populated areas, creating a strong business case to scale Sumba's energy transition. Both Kyudenko and the government were encouraged by the results of this pilot and the company aims to further deploy its EMS technology abroad.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
12% of Kyudenko's revenues contribute to solving SDG 7 by developing and managing solar plants. The remaining majority of revenues at Kyudenko supports SDG 9 by building and upgrading Japan's infrastructure. For Kinden, 2% of revenues support SDG 7 and 85% of revenues are tied to SDG 9.

Measurability

YEAR	SOLAR POWER GENERATION (MW)	WIND POWER GENERATION (MW)	SOLAR/WIND POWER GENERATION THROUGH EQUITY INV (MW)	TOTAL RENEWABLE ENERGY OUTPUT (MW)	NUMBER OF HOUSEHOLDS EQUIVALENT	ANNUAL EMISSIONS MITIGATED (tCO2e)
2021	87	38	206	331	66,200	10,400
2022	87	38	224	349	69,750	10,900
2023	87	38	242	367	73,300	11,400
2024	87	38	259	384	76,850	27,700

Intentionality
Kinden and Kyudenko have strong commitments to reducing Japan's environmental impact. In April 2021, Kinden developed its Medium-term Management Plan 2021-26 which describes its material SDGs, sustainability policies, and how its business strategy aims to achieve its environmental goals while maintaining shareholder returns. In particular, the plan describes how Kinden aims to improve educational and human resources to improve its implementation of sustainable business activities. Similarly, last year Kyudenko released its own Mid-term Management Plan 2020-24 which has a strong focus on sustainable growth. Specifically, the report details Kyudenko's new initiatives to achieve SDG 7 and SDG 9, such as expanding its renewable energy business and grid-modernization through upgraded T&D systems.

Sustainability
The negative environmental impacts of these businesses do not exceed their benefits. It is difficult to quantatively examine Kinden and Kyudenko's negative externalities due to a lack of transparency. Neither company releases basic ESG data, or their sustainability policies, or publishes their ESG risk mitigation certifications, such as an EcoVadis score or ISO 14001 certifications. Despite the need for greater transparency at Kinden and Kyudenko, the companies operate within Japan's energy environmental regulations, which are some of the strictest in the world. Additionally, Sustainalytics rated Kinden and Kyudenko as Severe Risk and N/A, respectively. We believe that both companies' lack of transparency is the primary reason for their high risk rating.

In December 2021, the GIVES team spoke with Kinden and Kyudenko about their respective transparency issues and both indicated that they are looking to implement international sustainablity frameworks, such as reporting in line with GRI and SASB standards over the next few years. The team encouraged both companies to accelerate this process as Lyrical's broader ESG engagement goals include disclosing in line with GRI and SASB, reporting to the CDP, committing to the UNGC, and developing science-based targets in alignment with the Paris Agreement and verifying these targets with SBTi. We will continute to actively engage with both companies to improve their transparency.

ESG RISK RATING

	KINDEN	KYUDENKO
Refinitiv	22.6 (D+)	N/A
Sustainalytics	Severe Risk (40.9)	N/A
Carbon Intensity	N/A (tCO2e/$m Revenue)	N/A (tCO2e/$m Revenue)
Board of Directors: Diversity & Inclusion	6% Female 94% Male	0% Female 100% Male

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QUANTA SERVICES, INC.

Impact overview

Quanta Services ("Quanta") makes a significant and meaningful impact to SDG 7 and SDG 9 through the engineering and construction of renewable energy systems, smart grids, and resilient infrastructure. Over the next four years we expect Quanta to increase its contribution to SDG 7 by installing an additional 6,600 MW of solar, 22,000 MW of wind, and 400 MW of battery storage. The solar and wind projects alone could provide power to approximately 16.8 million people, equivalent to Pennsylvania's population. Additionally, Quanta supports SDG 9 through several activities and projects such as forming the LUMA Energy Company in Puerto Rico. LUMA's mission is to rebuild, transform, and operate Puerto Rico's power grid. LUMA also supports the territory's Paris Agreement-aligned goals of 50% emission reductions by 2025 and 100% renewable energy production by 2050.

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Company Description/Thesis

Quanta is the leading specialty infrastructure solutions provider for the utility, energy, and communications industries. Its Electric Power Infrastructure Solutions segment focuses on constructing power grids, designing smart grid technology, and engineering and construction of renewable energy systems. Quanta's Underground Utility and Infrastructure Solutions segment engineers and maintains oil and gas infrastructure, provides construction services for offshore energy, and supplies pipeline protection, integrity testing, and rehabilitation services. Quanta owns and operates the Northwest Lineman College, a leading educational institution for utilities and telecom workers.

The bedrock of Quanta's operations is comprised of maintenance type work that is recurring and inherently stable. This base business accounts for 80-85% of Quanta's sales and has grown organically at 10% per year. Quanta has generated an attractive 15%+ return on tangible capital and has many key elements of a high-quality business, including local knowledge, a flexible

THEME

Climate & Clean Energy Leaders

SUSTAINABLE REVENUE

Goal 7.1	Goal 9.4
19%	65%

SDG SUB-GOAL

Goal 7.1
Number of people with clean power

Goal 9.4
Upgrade infrastructure and increase clean energy technology

ACTIVITY

Goal 7.1
Installs solar, wind, and battery storage

Goal 9.4
Case study: LUMA Energy – Develop grid resilience projects

OUTPUT

Goal 7.1
As of 2021, completed 13,700 MW of solar, 54,300 MW of wind, and 1,200 MW of battery storage projects

Goal 9.4
Phase 1: Install hardened electrical poles, hire 2,200 new employees

OUTCOME

Goal 7.1
From 2021-24, Quanta aims to install an additional 6,600 MW of solar, 22,000 MW of wind, and 400 MW of battery storage

Goal 9.4
Phase 2: Develop solar PV projects, battery storage

IMPACT

Goal 7.1
Its solar and wind projects alone could provide clean power to approximately 16.8 million people

Goal 9.4
These projects support Puerto Rico's Paris Agreement-aligned goals of reducing GHG emissions by 50% by 2025 and 100% renewable energy production by 2050

cost structure, skilled employees, mostly pass-through pricing, recurring revenue, and long-standing relationships.

Environmental or Social Problem

In November 2021, during the UN's 16th Climate Change Conference (COP26), scientists announced that the world is on track to warm by 2.5 degrees Celsius, a full degree over the Paris Agreement's goal of 2 degrees Celsius.That 0.5 degree difference is critical. For example, even a 2 degree Celsius scenario would involve an 80% chance of ice-free arctic summers and a 35% increase in the areas susceptible to malaria transmission. The energy sector makes up 47% of global emissions and is the largest overall contributor to climate change.

To reach our climate targets and avoid a 2.5 degree Celsius world, we need to rapidly deploy renewable energy systems and upgrade our electricity grids. But we have a long way to go. For example, we need to deploy 14 million MW of solar energy by 2050 to reach our 1.5 degree Celsius target, up from just 760,400 MW in 2020. Additionally, power grids must be modernized to handle increases in intermittent energy and be made resilient to last through extreme weather events.

Quanta's Impact: Clean Energy & Battery Storage/Modern & Resilient Infrastructure

Quanta performs the work to upgrade and modernize America's energy systems, necessary for society to adapt to and mitigate the effects of climate change. Quanta contributes toward solving SDG 7 through its Electric Power Infrastructure Solutions segment. As part of the segment's shift toward renewable energy, Quanta acquired Blattner Holding Company, a leading renewable energy engineering, procurement, and construction (EPC) contractor expected to grow at a 10% rate in the medium-term. As of 2021, Blattner completed 13,700 MW of solar, 54,300 MW of wind, and 1,200 MW of battery storage projects. Over the next four years we expect Quanta to increase its contribution, by installing an additional 6,600 MW of solar, 22,000 MW of wind, and 400 MW of battery storage. The solar and wind projects alone could provide power to approximately 16.8 million people, equivalent to Pennsylvania's population, the 5th most populous state in the U.S.

Quanta also makes a strong contribution to SDG 9 by improving the resilience of power grids, constructing renewable generation interconnections, and installing EV charging infrastructure. These solutions are critical to enabling affordable, sustainable, and modern energy generation projects. LUMA Energy is a good example of Quanta's energy system solutions. LUMA's mission is to rebuild, transform, and operate Puerto Rico's power grid after the devastation of Hurricanes Irma and Maria. In 2017, Hurricanes Irma and Maria resulted in the deaths of 4,600 people in Puerto Rico alone and will cost the territory $139 billion to fully recover.

With the support of the Puerto Rican Energy Bureau, LUMA created a System Remediation Plan (SRP) that has allocated $4 billion to fund the plan's initiatives and over $10 billion for 69 remediation and improvement projects. The initiatives and projects are critical to creating a clean and resilient energy system and addressing the most dangerous and fragile areas. As part of the SRP's first phase, LUMA is focusing on rebuilding projects such as upgrading and hardening electrical poles, setting-up power outage communication systems, and hiring and training 2,200 Puerto Rican employees to lead this recovery effort.

The second phase is designed to support Puerto Rico's Paris Agreement-aligned environmental goals and reduce its GHG emissions by 50% by 2025 and to reach 100% renewable energy production by 2050. To modernize and transform the grid, LUMA aims to create virtual power plants (VPPs), install smart streetlights, and upgrade digital infrastructure such as improved electricity billing apps and systems. LUMA officially began operations in June 2021, and we look forward to seeing its progress.

LUMA Energy is a private consortium developed in partnership between ATCO and Quanta.

VPPs connect several small-/medium scale power plants (fossil fuel, hydro, solar, etc.) to form a big "single," decentralized power plant. This is advantageous because it can quickly balance intermittent renewable energy with other sources if it becomes cloudy or the wind dies down. Also, it creates economic opportunities for operators whose power systems do not meet the minimum bid size of the market, while offering the same quality of service.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality

19% of Quanta's revenues make an impact on SDG 7 by engineering and constructing renewable energy projects. 65% of the company's revenues support SDG 9 by improving the resilience of power grids and modernizing infrastructure.

Measurability

YEAR	SOLAR INSTALLED (MW)	CUMULATIVE SOLAR INSTALLED (MW)	WIND INSTALLED (MW)	CUMULATIVE WIND INSTALLED (MW)	BATTERY INSTALLED (MW)	CUMULATIVE BATTERY INSTALLED (MW)
2021	1,500	13,700	5,200	54,300	90	1,200
2022	1,600	15,300	5,200	59,400	95	1,300
2023	1,700	17,000	5,600	65,000	100	1,400
2024	1,900	18,800	6,000	71,000	110	1,500
Total	**6,600**		**22,000**		**400**	

Intentionality

Quanta's commitment to sustainability is driven by its CEO, Duke Austin, who believes sustainable energy solutions are founded on a safe and skilled workforce. The company has invested more than $100 million in workforce development and training initiatives, including the acquisition of the largest accredited line worker college in the country, Northwest Lineman College, which trained 12,480 students in 2020. The company has further demonstrated its leadership and commitment by forming a similar institution, LUMA College, to provide technical training to Puerto Ricans so they can develop the knowledge and skills to safely rebuild the territory's electric infrastructure.

Sustainability

Over the last year Quanta has made meaningful progress on its ESG practices. While Quanta's carbon intensity is 82% less than the MSCI World benchmark, there are other potential environmental concerns from the company's oil and gas segment, which makes up 24% of revenues. To mitigate these concerns Quanta has an EMS which is compliant with the International Organization for Standardization and the American Petroleum Institute Safety. It also started an advanced training center which offers courses on environmental subjects that impact construction projects. Quanta has not had any material employee health and safety or business ethics controversies. We are disappointed Quanta does not report many standard ESG metrics and has not set sustainability targets. Lastly, in November 2021 LUMA's CEO was held in contempt of court for not turning over documents related to the salaries of top executives. LUMA said it complied with all the information requested by the court and that it is committed to being transparent. We are monitoring this situation closely. Overall, Quanta's negative externalities do not outweigh its positive impact.

ESG RISK RATING

Refinitiv

C (40.5)

Sustainalytics

High Risk (35.1)

Carbon Intensity

23.6 (tCO2e/$mm Revenue)

Board of Directors: Diversity & Inclusion

30% Female
70% Male

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Impact overview

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

SPIE makes a strong contribution to 7, 9, and 11. The company helps solve SDG 7 and SDG 11 through the promotion of EVs and installation of sustainable charging infrastructure. From 2021-24, SPIE will install a total of 56,000 charging stations. This creates a meaningful contribution to society by generating an economic impact of $490 million, servicing 582,000 EVs, and reducing emissions by 1.2 million tCO2e. SPIE contributes to SDG 9 by designing, operating, and maintaining modern and resilient electricity grids. For example, in November 2020 it completed a grid stabilization project for TransnetBW, a grid operator in Germany, which serves 5.3 million people. SPIE's projects should help ensure reliable power supply as the country shuts down conventional power plants, increases the supply of intermittent renewable energy, and adapts to extreme weather events.

Company Description/Thesis

SPIE provides mission-critical outsourced multi-technical services and engineering, primarily within energy, mechanical, HVAC, and communication industries in Europe. It develops sustainable solutions within four strategic markets. SPIE's Smart City services cover the development of communication and mobility infrastructure. Its Energies segment includes transmission and distribution (T&D) infrastructure installation and nuclear, oil and gas, and renewable energy power plants engineering. SPIE's Industry Services covers solutions such as refrigeration, wine production processes, and information and communications technology (ICT/IT) services. Lastly, its E-fficient buildings solutions include a range of energy performance services such as the design, operation, and maintenance of low energy buildings.

SPIE operates a recurring business model with 80% of revenue tied to asset maintenance support services. The company is capital-light with negative working capital and high return on invested capital (ROIC) and strong cash generation. SPIE has an excellent track record of mergers & acquisitions (M&A), a strong balance sheet, and an opportunity to continue taking share in a fragmented market.

THEME

Climate & Clean Energy Leaders

SUSTAINABLE REVENUE

65%

SDG SUB-GOAL

Goal 7.3
Double the global rate of improvement in energy efficiency

Goal 9.4
Upgrade infrastructure and increase clean energy technology

Goal 11.2
Provide access to affordable, accessible and sustainable transport systems

ACTIVITY

Goal 7.3 & 11.2
Promotes use of EVs and installs EV charging infrastructure

Goal 9.4
Designs, operates, and maintains modern and resilient electricity grids

OUTPUT

Goal 7.3 & 11.2
From 2021-24, install 56,000 charging stations

Goal 9.4
Case study: In November 2020, completed a grid stabilization project for TransnetBW, the grid operator for the Stuttgart region in Germany

OUTCOME

Goal 7.3 & 11.2
From 2021-24, charge 528,000 EVs and electric hybrids

Goal 9.4
Ensure reliable power supply as the country shuts down conventional power plants, increases the supply of intermittent renewable energy, and adapts to extreme weather events

IMPACT

Goal 7.3 & 11.2
From 2021-24, we expect the company to lower emissions by 1.6 million tCO2e and create an economic impact of $490 million

Goal 9.4
The project creates a resilient and modern energy system for the Stuttgart region, which is home to 5.3 million people

Environmental or Social Problem

To reach the Paris Agreement's goal of limiting global warming to 2 degrees Celsius, there is an urgent need to promote electric mobility solutions, install EV charging infrastructure, and modernize electrical grids.

One of the largest challenges to this ambition is the lack of public charging stations, the uncertain business case due to the small scale of EV markets today, and high initial costs (that are typically passed onto consumers). The current philosophy is: if you build it, they will come. But, for the EU to achieve its 2025 charging infrastructure target, approximately 150,000 new charging stations will be needed each year (3,000 per week). Also, there are concerns that EVs will grow energy consumption at peak times of day and increase grid volatility. If cities are slow to implement the necessary grid and infrastructure upgrades, the cumulative grid investment could rise to several hundred euros per EV.

Europe needs more EV charging stations but must also upgrade its outdated energy infrastructure to handle the increases in sustainable energy, including intermittent renewable energy and EVs. Old electrical grids increase volatility and prevent the efficient transportation of energy, with legacy T&D systems losing 4%-17% of electricity during transmission depending on the country. These factors, combined with extreme weather, can cause large blackouts across Europe since its member states' grids are interconnected.

SPIE's Impact: Clean Energy/Modern & Resilient Infrastructure/Sustainable Communities

SPIE supports 7, 9, and 11 by installing and servicing the EU's infrastructure needed to encourage the deployment of EVs, creating sustainable infrastructure, and limiting the effects of climate change. For this report, we will focus on SPIE's Smart Cities and Energies solutions.

The company helps solve SDG 7 and SDG 11 through the promotion of EVs and installing charging infrastructure as part of its Smart Cities segment. From 2021-24, SPIE will install a total of 56,000 charging stations, creating an economic impact of $490 million and reducing emissions by 1.6 million tCO2e.

SPIE contributes to SDG 9 through its Energies solutions, which include the design, operation, and maintenance of modern and resilient electricity grids. For example, in November 2020, it completed a grid stabilization project for TransnetBW, the grid operator for the Stuttgart region in Germany, which serves 5.3 million people. By upgrading the region's T&D systems, SPIE should help ensure reliable power supply as the country shuts down conventional power plants, increases the supply of intermittent renewable energy, and adapts to extreme weather events. Grid stabilization is also important because T&D systems can become overloaded if too many power plants are generating energy at once and shut down. An unreliable grid can lead to power plants dumping energy and/or curtailing output. This not only wastes energy, but also increases emissions since conventional power plants are less efficient when running below optimal production levels.

When we refer to EV charging stations and EV vehicles, we are also including plug-in hybrids in our calculations.

Both extreme cold and heat can cause power lines to sag and potentially come in contact with trees which can cause power outages. For example, in 2008, a large ice storm in the Northeast U.S. collapsed power lines from Maine to Pennsylvania due to ice buildup on wires and trees and branches falling on power lines. About 1.5 million people lost power and it took two weeks to restore the system.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
42% of SPIE's revenues are aligned with the EU Taxonomy and its non-taxonomy aligned/positive net environmental contribution is 23% of revenues, raising the total to 65%.

Measurability

YEAR	EV CHARGING STATIONS INSTALLED	EVS PER CHARGING STATION	EVS CHARGED BY SPIE STATIONS	ECONOMIC IMPACT ($M)	EMISSION REDUCTIONS (tCO2e)
2021	9,100	8	77,000	$70	230,000
2022	11,800	9	106,000	$200	320,000
2023	15,300	10	146,000	$134	436,000
2024	19,800	10	200,000	$185	600,000
Total	**56,000**		**528,000**	**$490**	**1,600,000**

We define economic impact as the potential revenues available to charging companies. Strong potential revenues, as shown above, have helped garner broad interest in the European EV market, accelerating the speed with which chargers are installed.

Intentionality
SPIE's core business and its Leadership Team are committed to sustainability and has a track record of increasing effort. In its 2020 Universal Registration Document, SPIE clearly describes how its growth opportunities (energy and digital transition) will create a business model focused on impactful solutions (modern electrical services and resilient infrastructure). The document lays out a transition plan to mobilize SPIE's resources and strategic segments to improve value creation and achieve its sustainability goals. For example, SPIE's EV charging stations solutions are expected to grow at 30% (CAGR) and the company recently developed 1.5 degree Celsius SBTi approved targets for Scope 1-3 emissions, and joined the European Alliance for a Green Recovery.

Sustainability
SPIE makes an important contribution to society and its negative externalities are outweighed by its positive impact. The company's material ESG issues include ecological impacts, product quality and safety, employee health and safety, product design and lifecycle management, and business ethics. SPIE has not had any material controversies in these areas, though we do monitor its oil and gas activities closely. SPIE's Scope 1-2 carbon intensity is 81% below the MSCI World benchmark and it is on track to reach its 1.5 degree Celsius aligned emissions targets. SPIE acknowledges that Scope 3 emissions make up 80% of its overall emissions and has worked to decrease these over the last few years. For example, SPIE's carbon intensity (Scope 1-3) dropped by 23% from 2017-20. However, its Scope 3 emissions calculations do not include downstream use of its products and we have encouraged SPIE to incorporate those measurements.

ESG RISK RATING

Refinitiv
B+ (72.3)

Sustainalytics
Low Risk (15.8)

Carbon Intensity
17.7 (tCO2e/$mm Revenue)

Board of Directors: Diversity & Inclusion
40% Female
60% Male

The Net Environmental Contribution Initiative [NEC]i measures the environmental impact of an economic activity, company, or sector.

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SDG 8
Job Creators

Impact overview

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

Concentrix makes a positive contribution to society through its employee-favorable policies, such as support for the LGBTQ community around the world and providing an equal/living wage. The company supports SDG 8 by promoting fair labor rights, especially for women and other minority communities. For example, it supported the Pride March in the Philippines, where it is legal to discriminate against people based on sexual orientation. To measure Concentrix's contribution toward SDG 10, we focused on the U.S. where the company had one of the largest wage disparities. In 2021, the company moved all entry level U.S. employees to $14 per hour which increased lower-paid employee's salaries by approximately $4,300 per year. By the end of 2022, Concentrix will grow its impact by further raising wages to $15 per hour. This adds an additional $2,000 to lower-paid employees' paychecks and creates a total financial impact of $85 million.

Company Description/Thesis

Concentrix is a customer experience (CX) solutions provider that facilitates communication between clients and customers, provides analytics, and handles back-office processing. The firm's portfolio of services includes support channels such as voice, chat, email, social media, and custom applications. The company has more than 270,000 employees and 750 clients in over 40 countries.

Concentrix focuses on industries such as healthcare, banking, and technology which require more investment and domain expertise and have stringent compliance requirements. These characteristics create high barriers to entry, drive higher margins, and lead to long and sticky customer relationships. Concentrix is an asset-light, people-driven business with ROIC around 40%. The company benefits from secular trends to outsourced customer management and is growing topline organically at a mid-single-digit rate.

THEME

Job Creators

SUSTAINABLE REVENUE

100%

SDG SUB-GOAL

Goal 8.5
Equal pay for equal work

Goal 10.2
Empower and promote the social, economic, and political inclusion of all

ACTIVITY

Goal 8.5
Employee favorable policies for >270,000 staff members delivers an equal/living wage

Goal 10.2
Employee favorable policies for >270,000 staff members provides support for the LGBTQ community around the world

OUTPUT

Goal 8.5
As of 2021, U.S. lower-paid employees wages raised to $14, a $4,300 annual wage increase

Goal 10.2
Local management teams develop country-specific programs

OUTCOME

Goal 8.5
In 2022, U.S. lower-paid employees wages will be raised to $15, an additional $2,000 annual wage increase

Goal 10.2
Implement hubs and local support groups

IMPACT

Goal 8.5
Its new policy aims to provide an equal and living wage to 13,500 lower-paid employees, a $6,300 annual wage increase

Goal 10.2
The hubs are estimated to support 135,000 women and 5,400 employees who self-identify as LGBTQ

Environmental or Social Problem

Despite global wealth growing at 3% (CAGR) over the last 120 years, it has not been distributed equally among and within countries. There is a growing disparity between the middle-income/wealthy households and poorest segments of society, which make up 55% of global population but only control 1% of global wealth. In the U.S. this issue is greatly magnified for lower-paid, low-income women who, on average, would have to work an additional 42 days to earn what men did in 2020. Many low-income countries face a starker challenge in reducing the unequal distribution of wealth. 80% of their populations fall into the poorest segment (earning <$10,000), while only 30% of developed countries' populations are in the same category.

Concentrix's Impact: Decent Work & Economic Growth/Reduced Inequalities

CNXC makes a positive contribution to society through its employee-favorable policies, such as support for the LGBTQ community around the world and providing a wage well above the minimum requirements. The company supports SDG 8 by promoting fair labor rights, especially for women and other minority communities. For example, in seven of the countries where they operate it is illegal/punishable by death to be part of the LGBTQ community. As a global citizen, Concentrix is a vocal defender of LGBTQ rights and supported the Pride March in the Philippines, where it is legal to discriminate against people based on sexual orientation.

Additionally, Concentrix contributes toward solving SDG 10 providing an equal/living wage to 85% of its employees globally, with a goal to reach 100% by 2024. To measure Concentrix's impact, we focused on the U.S. where it had one of the largest wage disparities compared to the other countries where Concentrix operates.

In July 2021, the company moved all entry level U.S. employees from its average minimum wage of $12 to $14 per hour, an 18% increase. This created an additional financial impact of $58 million, increasing lower-paid employee's salaries by approximately $4,300 per year. This continues to be important, even as the pandemic wanes, due to price inflation. For example, in 2021, rental prices in the U.S. rose by approximately $100 per month to a total of $1,200. Concentrix's equal/living wage policy more than mitigates the impact of rising costs, especially for women who typically earn 84% of what men earn. By the end of 2022, the company will increase its impact to society by raising wages to $15 for all entry level positions. This adds an additional $2,000 to lower-paid employees' paychecks and creates a total financial impact of $85 million for its employees in the U.S. alone.

Lastly, we are working with Concentrix to measure the impact of its equal/living wage policy in the remaining six countries where it operates, with over 13,000 employees. Based on the results of our U.S. analysis, we are confident that the company will continue to increase its impact on SDG 8 and SDG 10.

> **CNXC makes a positive contribution to society through its employee-favorable policies, such as support for the LGBTQ community around the world and providing a wage well above the minimum requirements.**

Before its living wage policy, Concentrix already paid its employees, on average, well above the U.S. federal minimum wage of $7.25.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
100% of its business is aligned with SDG 8 creating decent work and economic growth and SDG 10 reducing inequalities for people both in developed and developing markets.

Measurability

YEAR	US MINIMUM WAGES (ENTRY LEVEL)	WAGE INCREASE	US EMPLOYEES AT ENTRY LEVEL PAY	FINANCIAL IMPACT ($M)	FINANCIAL IMPACT PER EMPLOYEE
2020	$12		13,500		
2021	$14	18%	13,500	$58	$4,300
2022	$15	7%	13,500	$27	$2,000
Total:				**$85**	**$6,300**

Intentionality
Concentrix's intentionality toward SDG 8 and SDG 10 can be seen across its business since it is focused on creating a culture of belonging, equality, and economic/personal wellbeing. For example, the company hired a Senior Director of Community and Culture who is responsible for leading efforts for diversity, equity, and inclusion (DEI), global citizenship, and staff experience/wellbeing. The company also shows its commitment to impact by internalizing the cost of its equal/living wage policy. As Concentrix's CEO said, "by principle of the company, we pay the staff." The company promotes diversity and local representation, committing that 100% of its facilities will have senior representation from the local community.

Sustainability
Concentrix's makes an important contribution to the SDGs and its negative externalities are outweighed by its positive impact. The company has not faced any controversies in its material ESG issue areas: energy management, employee engagement/DEI, competitive behavior, and systematic risk management. To lower its environmental impact, Concentrix has set 2025 targets to reduce power consumption to the equivalent of 25,000 tCO2e and obtain 10% of power consumption through renewable energy sources. To improve its governance practices, the company requires 99% of employees to comply with its Code of Ethical Business Conduct, continues to promote its whistleblower program, and plans to launch a revised Vendor Code of Conduct in 2022. Lastly, it is important to note that Concentrix's low Refinitiv ESG score is based on its 2020 disclosures, when it had just spun off from TD Synnex. We believe that Sustainalytics' rating more accurately reflects the company's ESG practices, and we expect Concentrix's Refinitiv ESG score to increase substantially when its 2021 disclosures are evaluated.

ESG RISK RATING

Refinitiv
C- (28.5)

Sustainalytics
Low Risk (19.7)

Carbon Intensity
39.6 (tCO2e/$m Revenue)

Board of Directors:
Diversity & Inclusion
31% Female
69% Male

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Impact overview

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

From 2021-24, we estimate that the number of eBay sellers will grow by 16% to 23 million worldwide. These sellers will post about 3.8 billion non-new/in-season listings, creating a total economic impact of $4.25 billion and reducing emissions by 3.3 million tCO2e, from sales of apparel and electronics products alone. The emission reductions from this circular business model, in these products, is equivalent to the emissions of 825,000 Americans. Additionally, we expect that eBay sellers from disadvantaged communities will continue to rapidly grow their businesses on the platform. Overall, eBay contributes to solving SDG 8 and SDG 12 by creating decent work and economic growth through its circular e-commerce platform.

Company Description/Thesis

eBay is a circular e-commerce leader that connects millions of buyers and sellers in 190 markets around the world. eBay.com, its localized counterparts, and the eBay mobile apps are among the world's largest and most vibrant marketplaces for discovering great value and unique selection. The company is a global enterprise generating 60% of its revenues from outside the U.S. and 40% domestically.

eBay is a high-quality business with a 25% return-on-capital that benefits from a strong network effect. The company has the most sellers and buyers on its platform, which helps ensure its sellers get the most volume and its buyers get the best prices and selection. Despite its historical success, eBay still only has a 20% market share of the $500 billion non-new/in-season merchandise sales, a market which is growing more than 10% per year.

THEME

Resource Reducers

SUSTAINABLE REVENUE

50%

SDG SUB-GOAL

Goal 8.5
By 2030, achieve full and productive employment and decent work for all

Goal 12.2
Sustainable management and efficient use of natural resources

ACTIVITY

Goal 8.5
Circular ecommerce platform allows users to become entrepreneurs, including in disadvantaged communities

Goal 12.2
Circular ecommerce platform advances circular commerce through the sale of non-new / in-season (used, refurbished, vintage, etc.) products

OUTPUT

Goal 8.5
As of 2021, has 20 billion sellers and an increased focus on sellers in disadvantaged communities

Goal 12.2
In 2021, has 850 million non-new / in-season live listings

OUTCOME

Goal 8.5
From 2021-24, sellers are expected to grow at 5% per year and users from disadvantaged communities are estimated to grow at 23% per year

Goal 12.2
In 2021, reduced emissions by 750,000 tCO2e

IMPACT

Goal 8.5
From 2021-24, the company aims to create an economic impact of $4.2 billion and increase the number of sellers in disadvantaged communities faster than eBay's average

Goal 12.2
From 2021-24, eBay is estimated to have 3.8 billion non-new / in-season listings, reducing emissions by 3.3 million tCO2e

Environmental or Social Problem

The world economy is largely linear, meaning raw materials are used to produce goods, which are then consumed/used and subsequently thrown away, creating massive waste that continues to surge. In 2020, global e-waste weighed as much as 350 cruise ships placed end to end to form a line 125 km (about the distance from New York City to Philadelphia) long. In the U.S., 85% of textiles are either burned or taken to a landfill – equivalent to a garbage truck full of clothes being dumped in a landfill every second. Together, e-waste and apparel waste are collectively responsible for 14.25% of global emissions, and the fashion industry alone is responsible for 20% of global wastewater.

The negative impact of our linear economy is expected to grow. In two key categories for eBay's marketplace – electronics and fashion – waste is rapidly growing. In the last 15 years e-waste has increased by 50% and the average consumer is buying 60% more clothing than it did 15 years ago. While there have been improvements to global waste management practices, there is a long way to go. For example, refurbished goods only make up 6% of the global technology and electronics marketplace and every year $500 billion in value is lost due to clothing that is not worn and recycled.

Another critical challenge linked to the linear economy is limited access to and opportunity for self-employed entrepreneurs in disadvantaged communities and emerging markets. According to the Organization for Economic Co-operation and Development (OECD), self-employed entrepreneurs in these areas face several barriers such as distance to the physical location, fewer networks for business expansion, and discrimination against minorities and women. Closing the racial wealth gap through economic growth in disadvantaged communities could increase U.S. GDP by 4-6%.

eBay's Impact: Decent Work & Economic Growth/Responsible Consumption & Production

eBay's circular ecommerce platform improves the environmental impact of consumption and production of goods. The company helps advance circular commerce through the sale of non-new/in-season (used, refurbished, vintage, etc.) products, a key enabler of responsible consumption. eBay provides buyers information regarding each product's non-new/in-season carbon footprint and cost savings compared to other products in their specific category, encouraging buyers to consider more sustainable options. Non-new/in-season makes up approximately 50% of eBay's overall listings, providing a global platform where products can continuously find renewed life and value that otherwise might be wasted. In 2021, we estimated that eBay had 850 million of these listings which generated $960 million in economic impact and saved over 750,000 tCO2e.

Beyond savings from their circular business model, eBay also grows wealth generation and work opportunities in disadvantaged communities. eBay's circular ecommerce platforms allow for people in disadvantaged communities to become entrepreneurs. In 2020, eBay saw 26% growth in the number of its sellers in these communities, an acceleration from 18% growth in 2018.

Over the next few years, we expect eBay's contributions to SDG 8 and 12 to grow. From 2021-24, we estimate that the number of eBay sellers will grow by 16% to 23 million and have a total of 3.8 billion non-new/in-season listings, creating an economic impact of $4.25 billion and decreasing emissions by 3.3 million tCO2e, in apparel and electronics products alone. The emission reduction from this circular business model is equivalent to the emissions of 825,000 Americans. Also, eBay plans to deepen its efforts supporting decent work and economic growth in disadvantaged communities, and we expect the number of sellers in these areas to keep growing faster than eBay's average.

eBay's circular ecommerce platform improves the environmental impact of consumption and production of goods.

eBay's economic impact is an estimate of both the profit earned by small businesses selling these used goods, as well as the savings earned by the buyer for purchasing a used product instead of new. eBay's marketplace provides a means for small businesses to earn money, and it also helps consumers save money, all while reducing global emissions.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
100% of its business is aligned with SDG 8 creating decent work and economic growth and SDG 10 reducing inequalities for people both in developed and developing markets.

Measurability

YEAR	EBAY SELLERS (MM)	NON-NEW/IN-SEASON LISTINGS B)	ECONOMIC IMPACT ($B)	GHG EMISSION REDUCTIONS (MM tCO2e)
2021	19.95	0.85	0.96	0.75
2022	20.95	0.91	1.02	0.80
2023	21.99	0.97	1.09	0.85
2024	23.09	1.04	1.17	0.91
Total Cumulative		**3.8**	**4.24**	**3.3**

Intentionality
eBay is deeply dedicated to bettering the world. The CEO and management team are committed to economic empowerment, especially for small businesses and less-advantaged communities, as well as sustainability and corporate responsibility. This can be highlighted by the eBay Foundation which promotes entrepreneurship and the $1 billion plus eBay for Charity has raised.

Sustainability
eBay is a clear ESG leader and a global leader in sustainable commerce. Its carbon intensity is 75% less than the MSCI World average; 64% of its current electricity supply comes from renewable energy sources, and eBay has reduced its Scope 1-2 GHG emissions by 31% from its 2016 baseline. eBay is well on its way of reaching its goals of 100% renewable energy by 2025 and 75% emission reduction by 2030. Additionally, eBay has not been the subject of any significant material controversies, such as fraud, forgery, or customer incidents.

Lastly, in October 2021, eBay announced its new SBTi approved targets to reduce Scope 1-2 emissions by 90% and Scope 3 emissions by 20% by 2030 from a 2019 base year. eBay also announced its data centers will be carbon neutral by the end of 2021.

ESG RISK RATING

Refinitiv
C+ (47.0)

Sustainalytics
Low (16.9)

Carbon Intensity
6.5 (tCO2e/$m Revenue)

Board of Directors: Diversity & Inclusion
38% Female
62% Male

From apparel and electronics products only.
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Catalana Occidente
Insurance Group

Impact overview

8 DECENT WORK AND ECONOMIC GROWTH

Grupo Catalana Occidente's credit insurance solutions make a meaningful contribution to SDG 8 by promoting international trade and supporting small and medium enterprises (SMEs), which make up 95% of OECD companies and account for 60%–70% of employment in most countries. By providing this type of insurance, the company, we estimate, increased global trade by $57.4 billion in 2021. From 2021–24, we expect the company to grow its contribution to SDG 8 by increasing global credit insurance by 7%. This will spur global trade by 0.7% or $141.8 billion, equivalent to 11% of Spain's GDP.

Company Description/Thesis

Grupo Catalana is a multi-line insurance company headquartered in Spain. It operates through two segments: Traditional Insurance and Credit insurance. Traditional Insurance (auto, small commercial, and life) accounts for 40% of profit and Credit Insurance (which provides accounts receivables protection) generates 60% of revenue. Atradius, the credit insurance business is the #2 player in the world with broad European exposure and operations in the Americas and Asia-Pacific.

Grupo Catalana is an extremely well-run, family owned insurance business that has compounded its equity at 13% per annum since 1999. The company is laser focused on growing the bottom line, instead of focusing on the top line. This discipline comes from a deep alignment of interests with shareholders, as the founders own 65% of the shares.

THEME

Job Creators

SUSTAINABLE REVENUE

60%

SDG SUB-GOAL

Goal 8.3
Promote decent job creation and encourage growth of SMEs through access to financial services

ACTIVITY

Insures receivables on the balance sheet of SMEs around the world

OUTPUT

Lowers the mistrust between buyers and sellers by providing trade insurance

OUTCOME

In 2021, by providing this type of insurance, the company increased global trade by $58 billion, we estimate

IMPACT

From 2021-24, we expect the company to grow its contribution to SDG 8 by increasing global credit insurance by 7%. This can spur global trade by 0.7% or $142 billion

Environmental or Social Problem

Trade has been a key driver of social and economic change for thousands of years. Businesses that provide the goods and services to facilitate trade face a myriad of challenges, such as sellers' reluctance to purchase goods because of the creditworthiness of buyers and customers' inability to pay because of bankruptcy or even war. For example, in the U.S. alone it is estimated that around $50 billion of orders each year are not fulfilled because sellers are reluctant about the credit-worthiness of buyers. About 60% of this lost revenue is borne by small businesses generating $20 million in revenue or less. During the most challenging economics times, like in the pandemic, small businesses need revenues the most, and yet these are the times they are also less likely to trust buyers.

Grupo Catalana's Impact: Promote Inclusive & Sustainable Economic Growth

Through its Atradius business, Grupo Catalana helps solve SDG 8 by insuring the receivables on the balance sheet of SMEs around the world, lowering mistrust between buyers and sellers. The company's trade insurance and credit insurance solutions make a meaningful contribution by promoting international trade and supporting SMEs, which make up 95% of OECD enterprises and account for 60%-70% of employment in most countries. For approximately 25-35 basis points, Atradius will insure up to 90% of a firm's receivables, allowing trust to exist between counterparties and for global trade to function even in challenging times.

In 2021, Grupo Catalana's credit insurance revenues were $2.1 billion, representing 32% of the global credit insurance market. By providing this type of insurance we estimate that the company increases global trade by $57.4 billion in 2021. From 2021-24, we expect the company to grow its contribution to SDG 8 by increasing global credit insurance by 6.9%. This will spur global trade by 0.7% or $141.8 billion, which is equivalent to 11% of the GDP of Spain, the 6th largest economy in Europe.

The company's trade insurance and credit insurance solutions make a meaningful contribution by promoting international trade and supporting SMEs, which make up 95% of OECD enterprises and account for 60%-70% of employment in most countries.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
60% of Grupo Catalana's profits come from its credit insurance division, which facilitates global trade and protects SMEs.

Measurability

YEAR	GLOBAL CREDIT INSURANCE MARKET ($B)	GCO CREDIT INSURANCE BUSINESS ($B)	GCO MARKET SHARE	GROWTH OF GLOBAL CREDIT INSURANCE FROM GCO	IMPACT ON GLOBAL TRADE FROM GCO	GLOBAL CROSS BORDER TRADE ($T)	INCREASE IN GLOBAL TRADE ($B)
2021	$6.7	$2.1	32.0%	2.9%	0.29%	$19.8	$57.7
2022	$6.9	$2.2	32.4%	1.3%	0.13%	$20.4	$26.9
2023	$7.1	$2.3	32.8%	1.3%	0.13%	$21.0	$28.0
2024	$7.3	$2.4	33.2%	1.4%	0.14%	$21.6	$29.2
Total				**7%**	**0.7%**		**$141.8**

Intentionality
Grupo Catalana has been committed to sustainability since it was founded over 100 years ago. The company is controlled by the Serra family in Spain, who pride themselves on being strong humanitarian leaders. The family started the Jesus Serra Foundation in 1998, which is now a cornerstone of the Grupo Catalana group, bringing together employees across business lines to contribute to causes in research, teaching, social action, and more. Most recently, the Board of Directors approved the company's new Sustainability Policy, focusing its strategy on the creation of long-term sustainable social value and managing of ESG risks, created a Sustainability Committee, and developed a 2020-23 Sustainability Master Plan. Externally, the company demonstrates its commitment to sustainability through the principles of the UNGC, UNPRI, UNPSI, and SDGs, which have been incorporated into the company's policies and practices.

Sustainability
The company has not experienced any negative controversies in its material ESG issues areas: selling practices, design of financial products, physical impacts of climate change, and systemic risk management. Also, Grupo Catalana is committed to responsible investment, with over 50% of its total investments going toward sustainable companies. It implements negative and norms-based screens and has integrated ESG through thematic investing and investing in line with the SDGs. Lastly, Grupo Catalana practices preventative insurance to help ensure that its customers are supported both financially and personally. For example, in its automotive insurance segment the company provides free maintenance and services for cars.

ESG RISK RATING

Refinitiv
C+ (46.1)

Sustainalytics
N/A

Carbon Intensity
< **1** (tCO2e/$m Revenue)

Board of Directors: Diversity & Inclusion
6% Female
94% Male

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PRIMERICA

Impact overview

8 DECENT WORK AND ECONOMIC GROWTH

5 GENDER EQUALITY

Primerica improves society by promoting gender equality within the financial industry and supporting financial inclusion for low-income Americans. The company's contribution to SDG 5 comes from its focus on recruiting women to the financial sector, a sector that has struggled with diversity. From 2022-24, we estimate that Primerica will add 4,800 women to its workforce, increasing the percent of women sales representatives to 63%. Primerica also contributes to SDG 8 by supporting the financial inclusion of clients that have incomes between $30,000-$100,000, which represent almost 50% of U.S. households. By 2024, we expect the company to insure over 3.1 million Americans and provide over $1 trillion in total life insurance coverage, or about $330,000 in benefits per client.

Company Description/Thesis

Primerica is a leading provider of financial products to middle-income households in the United States and Canada. It has insured over 5.5 million lives and managed 2.7 million client investment accounts. The company's segments include Term Life Insurance and Investment and Savings Products.

Primerica is a good business that has generated a 20% return on equity over the past decade, even though it sells lower-priced policies. Unlike most financial institutions, Primerica focuses on underserved consumers. The company's clients are generally households with less than $100,000 of annual income that have inadequate or no life insurance coverage and often need help with retirement goals. Primerica relies on a unique distribution model to effectively address this population. The commissions or fees earned on this business are not enough to support a traditional branch network, a marketing budget, or a fixed salary employee base. As a result, Primerica uses a grassroots, commission-based, part-time salesforce that would be difficult and costly for a potential competitor to replicate.

Environmental or Social Problem

The financial sector has struggled to achieve gender equality. While 90% of financial services companies claim to promote equality through DEI initiatives,

THEME

Job Creators

SUSTAINABLE REVENUE

100%

SDG SUB-GOAL

Goal 8.10
Strengthen the capacity of domestic financial

Goal 5.1
End all forms of discrimination against women and girls everywhere

ACTIVITY

Goal 8.10
Supports the financial inclusion of low- / middle-income Americans

Goal 5.1
Focuses on recruiting women and other diverse populations for jobs in finance

OUTPUT

Goal 8.10
Provide affordable insurance offerings, such as inexpensive premiums, starting around $15 per month, about 50% less than the national average

Goal 5.1
Promote equality through policies and practices, including daycare and improving the gender pay gap. Also, support personal growth and development through professional resource groups

OUTCOME

Goal 8.10
In 2021, the company issued 320,000 new life insurance policies, raising the number of policies in force to 2.9 million

Goal 5.1
From 2021-24, the company expects to increase the number of female sales representatives by 6%

IMPACT

Goal 8.10
By 2024, Primerica aims to insure over 3.1 million low-/middle-income Americans and process $6.6 billion in claims, from 2021-2024

Goal 5.1
From 2022-24, we estimate Primerica will add 4,800 women to its workforce, increasing the number of women sales representatives to 86,200 or 63% of its overall sales representatives

the proportion of women in leadership roles within financial services firms has only risen from 22% to 24% in 2021. Even then, 52% of female directors hold more than one listed board position, suggesting firms are drawing from a small pool. 32% of financial advisors are women, which is slightly better, but still well below the level at Primerica.

Another challenge facing the sector is financial inclusion, i.e. many low-/middle-income Americans and businesses lack access to useful and affordable financial products and services that meet their needs and are delivered in a responsible and sustainable way. For example, life insurance can provide complete protection against death risks and partial insurance against other needs/risks during a person's life. A recent report from Swiss Re notes that families in the U.S. need $25 trillion of additional life insurance to be properly protected. However, individual life insurance sales in the U.S. declined from 12.5 million policies sold in 1975 to 9.4 million in 2019.

Primerica's Impact: Decent Work & Economic Growth/Gender Equality

Primerica helps solve SDG 5 and SDG 8 by promoting gender equality within the financial industry and supporting financial inclusion for low-income Americans. The company's contribution to SDG 5 comes from its focus on recruiting women and other diverse populations. It accomplishes this through several policies and practices, including providing tuition reimbursements, flexible working hours, daycare, as well as tracking and improving the gender pay gap. Also, the company supports personal growth and development through several professional resource groups, such as African American Leadership Council and the Hispanic American Council, both of which offer mentorship/networking, learning opportunities, and training.

Primerica's hiring and support for women has led to real world impact, increasing its number of new female sales representatives by 1.8% (CAGR) over the last several years, a trend we expect the company to maintain from 2021-24. Due to the strength experienced during COVID-19 and temporary license extensions provided during that period, Primerica's salesforce dropped by 4% in 2021. But the company's overall proportion of female salesforce representatives still increased by two percentage points to 58%. From 2022-24, we estimate that Primerica will further its contribution to SDG 5 by adding 4,800 women to the company's workforce, increasing the number of women sales representatives to 86,200 or 63% of its overall sales representatives.

YEAR	TOTAL LIFE INSURANCE LICENSED SALES REPS	NEW LIFE INSURANCE LICENSED SALES REPS	PERCENT WOMEN OF TOTAL SALESFORCE	INCREMENTAL LIFE INSURANCE LICENSED SALES REPS	INCREMENTAL LIFE INSURANCE LICENSED SALES REPS WOMEN	NUMBER OF WOMEN SALES REPS
2021	130,000	40,000	58%	(5,400)	(3,100)	74,600
2022	132,000	40,400	59%	2,600	1,500	78,300
2023	135,000	41,100	61%	2,600	1,600	82,200
2024	137,000	41,800	63%	2,700	1,700	86,200
Total (2021-24)		**163,000**	**Total (2022-24)**	**7,900**	**4,800**	

Primerica also contributes to SDG 8 through financial inclusion of clients that have incomes $30,000-$100,000, which represent almost 50% of U.S. households. Many of the of Primerica's clients had previously been uninsured. This is due to Primerica's affordable insurance offerings, such as life insurances policies as low as $15,000 and inexpensive premiums around $15 per month, which is about 50% less than the national average for the same coverage. In 2021, the company issued 320,000 new life insurance policies, raising the number of policies in force to 2.9 million. By 2024, we expect Primerica to insure over 3.1 million American's and provide over $1 trillion in total life insurance coverage, or about $330,000 in benefits per client. From 2021-24, we estimate that Primerica will process $6.6 billion in death claims.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
100% of Primerica's revenues contribute to SDG 5 by increasing the number of women in finance and SDG 8 by supporting the financial inclusion of low-income Americans.

Measurability

YEAR	LIFE INSURANCE POLICIES IN FORCE	NEW LIFE INSURANCE POLICIES ISSUED	TERM LIFE INSURANCE IN FORCE ($B)	TERM LIFE INSURANCE ISSUED ($B)	CLAIMS PAID FROM DEATHS ($M)
2021	2,900,00	320,000	$900	$109	$1,530
2022	3,000,000	340,000	$940	$114	$1,610
2023	3,000,000	350,000	$980	$120	$1,690
2024	3,100,000	370,000	$1,020	$126	$1,780
Total (2021-24)		**1,380,000**		**$468**	**$6,600**

Intentionality
Primerica recognizes the importance of integrating sustainability throughout the company. DEI and ESG are governed through the company's Corporate Governance Committee and its Chief Administrator is charged with developing and implementing its DEI policies. This includes Primerica's new goal to tie compensation and performance reviews to DEI outcomes for relevant employees. For example, the company's life-licensed sales metric is weighted higher because it is at the core of Primerica's mission to help families become financially independent. The company's intentionality can also be seen through its new DEI program, celebrating Juneteenth, and launching Employee Resource Groups. Primerica has been recognized for its commitment to DEI. For the third year in a row, the company was included in Forbes' list of America's Best Employers for Women, and in 2020 and 2021 it was named to the Bloomberg Gender-Equality Index for its support of gender equality.

Sustainability
In 2021, Primerica did not experience any controversies in its material ESG issue areas: selling practices and product labeling, product design, physical impacts of climate change, and systematic risk management. To help mitigate these risks, the company provides compliance training to sales personnel, issues an Insurance and Securities Compliance Manual, and regularly runs surveillance reports, and Primerica's Field Audit Department conducts audits of its sale representatives. Lastly, the Board of Directors' Audit Committee is tasked with developing policies, controls, and processes to limit systematic risks and the company has a heatmap/watchlist for material risks.

ESG RISK RATING

Refinitiv
B- (54.3)

Sustainalytics
Low (18.6)

Carbon Intensity
1 (tCO2e/$mm Revenue)

Board of Directors: Diversity & Inclusion
27% Female
73% Male

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REDBUBBLE

Impact overview

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Redbubble's print-on-demand model contributes to SDG 12 by decreasing excess waste and obsolete inventory. From 2021-24, the company should divert over $68 million of goods from landfills, reducing emissions by 10,400 tCO2e and saving over 4 billion liters of water. Also, Redbubble's marketplace supports SDG 8 by helping its 700,000 independent artists show their work to potential customers, be compensated fairly, and protect their intellectual property from theft. In 2021, Redbubble had over 90,000 top-earning artists who make about 80% of artist revenue and collectively earned $60 million, or about $670 per artist. From 2021-24, the company should grow its top-earning users by 40,000 to a total of 130,000. We expect these artists to earn a total of $260 million over four years.

Company Description/Thesis

Redbubble is an online marketplace, connecting over 700,000 of artists to 9.5 million customers. Customers can purchase a wide variety of goods, from apparel and houseware to duvet covers, posters, puzzles, and more. These products are made by third-party producers that are local to each market, and the number of available products continues to expand over time with improving technology.

Marketplace businesses are very difficult to get off the ground, but, once they gain scale, network effects rapidly accelerate growth and can create a wide moat. As the largest player in its space by a factor of more than three times, Redbubble's network effect advantages are clear. Redbubble is an exceptional business as it can grow rapidly even as it requires no capital.

Environmental or Social Problem

Waste is a large and growing problem for almost every product, from clothing and shoes to calendars, cups, and mugs. For example, retailers fail to sell about 13 million tons of textile inventory, much of which finds its way into landfills.
This is especially damaging as apparel

THEME

Job Creators

SUSTAINABLE REVENUE

100%

SDG SUB-GOAL

Goal 8.2
Achieve higher levels of economic productivity through diversification, technological upgrading and innovation

Goal 12.2
Sustainable management and efficient use of natural resources

ACTIVITY

Goal 8.2
Ecommerce platform creates supplemental income opportunities for artists

Goal 12.2
Ecommerce platform advances circular commerce

OUTPUT

Goal 8.2
As of 2021, had 700,000 artists on platform, of which 90,000 were top-earning artists

Goal 12.2
Third-party network of printers produce products on demand

OUTCOME

Goal 8.2
In 2021, top-earning artists earned $60 million or about $670 per artist

Goal 12.2
From 2021-24, the company expects to divert $68 million of goods from landfills

IMPACT

Goal 8.2
From 2021-24, the number of top-earning artists is expected to grow to 130,000, who should collectively earn approximately $260 million over that period

Goal 12.2
From 2021-24, we estimate Redbubble should reduce emissions by 10,400 tCO2e and save over 4 billion liters of water

production consumes significant resources. Each year, the fashion industry uses 93 billion cubic meters of water, with 20% of wastewater worldwide coming from fabric dyeing and treatment. More than 20% of apparel is never sold and waste from the fashion industry represents 4% of total global waste.

Additionally, modern artists face several major challenges, including insufficient wages to fuel career growth and a lack of a space to show and sell their art. In the U.S., the median wage is approximate $55,000 but artists make between $20,000-30,000 on average. Even then, 60% of artists make less than $30,000, while only 20% earn more than $50,000.

Redbubble's Impact: Decent Work & Economic Growth/Responsible Consumption

Redbubble's print-on-demand model contributes to SDG 12 by decreasing excess waste from the production and consumption of apparel, homeware, accessories, and more. Also, the company's marketplace supports SDG 8 by helping its 700,000 independent artists show their work to potential customers, be compensated fairly, and protect their intellectual property from theft.

Specifically, Redbubble contributes to SDG 12 by using its third-party network of printers to produce all products on demand, as opposed to the traditional retail model, where inventory must be held to meet customer needs. When a customer makes a purchase, the company notifies a local third-party that prints the artwork onto the desired product and then ships it to the customer, decreasing the amount of excess inventory and obsolescence. Redbubble tries to donate any returns to charity, further limiting waste. From 2021-24, the company should divert over $68 million of goods from landfills, reducing emissions by 10,400 tCO2e and saving over 4 billion liters of water.

The company helps solve SDG 8 by creating opportunities for its artists to derive a supplementary income via a simple, passive, and no upfront cost selling model. Over time, some artists grow their sales quite significantly, to the point of quitting their jobs and turning their shops into a full-time pursuit. In 2021, Redbubble had over 700,000 artists on its platform and 90,000 top-earning artists, who make over 80% of artist revenue and collectively earned $60 million, or about $670 per artist. From 2021-24, the company should grow its top-earning users by 40,000 to a total of 130,000. We expect these artists to earn a total of $260 million over four years, making an important contribution to SDG 8.

YEAR	MARKETPLACE REVENUE ($MM)	NUMBER OF ARTISTS	REVENUE TO ARTISTS ($MM)	NUMBER OF TOP-EARNING ARTISTS	REVENUE TO TOP-EARNING ARTISTS ($MM)	COMMISSION PER TOP-EARNING ARTISTS ($MM)
2021	$400	730,000	$75	90,000	$60	$670
2022	$360	730,000	$70	90,000	$55	$600
2023	$430	860,000	$80	110,000	$60	$600
2024	$520	1,000,000	$100	130,000	$80	$600
Total	**$1,710**		**$320**		**$260**	

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LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
100% of Redbubble's revenues helps solve SDG 8 and SDG 12 by providing decent work and economic opportunities to over 700,000 artists and reducing waste from its print-on-demand model.

Measurability

YEAR (ENDING JUNE)	HYPOTHETICAL RBL INVENTORY ($MM)	PERCENT OF INVENTORY NEVER SOLD	REDBUBBLE'S WASTE DIVERTED ($MM)	AVERAGE T-SHIRT PRICE	APPAREL SHARE	APPAREL WASTE AVOIDED (UNITS)	EMISSIONS SAVED FROM APPAREL (tCO2e)	WATER SAVED FROM APPAREL (L MM)
2021	$80	20%	$16	$21	50%	365,000	2,600	1,000
2022	$70	20%	$14	$22	50%	316,000	2,200	850
2023	$80	20%	$17	$22	50%	366,000	2,600	1,000
2024	$100	20%	$21	$23	50%	433,000	3,000	1,200
Total	**$340**		**$68**				**10,400**	**4,000**

Intentionality
Redbubble is a mission-driven business founded to be a marketplace for independent artists, spread art and creativity, and minimize environmental impacts. To put these values into practice, the company developed an inclusive ESG strategy in 2021. Working with Senior Leadership, the company's ESG team interviewed external and internal stakeholders to understand critical ESG issues, including surveying over 2,000 artists. Redbubble mapped the identified impact areas from its engagement to the SDGs, then conducted a gap analysis to improve its ESG management systems, and developed qualitative goals linked to SDGs. For example, from this process the company launched its new Group Diversity Policy to improve the diversity of its artists, third-party fulfillers, and workforce.

Sustainability
Due to the nature of its operations, Redbubble has minimal negative externalities and has not had any controversies in the following material ESG areas: energy management, data security, labor practices, employee engagement/DEI, and product lifecycle management. For example, third-party suppliers must meet its Social Responsibility Standards, which are in line with the Australian Modern Slavery Act, the California Transparency in Supply Chains Act, and the Fair Labor Association Code of Conduct. The company improves responsible consumptiom by having zero wasted inventory. It is important to note that Redbubble's low Refinitiv ESG score is based on its 2020 disclosures, which were minimal. During our engagement calls we have encouraged the company to improve its disclosures and develop quantitative ESG metrics and goals. We believe that the Sustainalytics rating more accurately reflects the company's ESG practices, and we expect Redbubble's Refinitiv ESG score to increase when its 2021 disclosures are evaluated. Overall, Redbubble's contribution to SDG 8 and SDG 12 handily exceeds the company's externalities.

ESG RISK RATING

Refinitiv
C- (25.1)

Sustainalytics
Low Risk (16.0)

Carbon Intensity
4.3 (tCO2e/$mm Revenue)

Board of Directors: Diversity & Inclusion
40% Female
60% Male

SDG 12
Resource Reducers

CROWN
Brand-Building Packaging™

Impact overview

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

From 2021–24, Crown Holdings is estimated to save lifetime emissions of 508,000 tCO2e compared to plastic and 7.5 million tCO2e compared to glass, as aluminum beverage can market share gains accelerate. For each percentage point of additional volume growth that Crown realizes and thereby replaces plastic or glass containers, we estimate Crown generates an additional positive impact of 5,100 tCO2e and 75,000 tCO2e of avoided emissions, compared to plastics and glass, respectively. Additionally, the resale value of Crown's aluminum is $2.4 billion compared to $218 million for plastics, highlighting why aluminum's recycling rate is twice that of plastics and why it is an essential component to solving SDG 12.

Company Description/Thesis

Founded in 1892, Crown Holdings is a circular economy business and the second largest global producer of beverage and food cans – the most recyclable and recycled packaging material in the world. The company operates 146 plants in 36 countries and derives 28% of sales from the U.S./Canada, 34% from Western Europe, and 38% from developing markets.

Crown is a high-quality business with steady returns on tangible capital above 20%, driven by dominant local market shares. Demand is stable, and the company has secure margins because raw material inputs are contractually passed through to customers.

Environmental or Social Problem

The global packaging market reached $1 trillion in 2020 and is expected to grow at a 7.5% (CAGR) through 2027, driven by rising global incomes and growing demand for delivery. Plastics are the most-used form of packaging, representing 45% of the market, and are expected to grow at a rate of 7.5% by 2027. Unfortunately, COVID-19 has increased demand for disposable goods by 30-50% over the past year.

THEME

Resource Reducers

SUSTAINABLE REVENUE

70%

SDG SUB-GOAL

Goal 12.2
Sustainable management and efficient use of natural resources

ACTIVITY

Applies a circular economy, closed-loop approach that calls for the reduction, reuse, and recycling of aluminum

OUTPUT

In 2021, produced 98 billion containers, reduced annual emissions by 118,000 tCO2e compared to plastic and 1.7 million tCO2e compared to glass

OUTCOME

From 2021-24, produce 420 billion containers, reduce emissions by 508,000 tCO2e compared to plastic and 7.5 million tCO2e compared to glass

IMPACT

For each percentage point of additional volume growth realized, Crown further generates 5,100 tCO2e and 75,000 tCO2e of avoided emissions, respectively

Compared to aluminum cans, plastic and glass packaging have a larger environmental footprint. The lifecycle of a plastic product is highly wasteful with plastic typically ending up in landfills or our water systems. Plastic packaging has become lighter to improve efficiency and lower costs. However, this lightweight plastic can only be recycled two-to-three times which has made newer plastics less profitable for recycling companies, further contributing to waste. Considering the beverage market alone, about 60 million plastic bottles end up in landfills and incinerators each day. On an annual basis, this is equivalent to the number of bottles used at 29,300 sporting events.

Crown's Impact: Responsible Consumption & Production of Aluminum Cans

Crown applies a circular economy, closed-loop approach that calls for the reduction, reuse, and recycling of aluminum. Unlike plastic and glass, aluminum can be recycled an infinite number of times without degrading its performance, making it one of the most sustainable packaging materials available. Crown's aluminum production process emits 23% less lifetime GHG emissions than plastic and 82% less than glass. In 2021, we estimate Crown's aluminum cans saved 118,000 tCO2e compared to plastic and 1,730,000 tCO2e compared to glass. Aluminum resale is very profitable compared to other materials, which incentivizes higher recycling rates. The resale value of Crown's aluminum was $566 million in 2021, while the same amount of glass would cost $8.5 million to be recycled or thrown away.

As the demand for aluminum packaged products continues to grow by an estimated 5%, we expect Crown's impact to increase; Crown has constructed three new state-of-the-art production facilities over the past five years in North America alone. From 2021-24, Crown is estimated to save lifetime emissions of 508,000 tCO2e compared to plastic and 7.5 million tCO2e compared to glass, as aluminum beverage can market share gains accelerate. For each percentage point of additional volume growth that Crown realizes and replaces plastic and glass containers, thereby we estimate Crown further generates 5,100 tCO2e and 75,000 tCO2e of avoided emissions, respectively. Overall, the positive environmental and economic impact of Crown's circular production highlights their contribution to solving SDG 12.

Compared to aluminum cans, plastic and glass packaging have a larger environmental footprint. The lifecycle of a plastic product is highly wasteful with plastic typically ending up in landfills or our water systems.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
70% of Crown's revenues come from the circular production of aluminum, contributing to SDG 12: Responsible Consumption & Production.

Measurability

YEAR	TOTAL PRODUCTION	VOLUME OF GROWTH	ALUMINUM-TO-PLASTIC INCREMENTAL EMISSION REDUCTIONS (TCO2E)	ALUMINUM-TO-GLASS INCREMENTAL EMISSION REDUCTIONS (tCO2e)	RESALE VALUE OF ALUMINUM ($M)
2021	97.8	5.0%	118,000	1,700,000	$566
2022	102.7	5.0%	124,000	1,800,000	$595
2023	107.8	5.0%	130,000	1,900,000	$624
2024	113.2	5.0%	136,000	2,000,000	$655
Total Cumulative	**421.6**		**508,000**	**7,500,000**	**$2,440**

Intentionality
Crown's top-level management is committed to improving sustainability, and actively seeks for aluminum to replace less environmental substrates, e.g. by selling water in cans. Crown is the only can maker in North America to run its facilities exclusively on renewables. The company has impressive long-term goals, joining RE100 and SBTI, and committing to its stringent Twentyby30 goals.

Sustainability
Crown's positive contribution to SDG 12 outweighs negative externalities from its aluminum canning production. As with most companies that require environmentally intense inputs, the sustainable sourcing and production of raw materials is a primary concern. In response, Crown has a two-pronged approach as defined by its Twentyby30 program. First, Crown is focusing on identifying all high risk suppliers by 2025. By 2030, 100% of Crown's core raw materials and service suppliers must comply with Crown's Responsible and Ethical Sourcing policies. While Crown acknowledges there is room for improvement in its supply chain, we are pleased to see that Crown lowered their Sustainalytics ESG score by two-points to Negligible (a designation achieved by only 1% of global corporations) and again holds the top position for the lowest ESG risk within the metal and glass packaging sector. Second, to lower the environmental footprint of its production process and their aluminum products, Crown has dedicated 50% of their research and development (R&D) investment toward improving sustainability.

ESG RISK RATING

Refinitiv
C+ (47.9)

Sustainalytics
Negligible (9.8)

Carbon Intensity
129.9 (tCO2e/$mm Revenue)

Board of Directors: Diversity & Inclusion
15% Female
85% Male

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Impact overview

From 2021-24, we estimate that Elis will save 113 billion liters of water. This is equivalent to the annual water consumption of Vienna, Austria which has a population of 1.9 million people and is the 12th largest city in Europe. Elis mitigates the environmental impact for its customers by providing more efficient laundry services. For each 1% market share Elis gains, there is the potential to save 424 million liters of water per year.

Company Description/Thesis

Elis has a circular economy business that provides rental services of flat linen, work clothes, and hygiene and wellbeing equipment. The company serves a diversified client base of 400,000 customers from 420 facilities across 28 countries. 31% of revenues are from general industry end-markets, 16% from hospitality, 31% from healthcare, and 22% from other trade and services.

Elis is a high-quality business that has generated a 15%+ return-on-tangible capital. The business is also durable, with four-year contracts and a 94% customer retention rate. The foundation of Elis' competitive advantage is its scale. Having local market density allows Elis to leverage its fixed expense base, leading to a cost advantage versus competitors.

Environmental or Social Problem

Washing linens and uniforms is critical for happiness and good health, but it also consumes a significant amount of resources. 50% of linens and 70% of uniforms are

THEME

Resource Reducers

SUSTAINABLE REVENUE

100%

SDG SUB-GOAL

Goal 12.2
Sustainable management and efficient use of natural resources

ACTIVITY

Outsourced linens and uniforms washing

OUTPUT

In 2021, washed 1.5 billion kg of linens, saved 25 billion liters of water

OUTCOME

From 2021-24, aims to wash 6.8 billion kg of linens, save 113.2 billion liters of water

IMPACT

For every 1% increase in their market share, Elis can save an additional 424 million liters of water per year still cleaned in-house. In-house cleaning is typically inefficient and wasteful, leading to significant energy and water use. These services can also face supply chain risks such as purchasing hazardous chemicals or using low-pay or unsafe labor practices.

Elis' Impact: Responsible Consumption & Production of Laundry Services

Elis' environmental impact is achieved by using industrial washers, which are highly resource-efficient, and reusing linens as many times as possible before they are recycled. These machines use 65% less water; we calculate that Elis saved approximately 25.0 billion liters of water in 2021. This is equivalent to $51.9 million in savings for clients. Additionally, taking proper care of linens can give them a longer life; extending the lifespan of linens by up to four times the average.

Elis' business contributes to solving SDG 12 and we expect the impact to grow over time. We estimate that Elis' service will continue to improve its water efficiency by approximately 1% (CAGR) over the next few years. In total, we expect 113.2 billion liters in total water savings from 2021-24

Outsourced cleaning services are more environmentally efficient, which is an increasingly important competitive advantage. We expect the industry to increase its market share from 40% currently. For every 1% increase in their market share, Elis can save an additional 424 million liters of water per year. Circular businesses like Elis exemplify how for-profit institutions can play an important role in achieving SDG 12.

> **Elis' environmental impact is achieved by using industrial washers, which are highly resource efficient, and reusing linens as many times as possible before they are recycled. These machines use 65% less water; we calculate that Elis saved approximately 25.0 billion liters of water in 2021.**

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
100% of Elis revenue comes from more efficient and sustainable outsourced cleaning services that promote SDG 12: Responsible Consumption & Production.

Measurability

YEAR	ELIS' OVERALL WATER EFFICIENCY (L/KG)	ANNUAL LAUNDRY WASHED (MM KG)	ECONOMIC IMPACT ($B)	AVERAGE COMMERCIAL WASHER WATER EFFICIENCY (L/KG)	ESTIMATED COMMERCIAL WATER CONSUMPTION (MM L)	ESTIMATED WATER SAVINGS (MM L)
2021	8.6	1,522	13,092	25.0	38,059	24,967
2022	8.3	1,726	14,322	25.0	43,140	28,817
2023	8.3	1,760	14,609	25.0	44,003	29,394
2024	8.3	1,795	14,901	25.0	44,883	29,982
Total Cumulative		**6,803**	**56,925**		**170,084**	**113,159**

Intentionality
Elis makes its commitment to impact clear through several actions, including having Board and executive level members on its CSR Committee and linking CSR goals to compensation. To ascertain the company's intentionality beyond management, we closely reviewed the company's sourcing and recycling practices and found a clear commitment to sustainability. 70% of linens are purchased from European direct suppliers and 94% are purchased from firms covered by CSR assessments. The company also utilizes RFID chips to track linens and ensure they are reused as many times as possible before being recycled.

Sustainability
While Elis has a Medium ESG risk, its overall positive impact outweighs negative externalities from its operations. One concern with Elis' business model is emissions from transporting and delivering linens, however its carbon intensity is actually 3% lower than the MSCI world benchmark. The company is working to decrease emissions by only collecting linens and uniforms within a small radius of its large cleaning centers and deploying "eco-driving" software that guides drivers to the most fuel-efficient route. Elis plans to reduce its European emissions (Elis' largest market) 20% compared to its 2010 levels by 2025.

ESG RISK RATING

Refinitiv
B+ (68.2)

Sustainalytics
Medium (24.6)

Carbon Intensity
122 (tCO2e/$m Revenue)

Board of Directors: Diversity & Inclusion
55% Female
45% Male

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Impact overview

From 2021-24, Hanesbrands' ("Hanes") uptake of sustainable cotton will outpace the global average by 8% (CAGR), producing an additional 206,000 tonnes of sustainable cotton. This increases the company's contribution to SDG 12 by saving 399 billion liters of water, 171,000 tCO2e, and 527,000 MWh of energy. Hanes' energy savings is equivalent to the electricity consumption of 49,000 Americans, which is impressive, but Hanes' water savings is remarkable. 399 billion liters of water savings are approximately equivalent to the annual per capita water consumption of Chicago and Las Vegas combined (3 million Americans). Hanes' responsible consumption and production of sustainable cotton makes a meaningful positive impact on society.

Company Description/Thesis

Hanes is the world's largest maker of basic apparel, including activewear, intimates, and shapewear. Unlike most apparel companies, Hanes primarily self-manufactures its products from field to fabric, which creates a competitive advantage through responsible consumption and production. By owning and operating 70% of its supply chain, the company not only improves business adaptability and decreases costs, but also allows for the implementation of best-in-class environmental practices.

Hanes is an attractive business with leading brands and scale. In the U.S., Hanesbrands maintains more than double the market share of its nearest competitor, creating a significant cost advantage. These characteristics have enabled Hanesbrands to deliver 20%+ returns on capital over the past decade.

THEME

Resource Reducers

SUSTAINABLE REVENUE

67%

SDG SUB-GOAL

Goal 12.2
Sustainable management and efficient use of natural resources

ACTIVITY

World's largest maker of basic apparel, including activewear, intimates, and shapewear

OUTPUT

As of 2021, 67% of cotton used is sustainable

OUTCOME

In 2021, use of sustainable cotton saves 38,000 tCO2e, 89 billion liters of water, and 118,000 MWh of energy

IMPACT

From 2021-24, Hanesbrands aims to save 171,000 tCO2e, 399 billion liters of water, and 526,000 MWh of energy. Water savings are equivalent to water use by 3.2 million Americans

Environmental or Social Problem

Cotton is one of the most profitable crops in the world, and its supply chain is sprawling; it employs 250 million people and 7% of all labor in developing countries. The fashion sector relies on the cotton industry, but its production has several negative environmental impacts. In 2020, the sector was responsible for 2% of all freshwater extraction and 4% of global emissions. These are growing challenges - the global apparel market is expected to increase at a 5.5% CAGR from 2020-25, driven by rising per capita income, favorable demographics, and a shift in preference to branded products.

Hanesbrands' Impact: Responsible Consumption & Production of Cotton

Hanes is a leader in sustainable consumption and production of cotton. 61% of Hanes' total cotton consumption is sustainably sourced from U.S. and Australian growers who are chosen because of best-in-class agricultural practices. After conducting a lifecycle analysis, we estimate Hanes use of sustainable cotton in 2021 is 39 percentage points higher than the global average. This created an additional 46,000 tonnes of sustainable cotton, saving 89.3 billion liters of water, 38,000 tCO2e, and 118,000 MWh.

Hanes has been recognized as a leader in sustainability through its responsible consumption and production of cotton. Hanes' vertical business model has increased historical cotton yields, improved supply chain efficiencies by decreasing the price of inputs, and amplified Hanes' societal impact as its products' market share grows. Over the next three years we expect Hanes' use of sustainable cotton to grow by 8% per annum more than the global average, producing an additional 206,000 tonnes of sustainable cotton. This will increase Hanes' contribution to SDG 12 by saving 399 billion liters of water, 171,000 tCO2e, and 527,000 MWh of energy. Hanes' water savings is equivalent to the annual per capita water consumption of Chicago and Las Vegas combined (3 million Americans) or 160,000 Olympic swimming pools. We applaud Hanes for its practices and look forward to seeing how the company's impact grows.

> **61% of Hanes' total cotton consumption is sustainably sourced from U.S. and Australian growers, who are chosen because of best-in-class agricultural practices**

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
61% of Hanes' revenues are directly tied to SDG 12 and improving the sustainable consumption and production of cotton.

Measurability

YEAR	HBI SUSTAINABLE COTTON CONSUMPTION PERCENTAGE VS. GLOBAL	SUSTAINABLE COTTON CONSUMPTION V. INDUSTRY (t)	WATER SAVINGS (BILLION L)	GHG EMISSION REDUCTIONS (tCO2e)	ENERGY SAVINGS (MWh)
2021	67% vs. 27%	46,000	89.2	38,000	118,000
2022	73% vs. 32%	49,000	95.6	41,000	126,000
2023	78% vs. 36%	53,000	103.1	44,000	136,000
2024	84% vs. 41%	57,000	110.9	48,000	146,000
Total Cumulative		**206,000**	**399.0**	**171,000**	**526,000**

Intentionality
Hanes' commitment to sustainability is embedded within the company's operations, from the Board of Directors to the growers in the fields. The Board oversees the company's Enterprise Risk Management and the CEO is responsible for incorporating ESG into the company's overall business strategy. To mainstream sustainability across the organization, Hanes created a Global Sustainability Consortium to execute its sustainability initiatives and a Global Environmental Management System (GEMS) to provide facility managers with best-in-class processes to guide business activities with material environmental impacts. Additionally, last year Hanes announced its 2030 Global Sustainability Goals and launched a new sustainability website to improve accountability and transparency.

Sustainability
While cotton production and consumption each face several ESG challenges, the impact of Hanes' sustainable business practices outweighs the company's negative externalities. The primary challenge for Hanes is supply chain traceability for its outsourced activities, which make up 30% of its business. Most countries' cotton industries have insufficient policies and regulations, which is why Hanes sources most of its cotton from the U.S. and Australia. Hanes is working with the Better Cotton Initiative to improve the accountability of its outsourced suppliers. Additionally, Hanes is increasing its sustainability ambition and committing by 2025 to using 100% sustainable cotton/recycled polyester, implementing circular production or significant circularity for all brands, and sourcing products from facilities that have completed the Higg Facility Environmental Module.

ESG RISK RATING

Refinitiv
B+ (74.7)

Sustainalytics
Low (14.4)

Carbon Intensity
38.9 (tCO2e/$m Revenue)

Board of Directors: Diversity & Inclusion
30% Female
70% Male

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KONECRANES

Impact overview

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

From 2021-24, we estimate that Konecranes will grow its contribution toward solving SDG 12 by maintaining and servicing two million cranes, and extending their lives by 5-20 years. These sustainable activities should reduce the number of cranes produced globally by 60,000 and thereby save 20.4 million tCO2e. This is equivalent to the GHG emissions of 5.1 million people around the world, or about the population of Finland, where the company is based.

Company Description/Thesis

Konecranes is a global leader in crane service and assembly. More than 65% of profit is generated from servicing and maintaining crane systems, a mission-critical, local business with high margins and returns on capital. Konecranes provides cranes for both ports and industrial applications but it acts more as an assembler than a manufacturer. Konecranes purchases commodity parts from third parties while focusing its own efforts on R&D and advanced technologies to build the highly-technical, value-add portions of the cranes.

Konecranes believes that its competitive edge and positive impact are intertwined. The company has a 30% market share in Europe, competes at the high-end of the market, and wins based on environmental impact, reduced fuel consumption, and technology, not on price. The more that Konecranes improves its circular business model, the more revenues it generates.

THEME

Resource Reducers

SUSTAINABLE REVENUE

65%

SDG SUB-GOAL

Goal 12.2
Sustainable management and efficient use of natural resources

ACTIVITY

Maintains and services cranes

OUTPUT

In 2021, serviced 460,000 cranes

OUTCOME

Increases lifetime of a crane by 12.5 years

IMPACT

From 2021-24, Konecranes aims to reduce cranes manufactured by 60,100 and mitigate 20.4 million tCO2e

Environmental or Social Problem

Maritime shipping enables global commerce by transporting 90% of all goods around the world, by volume, however the industry makes up 2-3% of global GHG emissions. For shipping, people typically think of ships, ports, and cargo containers. Key enablers of these aspects of shipping are industrial and port cranes, but they also come at a cost to the environment. Making a crane requires significant energy and many cranes are still powered exclusively by diesel, which results in a high level of emissions. A standard rubber-tired gantry (RTG) crane, that lifts containers off a ship, releases about 1,360 tCO2e per year. With increasing global trade, more cranes are required at ports and warehouses - for example, from 1980 to 2006, in the U.S. alone, the number of containers being unloaded at ports quintupled.

Konecrane's Impact: Responsible Production & Maintenance of Cranes

Konecranes' service business is a key enabler of the circular economy by extending the life of crane equipment. In its service business, Konecranes monitors its contracted cranes in real-time using both technology and on-site inspections. The company anticipates breakdowns and fixes them before they occur, which greatly extends the life of each product from 10-20 year average life to 15-40 year life. In 2021, Konecranes assembly and maintenance services reduced the annual production of RTG and heavy cranes by 14,000 and saved 5 million tCO2e, by our estimates.

Konecranes makes a solid contribution to solving SDG 12, and we expect its impact to grow over time. We estimate that the number of cranes serviced will increase at 2.6% (CAGR) from 2021-24, totaling two million cranes. Our analysis found that Konecranes' maintenance activities will save 20.4 million tCO2e, which is equivalent to the emissions of 5.1 million people around the world, or about the population of Finland, where the company is based.

> **Our analysis found that Konecranes' maintenance activities will save 20.4 million tCO2e, equivalent to the emissions of 5.1 million people around the world, or about the population of Finland, where the company is based.**

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
More than 65% of Konecranes' profits come from servicing and maintaining cranes, which promotes SDG 12: Responsible Consumption & Production.

Measurability

YEAR	NUMBER OF CRANES SERVICED	SERVICING LIFESPAN EXTENSION (YEARS)	REDUCTION IN CRANES MANUFACTURED	EMISSIONS PER MANUFACTURED CRANE (tCO2e)	EMISSION REDUCTIONS (MM tCO2e)
2021	463,000		14,000		4.8
2022	483,000	12.5	14,600	Diesel: 336	5.0
2023	506,000		15,300	Electric: 343	5.2
2024	531,000		16,100		5.5
Total	**1,984,000**		**60,100**		**20.4**

Intentionality
Konecranes sees its sustainable business practices and risk management as critical approaches for creating long-term shareholder value. Sustainability is embedded into its governance processes from the Board of Directors and Senior Leadership to its Sustainability Council/Team. The Board oversees and reviews the company's long-term sustainability principles, roadmap, and performance annually. Konecranes' Leadership Team discusses sustainability metrics and topics monthly. The Sustainability Council implements the Leadership Team's guidance and reviews the company's operational best practices, while the Sustainability Team is tasked with executing these policies and practices across the company's main business areas. Overall, Konecranes' business is built on ethical and sustainable standards and extending these principles down its supply chain.

Sustainability
As with most industrial machinery companies, sustainability concerns include energy management, employee health and safety, raw materials sourcing, and product design and lifecycle management. While Sustainalytics rated Konecranes as Medium Risk, we do not believe this provides a complete picture of the company. Its energy intensity is 86% below the MSCI World benchmark and has decreased at 10% (CAGR) from its 2017 baseline. Konecranes acknowledges employee health and safety is a high risk area for the firm. In response, the company implemented a campaign promoting general safety awareness and behavior in eight high risk areas. Konecranes certifies its operations through OHSAS 18001/ISO 45001 standards, and set a target of 20% year-on-year reduction of Serious Injury and Fatality (SIF) exposure for all employees by end of 2025. In addition to lowering RTG and heavy cranes' GHG emissions, Konecranes' circular business model decreases the need to manufacture and source electrical and steel components by extending the lifespan of cranes by 5-20 years.

ESG RISK RATING

Refinitiv
A- (76.3)

Sustainalytics
Medium (24.7)

Carbon Intensity
18.3 (tCO2e/$m Revenue)

Board of Directors: Diversity & Inclusion
33% Female
67% Male

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Impact overview

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

United Rentals contributes toward solving SDG 12 by embracing the sharing economy for construction equipment. The company minimizes equipment needs and lowers emissions by optimizing the use of its products. Also, the company has a best-in-class fleet from an emissions perspective. In 2021, United Rentals added 155,000 new and sustainable units to its fleet, reducing emissions by an estimated 560,000 tCO2e compared to non-rented equipment. From 2021-24, we expect United Rentals to add 375,000 pieces of construction equipment to its fleet which, compared to non-rental equipment, reduces lifetime emissions by 1.4 million tCO2e, equivalent to emissions of 85,000 Americans.

Company Description/Thesis

United Rentals is an equipment rental business to a wide range of customers, from construction and industrial companies, manufacturers, utilities, municipalities, homeowners, and government entities. The company rents construction, industrial, and lighting equipment, and related services.

United Rentals is a good business with double-digit returns on tangible capital. As the #1 market participant nearly equal in size to next three competitors combined, United Rentals enjoys many competitive advantages. Its dense network provides a cost advantage over smaller, regional players because the company can more efficiently spread out overhead costs. It also has purchasing power, allowing it to obtain equipment at up to a 10% discount to peers.

THEME

Resource Reducers

SUSTAINABLE REVENUE

77%

SDG SUB-GOAL

Goal 12.2
Sustainable management and efficient use of natural resources

ACTIVITY

Embraces the sharing economy for construction equipment

OUTPUT

In 2021, has 770,000 efficient units of equipment for customers to rent

OUTCOME

Renting lowers lifetime emissions from construction equipment by 30% on average

IMPACT

By 2024, United Rentals aims to add 375,000 new pieces of equipment to its fleet, which compared to non-rental equipment, lowers lifetime emissions by 1.4 million tCO2e

The company minimizes equipment needs, conserves resources, and lowers emissions by optimizing the use of its products.

Environmental or Social Problem

GHG emissions from the construction industry account for 10% of global emissions, equivalent to the annual emissions of the United States. To achieve the Paris Agreement targets, the industry faces a monumental challenge: it must almost completely decarbonize by 2050. Improving the environmental impact of construction equipment and lowering the distance necessary to transport equipment are essential to reaching this goal. However, a challenge for construction companies is that many have carbon intensive fleets that are costly to upgrade.

United Rentals' Impact: Responsible Consumption & Production of Construction Equipment

United Rentals contributes toward solving SDG 12 by embracing the sharing economy for construction equipment. The company minimizes equipment needs, conserves resources, and lowers emissions by optimizing the use of its products. Also, United Rentals has a younger, more efficient fleet, because of its policy of refurbishing and reselling equipment every 7-8 years. This allows it to use the latest models that have a lower environmental impact over the life of equipment. Renting equipment lowers lifetime emissions from construction equipment by 30% on average.

To measure United Rentals' impact, we conducted a lifecycle analysis of the emission reductions from its fleet. In 2021, United Rentals added 155,000 units to its fleet. By optimizing the use of its best-in-class technology the company reduce emissions by an estimated 560,000 tCO2e. By 2024, we expect the company to increase its contribution to SDG 12 by adding 375,000 new pieces of construction equipment to its fleet which, compared to non-rental equipment, reduces the lifetime emissions by an estimated 1.4 million tCO2e, equivalent to the emissions of 85,000 Americans.

It's important to note that United Rentals' business model does not include all 7 R's of the circular economy: rethink, reduce, repair, refurbish, reuse, recover, and recycle. Rather, the company plays a critical role in the first four stages and supports the reuse of equipment, further optimizing its' useful life and reducing lifetime emissions.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
77% of United Rental's revenues come from more efficient and sustainable construction equipment rentals that promote SDG 12: Responsible Consumption & Production.

Measurability

YEAR	TOTAL UNITS OF EQUIPMENT	TOTAL UNITS OF NEW EQUIPMENT	LIFETIME EMISSION REDUCTIONS FROM RENTING (tCO2e)	NON-RENTAL LIFETIME EMISSIONS (tCO2e)	UNITED RENTALS LIFETIME EMISSIONS (tCO2e)	EMISSION REDUCTIONS FROM RENTING (tCO2e)
2021	770,000	155,000		1,870,000	1,310,000	560,000
2022	840,000	67,000	30%	810,000	570,000	240,000
2023	910,000	73,000	30%	880,000	620,000	260,000
2024	990,000	80,000	30%	960,000	670,000	290,000
Total (2021-24):		**375,000**		**4,500,000**	**3,200,000**	**1,400,000**

Intentionality
The Board of Directors and Senior Leadership Team have integrated ESG into United Rentals' management structure and operations. The Board's Nominating and Corporate Governance Committee oversees its ESG team. The Team has C-Suite and Senior Leadership members from across the organization (i.e. Chief Administrative and Legal Officer, General Counsel, Director of Environmental Management, Manager of Inclusion and Diversity, etc). Also, United Rentals' commitment to sustainability can be seen in its operations, especially its supplier diversity program. The company works with suppliers from historically disadvantaged groups and small businesses to improve equality in its procurement process and create a more inclusive economy by spreading its spend to a diverse group of businesses.

Sustainability
United Rentals' positive impact is not outweighed by negative externalities, and the company is making solid improvements in its approach to climate change. For example, its carbon intensity is 65% less than the MSCI World benchmark, and recently undergone a Scope 3 inventory analysis. To ensure regulatory compliance and transparency, United Rentals requires its major vendors to sign a Master Sourcing Code that is aligned with Occupational Safety and Health Administration, CSA Group, and American National Standards Institute. Also, United Rentals has its own training center called the United Academy that has trained over 63,000 workers. The academy's curriculum focuses on topics like jobsite safety and environmental stewardship. The United Academy even offers virtual reality trainings so users can learn the equipment without the consquences of any risk of real world mistakes.

ESG RISK RATING

Refinitiv
A- (80.4)

Sustainalytics
Low Risk (16.8)

Carbon Intensity
46.8 (tCO2e/$mm Revenue)

Board of Directors:
Diversity & Inclusion
27% Female
73% Male

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Whirlpool

Impact overview

From 2021-24, we estimate that Whirlpool's dishwashers will contribute to solving SDG 12 in developing nations by lowering GHG emissions and water consumption by 781,000 tCO2e and 16.7 billion liters. The water savings from Whirlpool's dishwashers are equivalent to the annual water consumption of 134,000 Americans. Additionally, dishwashers sold in emerging markets that replace manual labor save 287.5 million hours, in aggregate, or about two weeks per household, that can instead go to leisure and/or participating in the labor market.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Company Description/Thesis

Whirlpool is the leading global producer of home appliances, including refrigerators and freezers, home cooking appliances, and laundry machines. The company has 78,000 employees and generates $19 billion in revenues from over 100 countries, including approximately 25% from developing markets.

As a global leader, Whirlpool's scale results in purchasing advantages that help its business generate high-teens returns on capital. This is a durable and predictable business, with more sales tied to replacement rather than discretionary purchases.

Environmental or Social Problem

In developed and emerging economies, too many households use either older resource-intensive appliances or time-consuming manual methods for household chores. Older appliances are massively inefficient, consuming twice as much water and energy compared to modern appliances. In emerging markets, many still wash clothes and dishes by hand (less than

THEME

Resource Reducers

SUSTAINABLE REVENUE

100%

SDG SUB-GOAL

Goal 12.2
Sustainable management and efficient use of natural resources

Goal 12.8
Awareness for sustainable development and lifestyles in harmony with nature

ACTIVITY

Manufactures efficient and time-saving products at a wide range of price points, from high-end appliances to affordable appliances sold to first-time users in emerging economies

OUTPUT

In 2021, sold over 945,000 dishwashers in emerging markets

OUTCOME

In 2021, saved 186,000 tCO2e, 4 billion liters of water, and 68 million hours of household work

IMPACT

From 2021-24, Hanes aims to sell 4 million dishwashers in emerging markets, which we expect to save 781,000 tCO2e, 16.7 billion liters of water, and 288 million hours of household work, or about 2 weeks per household per year

3% of households in India own a dishwasher), which is three times as resource-intensive and time consuming and can limit workforce participation and time for leisure, especially for women.

We also should note that appliances are also used too frequently. For example, Whirlpool recently conducted a study which found that American families now wash more than 2,000 pounds of laundry per year and 50% of respondents claim to do seven loads of laundry or more per week.

Whirlpool's Impact: Responsible Consumption & Production

Whirlpool's appliances help solve SDG 12 by manufacturing efficient products at a wide range of price points, from high-end appliances sold in developed economies to affordable appliances sold to first-time users in emerging economies. After working with Whirlpool to measure its impact, we decided to focus on dishwashers in developing nations because of their unique role in freeing people from time-intensive manual household work.

In 2021, Whirlpool sold over 945,000 dishwashers in emerging markets, which saved 186,000 tCO_2e and 4 billion liters of water. As one of the largest appliance suppliers in emerging market countries like India and Brazil, Whirlpool's products reduce the time required for household work. Each dishwasher sold that replaces manual labor saves 100 hours of household work per year, totaling over 68.4 million hours, in 2021 alone, that can instead go to leisure and work. The time saved on household work can make a major impact on the lives of women – one study found that there was a 21% increase in women's workforce hours and a 50% decrease in hours worked at home during America's appliance boom in the mid-20th century.

Since appliance penetration remains low in many countries (less than 11% of households in Brazil owned a dishwasher as of 2017), we estimate that Whirlpool's impact will continue to grow. From 2021-24, we estimate that Whirlpool will sell 4 million dishwashers in emerging markets, contributing to solving SDG 12. We assume 50% of sales are to first-time appliance owners and that results in lowering annual GHG emission and water consumption by 781,000 tCO_2e and 16.7 billion liters of water. Additionally, these dishwashers will create a total of 287.5 million additional hours, in aggregate, or about two weeks per household, per year to spend on other pursuits.

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality

100% of Whirlpool's revenues come from more efficient and sustainable production of appliances that promote SDG 12: Responsible Consumption & Production.

Measurability

YEAR	DISHWASHERS SOLD IN EMERGING MARKETS	GHG EMISSION REDUCTIONS PER YEAR (tCO2e)	WATER SAVED PER YEAR (B L)	HOURS SAVED PER YEAR (MM)
2021	945,000	186,000	4.0	68.4
2022	982,000	193,000	4.1	71.0
2023	1,018,000	200,000	4.3	73.6
2024	1,030,000	202,000	4.3	74.5
Total	**3,980,000**	**781,000**	**16.7**	**287.5**

Intentionality

When Whirlpool released its 2020 Sustainability Report the CEO said, "Sustainability is core to our culture and is of paramount importance to our vision." This commitment to impact is demonstrated internally through its Social and Governance Council, Environmental Sustainability Council, and ESG Task Force which include key individuals and leaders from all areas of the corporation. Additionally, Whirlpool's intentionality has been recognized through numerous awards, including its inclusion in the Dow Jones Sustainability Index, North America for the 14th time, sixth consecutive EPA SmartWay Excellence Awards, and recognition as Green Builder's Most Sustainable Appliance Company.

Sustainability

Whirlpool has solid ESG practices and policies, and its positive impact outweighs its negative externalities. It improves the circularly of its products through three methods. First, Whirlpool conducts Life Cycle Assessments to understand the environmental impact of its products and uses a Circular Transition Indicators tool to measure their performance versus its targets. Second, the company offers repairs/warranties, return centers, and rental options for its products to extend their useful life and ensure they are properly disposed. Lastly, the company works with retailers and third parties to find ways to better reuse Whirlpool's products and recycle them at the end of life.

ESG RISK RATING

Refinitiv
A- (77.3)

Sustainalytics
Low Risk (17.7)

Carbon Intensity
30.2 (tCO2e/$mm Revenue)

Board of Directors: Diversity & Inclusion
31% Female
69% Male

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SDG 16
Identity Protectors

Impact overview

NortonLifeLock ("Norton") protects the identity, privacy, and security of over 80 million customers in 150 countries, contributing to SDG 16. In 2021 alone, we estimate that Norton's software protected 10.7 million people from identity theft, preventing $12.8 billion in stolen personal information. As the need for cyber safety grows, so will Norton's positive impact. From 2021-24, we expect Norton to increase its contribution to society by averting 52 million cases of identity theft, saving users approximately $67.4 billion.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Company Description/Thesis

Norton is a leading global consumer cyber safety provider, offering a portfolio of solutions to protect consumer safety and privacy online, from anti-virus and anti-malware software to identity protection and restoration services, credit monitoring, and parental controls. As people continue to spend more of their lives online across many devices, and as cyberthreats have expanded beyond basic computer viruses, Norton's importance continues to grow. Given the growth and low penetration of the cyber safety market, we believe Norton can grow its topline at a 10% rate, and earnings per share in the mid-teens.

Norton's subscription software business is highly attractive, with 50%+ operating margins and little capital employed, resulting in extraordinary returns on invested capital and abundant free cash flow.

THEME

Identity Protectors

SUSTAINABLE REVENUE

100%

SDG SUB-GOAL

Goal 16.4
Significantly reduce illicit financial flows, and strengthen the recovery and return of stolen assets

ACTIVITY

Offers a portfolio of solutions to protect consumer safety and privacy online, from anti-virus and anti-malware software, to identity protection and restoration services, credit monitoring, and parental controls

OUTPUT

As of 2021, protects 80 million users worldwide and 55 million US users

OUTCOME

In 2021, averted 10.7 million potential victims from identity theft

IMPACT

From 2021-24, NortonLifeLock expects to prevent 52 million cases of cybercrimes and saves its customers a total of $67 billion

Environmental or Social Problem

Cybercrime is one of the largest global challenges. Over the next five years cybercrime is expected to grow by 15% to $10.5 trillion per year, or about seven times the cost of global natural disasters in 2020. Identify theft is one of the fastest growing cybercrimes in the world and in 2020 we estimate that 18.8% of American adults were victims of identity theft. Identity theft is a particularly frightening crime because it can occur from regular daily activities, such as carrying your driver's license in your pocket, paying for lunch with friends, or storing your personal information online. The personal loss from identity theft seems small, $1,100 compared to $4.24 million for an average corporate data breach. However, the impact on people's daily lives can be greater – 73% of all identity theft victims reported difficulties paying their rent and utilities or buying necessities like groceries. Personal identity theft also affects state and local government budgets by defrauding them of billions of dollars. In 2020, government agencies lost $200-$500 billion in funding.

Norton's Impact: Creating a Safe & Secure Digital Space for Everyone

Norton makes an important contribution to SDG 16 through its best-in-class antivirus apps and software. While it currently has about 80 million global users, over 70% of the company's customers use its products for free, providing a critical public good to people around the world. Norton's software effectiveness comes from its antivirus scans which help remove malware files that enter a device. Its antivirus technology uses machine learning to get online threats to reveal themselves in milliseconds. Additionally, Norton protection software is optimized to improve the user experience, decreasing the chance an individual will mistakenly divulge sensitive personal information. In 2021, we estimate that Norton's software protected 10.7 million Americans from identity theft, preventing $12.8 billion in stolen personal information.

As the need for cyber safety grows, so will Norton's impact. From 2021-24, we expect Norton to increase its contribution by averting 52 million cases of identity theft, saving users approximately $67.4 billion.

> **From 2021-24, we expect Norton to increase its contribution by averting 52 million cases of identity theft, saving users approximately $67.4 billion.**

LYRICAL'S FOUR PILLARS OF IMPACT

Materiality
100% of Norton's revenues contribute to SDG 16 by protecting the identity, privacy, and security of over 80 million customers in 150 countries.

Measurability

YEAR	TOTAL GLOBAL USERS (MM)	TOTAL U.S. USERS (MM)	PERCENT OF AMERICANS WHO EXPERIENCED FINANCIAL IDENTITY THEFT	ESTIMATED U.S. USERS PROTECTED FROM IDENTITY THEFT (MM)	ESTIMATED SAVINGS ($B)
2021	80.0	54.6	19.5%	10.65	$12.8
2022	86.4	60.5	20.3%	12.25	$15.4
2023	93.2	65.3	21.0%	13.74	$18.0
2024	100.7	70.5	21.9%	15.41	$21.2
Total				**52.0**	**$67.4**

Intentionality
Norton's commitment to corporate responsibility is a critical anchor to its philosophy. In 2020, the company completed a quantitative ESG materiality assessment to prioritize customers as part of its core mission, identify new opportunities and risks, and use the results to develop its first formal ESG Report in 2021. Norton's new approach focuses on its expertise and cybersecurity technology to create a more secure, sustainable digital space. Norton is a recognized global leader in security and sustainability and has recently been recognized as the "Best Consumer Anti-Malware" provider by SE Labs. As part of its renewed commitment to corporate responsibility, Norton signed the UNGC in 2020, developed a new Human Rights Policy to uphold the ten principles of the UNGC, and aligned with the Universal Declaration of Human Rights. These commitments were also incorporated into its Code of Conduct and Global Supplier Code of Conduct.

Sustainability
As a technology company, Norton has few negative environmental impacts as demonstrated by its low ESG risk rating and carbon intensity, which is 95% less than the MSCI World benchmark. To protect customer privacy and data security, Norton maintains a comprehensive cybersecurity program to support its systems and prepare for information security risks, including regular monitoring for internal and external threats and implementing its ISO 27001 certified security management system. For its users, Norton's Virus Protection Promise includes a 100% guarantee, and the company also offers a Million Dollar Protection Package. The protection package covers personal expenses from identity theft including lawyers and experts, for up to $1 million.

ESG RISK RATING

Refinitiv
A- (80.0)

Sustainalytics
Low Risk (15.2)

Carbon Intensity
6.8 (tCO2e/$mm Revenue)

Board of Directors: Diversity & Inclusion
44% Female
46% Male

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ANNEX 1 | 2021-2024 IMPACT SUMMARY

SDG 3:

Health Improvers

3 GOOD HEALTH AND WELL BEING

Lives Saved

NXPI	74,400	ADAS can prevent 40% of all crashes and 29% of deaths in car crashes

SDG 7:

Climate & Clean Energy Leaders

7 AFFORDABLE AND CLEAN ENERGY

Clean Energy Installed (MW)

FLEX	18,109	Increase solar tracker installed capacity by 18,000 MW
KYUDENKO/KINDEN	53	Install an additional 53 MW of renewable energy from equity investments, raising installed capacity to 474 MW
QUANTA SERVICES, INC.	28,904	By 2024, install an additional 6,600 MW of solar, 22,000 MW of wind, and 397 MW of battery storage
TOTAL (MW)	47,066	

Emission Reductions (tCO2e)

EBAY	3,299,000	Sell $3.8 billion non-new/in-season items
HBI	171,000	Savings from the use of sustainable cotton over conventional cotton
HITACHI	60,000	Lucknow project replaces the equivalent of 124,000 cars
KCR	20,408,000	Through servicing, reduce the number of cranes manufactured through servicing
RBL	10,000	Print on-demand e-commerce platform reduces inventory waste
SPIE	1,585,000	Charge EVs
URI	1,353,000	Rental equipment reduces lifetime emissions by 30%
WHR	781,000	More efficient dishwashers
TOTAL (tCO2e)	27,667,000	

SDG 8:
Job Creators

SDG 16:
Identity Protectors

DECENT WORK AND ECONOMIC GROWTH

PEACE, JUSTICE AND STRONG INSTITUTIONS

Economic Impact ($)

CNXC	$85,000,000	Provide $15 living wage for 13,500 lower-paid employees
EBAY	$4,241,000,000	Create an economic impact from e-commerce platform
GCO	$141,765,000,000	Increase in global trade from credit/trade insurance
PRI	$6,604,000,000	Provide life insurance to 3.1 million low-/medium-income Americans
RBL	$257,000,000	Revenue to top-earning artists
SPIE	$487,000,000	Decrease in the economic impact of climate change resulting from EV installations
TOTAL	$153,439,000,000.00	

Economic Savings ($)

CNC	$11,957,000,000	Government savings from managed Medicaid
NLOK	$67,371,000,000	Prevent approx. 52 million cases of cybercrimes
TOTAL	$153,439,000,000.00	

Employees Helped

CNXC	140,400	Support 135,000 women and 5,400 employees who self-identify as LGBTQ
PRI	4,836	Add 4,800 women to its workforce from 2022-24
TOTAL	145,236	

SDG 12:
Resource Reducers

RESPONSIBLE CONSUMPTION AND PRODUCTION

Water Savings (Liters)

ELIS	113,159,000,000	Outsource washing of linens
HBI	398,972,000,000	Use sustainable cotton over conventional cotton
RBL	3,995,000,000	Decrease waste to landfills
WHR	16,700,000,000	Efficient dishwashers
TOTAL (LITERS)	532,826,000,000	

ANNEX 2 | 2021 ESG METRICS

Portfolio Overview	Environmental									Social				Governance				
Company	Energy Use Total (GJ)	Water Withdrawal Total (cu m)	Waste Total (t)	Scope 1 & 2 (tCO2e)	Scope 3 (tCO2e)	Total Emissions, Scope 1-3	Total Weighted Emissions (tCO2e), Scope 1 & 2	Carbon Intensity (tCO2e/$m Revenue), Scope 1 & 2	Weighted Carbon Intensity (tCO2e/$m Revenue), Scope 1 & 2	Employee Resource Groups, including DEI	Policy Career Development	Policy Diversity and Opportunity	Board Gender Diversity (Female & Non-White	Shareholder Rights Policy	Refinitiv Governance Pillar Score	Refinitiv Human Rights Score	Refinitiv/ Sustainalytics Material Controversies	UNGC Alignement
Centene Corporation				153,236		153,236	10,214	1.22	0.08	X	X	X	31%	X	58.00	0.00	NONE	X
Concentrix Corporation				186,720		186,720	12,062	33.42	2.16	X	X	X	63%	X	12.94	10.86	NONE	
Crown Holdings, Inc.	20,258,400	9,499,550	2,767,590	1,479,570	14,298,100	15,777,670	90,097	129.86	7.91	X	X	X	15%	X	71.82	18.00	NONE	
eBay Inc.	1,566,040	262,237		66,562	3,710	70,272	2,811	6.49	0.27	X	X	X	38%	X	31.99	50.15	NONE	
Elis SA	9,433,330	13,000,000	35,733	439,800		439,800	20,038	122.06	5.56	X	X	X	55%		62.74	59.50	NONE	X
Flex Ltd.	6,034,520	5,601,840	127,538	715,644	34,384,800	35,100,444	32,953	29.67	1.37	X	X	X	27%	X	92.85	92.67	NONE	X
Grupo Catalana Occidente S.A.	103,044			2,612		2,612	110	0.58	0.02	X	X	X	6%	X	35.23	89.31	NONE	X
Hanesbrands Inc.	3,682,230	9,171,080	51,635	262,422	3,686,450	3,948,872	12,035	38.58	1.77	X	X	X	30%	X	74.45	68.90	NONE	
HCA Healthcare Inc				1,173,415		1,173,415	67,694	19.97	1.15	X	X	X	20%	X	49.80	1.06	NONE	
Hitachi,Ltd.	33,272,000	26,350,000	1,061,000	3,310,000	69,100,000	72,410,000	157,950	40.22	1.92	X	X	X	15%		76.55	91.67	NONE	X
Kinden Corporation											X		6%		15.36	0.00	NONE	
Konecranes Oyj	945,000	168,000	20,700	69,000	3,000	72,000	2,528	18.32	0.67	X	X	X	33%	X	73.00	92.68	NONE	X
Kyudenko Corporation										X			0%				NONE	
NortonLifeLock Inc.	190,206	245,424	3,868	17,272	68,988	86,260	1,035	6.77	0.41	X	X	X	44%	X	89.56	75.00	NONE	X
NXP Semiconductors NV	6,320,320	10,619,700	5,177	1,041,530	12,819	1,054,349	51,507	94.15	4.66	X	X	X	27%	X	78.95	95.57	NONE	X
Primerica, Inc.				2,773		2,773	133	1.02	0.05	X	X	X	25%	X	61.81	0.00	NONE	
Quanta Services, Inc.				264,149		264,149	15,932	23.58	1.42	X		X	30%	X	69.47	75.68	NONE	
Redbubble Ltd.				2,110		2,110	22	4.30	0.04	X		X	40%	X	27.57	23.31	NONE	
SPIE SA	1,911,790		119,741	118,000	1,043,000	1,161,000	5,704	15.55	0.75	X	X	X	40%	X	53.00	95.27	NONE	X
United Rentals, Inc.	5,661,190	911,000	64,370	396,743	12,803,000	13,199,743	20,471	40.83	2.11	X	X	X	27%	X	75.80	95.93	NONE	
Whirlpool Corporation	7,144,184	4,074,350	313,294	663,172	61,400,000	62,063,172	34,215	30.17	1.56	X	X	X	31%	X	59.42	55.68	NONE	X
TOTAL	96,522,254	79,903,181	4,570,646	10,364,730	196,803,867	207,168,597	537,513	25.08	33.88	95%	86%	90%	29%	81%	58.51	54.56		48%

ANNEX 3

Climate Risks & Opportunities

GOVERNANCE

Lyrical sees climate change and environmental issues as important components of our risk management. In 2018, we formed an ESG Committee, which meets biannually, to govern the implementation of our ESG Policy and ESG best practices across the firm. The five-member Committee is chaired by Lyrical's Chief Operating Officer and includes our Director of Operations & Trading, one member of the Investment Team, one member of the Client Service & Marketing, and an additional member of the Operations Team. The Director of Sustainability reports to the ESG Committee and is its primary implementing agent.

STRATEGY

Companies in our GIVES portfolio help combat climate change by fulfilling our responsibilities as global citizens to help to achieve a decarbonized society by 2050. During underwriting, and on an ongoing basis after establishing a position in a company, the Investment Team seeks to become aware of all material climate-related risks, and to consider how these risks may affect the long-term earnings power of a business. Climate-risks are one of many inputs which contribute to our underwriting process. Our investment pillars of Quality and Analyzability naturally keep out of many of the highest risk ESG names. But occasionally we do invest in companies with climate-related risks when we determine that they have robust management policies and practices in place and sufficient investment upside. Please see our Hitachi Impact Report on Page 20 for an example of company that has negative climate externalities, but has sufficient policies in place to effectively manage those risks so they do not outweigh the company's positive impact.

Where there are climate-related risks, the Investment Team considers a range of likely outcomes and conducts sensitivity analyses when relevant. Once we own a company, we continue to monitor climate-related risks and controversies. Changes in these can spur re-evaluation or exit of a name. We also proactively engage with companies to encourage them to steadily improve their ESG and impact practices. Our long-term holding period and material stakes in our companies afford us a receptive audience with company managements and we have been encouraged by the results of our engagement.

RESPONDING TO CLIMATE RISKS AND OPPORTUNITIES FOR EACH IMPACT THEME

	SDG 3 Health Improvers	**SDG 7** Climate & Clean Energy Leaders	**SDG 8** Job Creators	**SDG 12** Resource Reducers	**SDG 16** Identity Protectors
Percent of Portfolio	**17.8%**	**26.1%**	**16.2%**	**34.1%**	**5.9%**
Risks	**Acute/Chronic** Environmental and social determinants of health, such as clean air, safe drinking water, sufficient food, and secure shelter.	**Acute/Chronic** Effect of severe weather events and sustained cold/heat waves on energy systems. **Reputational** Not contributing to the climate transition. **Legal** Fines for failure to comply with local laws, such as negative impacts on biodiversity. **Market** Increases in commodity prices such as silicon and rare earth metals.	**Acute/Chronic & Market** Directly affects inputs to sustain economic growth, such as the availability of timber and minerals. Climate change can also affect services provided by ecosystems like clean water. **Reputational** Dissuade workers from joining a company.	**Acute/Chronic** Impact of severe weather events and sea level rise on facilities/supply chain. **Reputational** Not contributing to the climate transition. **Policy** Carbon taxes or fines for failure to comply. **Technology** Increased costs from switching energy sources or implementing energy efficiency policies.	**Acute/Chronic** Effect of severe weather events on energy delivery and sustained cold/heat waves on servers. **Reputational** Not contributing to the climate transition. **Technology** Increased costs from switching energy sources or implementing energy efficiency policies.
Opportunities	There is an urgent need to address the social determinants of health and use preventative measures to treat illness and mitigate the health effects of climate change. For example, by 2030, more than 35 million people worldwide may die from air pollution-related health effects resulting from fossil fuel combustion.	To meet global emission-reduction goals, countries' will need to undergo an energy transition and switch energy generation to low emission alternatives. Clean energy companies can also benefit by developing new low-emission products, and services may improve their competitive position and open new markets. Lastly, these products can improve physical and financial resilience.	To create decent work and economic growth there needs to be an acceleration in green jobs to help provide work for the 470 million people who will be entering the labor market by 2030. Also, companies that help improve ecosystems and biodiversity can open new markets and careers.	There is growing evidence that companies have reduced operating costs by improving resource efficiency (energy, water, and waste). Also, new markets are opening for innovative circular technology supporting the climate transition, such as improving the carbon footprint of the clothing industry. Also, these products can improve physical and financial resilience.	Computing and cybersecurity require vast amounts of energy (data centers alone account for 1% of global energy consumption). Companies must construct efficient cooling and heating to lower environmental impacts and ensure resilience. This has led to the creation of new products and markets for secure and sustainable technology.

RISK MANAGEMENT

To determine ESG risk, we do not rely on ESG ratings, proxy voting recommendations, or third-party data providers. Rather, our Director of Sustainability and Investment Team use these resources to complement our proprietary to our internal analysis. Material ESG issues are integrated quantitatively and qualitatively as part of our assessment of the long-term sustainability of our companies' earnings.

We apply exclusions in GIVES, not only due to our strict adherence to the process of Value, Quality and Analyzability, but also due to ESG and impact considerations. In fact, these factors may at times overlap. For example, we exclude industries such as banks, pharma, biotech, airlines, direct metals/mining businesses and regulated utilities based on our quality and analyzability criteria, and we exclude other industries such as coal miners, tobacco companies, factory farms, for-profit prisons, small arms producers, adult entertainment, and opioid drug producers due to ESG and impact considerations. In addition, we apply minimum standards of business practice based on legally required exclusions and certain international norms, such as the UNGC and UN Security Council Sanctions (UNSCS).

To improve our analysis of climate-related risks we set high-level engagement goals for our companies to improve their transparency and analyzability.

Lyrical ESG Engagement Goals

We aim for 100% of our portfolio companies to:

- Reporting to the CDP and disclosing their sustainability practices and outcomes in alignment with GRI, SASB, and/or TCFD standards.
- Committing to the UNGC or other internationally recognized norms-based guidelines.
- Developing science-based targets in alignment with the Paris Agreement and verifying these targets with SBTi.
- Disclose DEI statistics in line with the SEC's EEO-1 form and offer DEI training, resource groups, and/or support programs.

METRICS & TARGETS

To measure our companies' support toward solving the SDGs, we use a logic framework to map a company's revenues and operating activities to its material impact on society. We have developed company-specific quantitative metrics (e.g. installed solar capacity, lives saved) using the SDG sub-goals and their related indicators. For the few companies whose impact is difficult to quantify, we have also developed qualitative measurements (e.g. grid stabilization projects, building efficiency) also using the SDG sub-goals. We are engaging with these companies to further our quantitative analysis. Please see our company impact reports on Pages 6-71 for company specific measurements.

Beyond the company-specific metrics, we use industry-standard qualitative and quantitative sustainability indicators to track their progress. Please see Annex 3 for a full list of metrics. Climate related metrics include, but are not limited to:

SUSTAINABLE PERFORMANCE INDICATOR	TOTAL
ABSOLUTE SCOPE 1 & 2 EMISSIONS	10.4 MILLION tCO_2e
WEIGHTED SCOPE 1 & 2 EMISSIONS	538,000 tCO_2e
ABSOLUTE SCOPE 3 EMISSIONS	197 MILLION tCO_2e
WEIGHTED AVERAGE CARBON INTENSITY (WACI)	34 tCO_2e/$M REVENUE
WACI VS. MSCI WORLD	OUTPERFORMS THE BENCHMARK BY 74%

Additionally, please see below for our companies' progress toward our engagement goals. We will use these goals to focus our 2022 impact engagement calls.

ENGAGEMENT GOAL	PERCENT OF PORTFOLIO
CDP, GRI, SASB, AND/OR TCFD	81%
UNGC	48%
SBTI	43%
DEI	95%

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Dan Kaskawits

CFA, Portfolio Manager – U.S. Value Equity, International Value Equity, Global Value Equity & Global Impact Value Equity

Dan Kaskawits is a Portfolio Manager across all Lyrical funds and the co-manager of the GIVES strategy. He joined Lyrical in January 2018. Prior to Lyrical, Mr. Kaskawits served as an Analyst at Elm Ridge Capital from January 2011 to December 2017 and as an Associate at Citi Investment Research from October 2003 to June 2009. Mr. Kaskawits graduated from Tulane University and received an MBA from Columbia Business School. Mr. Kaskawits has earned the right to use the Chartered Financial Analyst designation.

John Mullins

Portfolio Manager – U.S. Value Equity, International Value Equity, Global Value Equity & Global Impact Value Equity

John Mullins is a Portfolio Manager across all Lyrical Funds and the co-manager of the GIVES strategy. He joined Lyrical in February 2017. Prior to Lyrical, Mr. Mullins served as a Senior Analyst at Clearfield Capital Management from May 2016 to January 2017 and as an Analyst at Elm Ridge Capital from September 2014 to April 2016. He has worked as an analyst at Orbis Investment Management. Mr. Mullins graduated cum laude and with distinction from Yale University and received an MBA from the Stanford Graduate School of Business.

Kyle Coulam

MPL, MPP, Director of Sustainability

Kyle Coulam is the Director of Sustainability. Prior to Lyrical, he worked on the frontlines of climate change as a Project Manager at the Clinton Foundation from August 2016 to January 2021. Mr. Coulam graduated with honors from the University of Vermont and received a Master of Public Policy and Master of Planning from the University of Southern California. He also earned professional certificates in Homeland Security and Public Policy from the University of Southern California, and Municipal Finance from the University of Chicago.

Matt Stevens

Senior Associate, Operations and Sustainability

Matt Stevens is a Senior Associate – Operations & Sustainability. He joined Lyrical in December 2016 and has served various roles across operations, analytics, and sustainability. Prior to Lyrical, Mr. Stevens worked on the Financial Product Analytics team at Bloomberg with a focus in fixed income. Mr. Stevens graduated from Bucknell University with a Bachelor of Science in Mechanical Engineering and a minor in Economics.