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Responsible Investment Universe

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The definition of the investment universe is the most important step in the construction of a fund.

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Admitted

Unilever N.V. (sector: Personal Products), EAM ESG rating 08/2018 of **C+**, is a British-Dutch group and one of the biggest producers of consumer goods with 400 brands across 14 categories. The product portfolio includes globally known brands such as Axe, Dove, Knorr, Lipton, and Omo.

- ☺ Strategy to ensure sustainable water consumption in agricultural production along the value chain
- ☺ The majority of the bigger locations with significant environmental footprint have a certified environmental management system in place
- ☺ Good structures for the implementation of the right of freedom of association and collective bargaining
- ☺ Significant share of products that are associated with health issues such as obesity, diabetes, etc. Slow expansion of the range of organic and/or healthier products

Basque Government (Sustainability Bond) (Municipal/county bond), EAM ESG rating 08/2018 of **B-**. Issue by the Basque Autonomous Community to promote the sustainable and efficient financing of ecological, economic, and social challenges in the region according to Agenda 2030, the Sustainable Development Goals (SDGs) of UNO.

- ☺ Validated framework that is based on the guidelines of the Principles of Green Bonds, Social bond, and Sustainability Bond of 2017
- ☺ Issue proceeds exclusively earmarked for projects in the areas of affordable living, access to education and healthcare, job creation, renewable energy, public transportation, energy efficiency, measures for the adjustment to climate change etc.
- ☺ Annual reporting on the use of funds via the website of the Autonomous Government planned

Excluded

BRF S.A. (sector: Packaged Foods & Meats), EAM ESG rating 08/2018 of **C-**, a group in the food industry that resulted from the merger of the foodstuff producers Perdigão and Sadia, headquartered in Brazil. The company is one of the world's biggest producers of poultry and poultry products. In addition, the range of products also includes margarine, sweets, sandwiches, mayonnaise, and pet food.

- ☹ Exclusion due to fall in the ESG rating below the required threshold
- ☹ Insufficient efforts to ensure sustainable water consumption in the company and the sustainability of agricultural production along the value chain
- ☹ Lacklustre efforts to guarantee ethical animal housing in the company and at suppliers
- ☹ No indicators of measures aimed at the promotion of sustainable agriculture in the company and throughout the supply chain
- ☹ Slow adjustment to healthcare and nutritional aspects in production (less trans fats, sugar, sodium etc.)

Sources:

Unilever N.V.

[Website AT](#), ISS-oekom, MSCI ESG

[Basque country](#)

[Agenda 2030 Baskenland](#) (page 138 in English), Sustainability Second-Party Opinion Basque Government Sustainability Bond

BRF S.A

[Website FORM 20-F \(Annual Report\)](#), Website AT, ISS-oekom, MSCI ESG

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