Calvert

# Invest with Purpose

## Identify the issues that are most important to you and your family.

To address the large, global socio-economic challenges our world faces today, the Sustainable Development Goals (SDGs)[1] were established by the United Nations in 2015 as a universal call to action to end poverty, inequality, and climate change. The framework can be used by communities, businesses, and investors alike to identify the issues that are most important to you and your family. The Calvert Themes on page 2 were also created to identify the broad issues outlined by the SDGs.

- ☐ No Poverty
- ☐ Zero Hunger
- ☐ Good Health and Well-Being
- ☐ Quality Education
- ☐ Gender Equality
- ☐ Clean Water and Sanitation
- ☐ Affordable and Clean Energy
- ☐ Decent Work and Economic Growth
- ☐ Industry, Innovation and Infrastructure
- ☐ Reduced Inequalities
- ☐ Sustainable Cities and Communities
- ☐ Responsible Consumption and Production
- ☐ Climate Action
- ☐ Life Below Water
- ☐ Life on Land
- ☐ Peace, Justice and Strong Institutions
- ☐ Partnerships to for the Goals
- ☐ Other (please specify)

[1] The Sustainable Development Goals (SDGs) are 17 global goals set by the United Nations as a framework to assess how companies and the investment community contribute to a more equitable and sustainable world.

While common financially material responsible investment ESG factors may appear across multiple sectors, their intensity, relevance, and financial impact can vary significantly among different groups of companies. Through rigorous testing and real-world observation, Calvert has identified approximately 20 broad sustainability themes that can influence corporate performance and long-term value creation. These themes align broadly with industry best practices (e.g., SASB, IFRS,ISSB).

# Calvert Themes

## Managing the issues that matter

As a leader in Responsible Investing, Calvert's proprietary research system is designed to measure and manage sustainability factors. Through rigorous testing and observing financially material issues across the global capital markets, Calvert has adopted the broad ESG themes listed below that may impact companies' performance and log-term value creation We assess companies' performance on these issues based on sectors, industries, and sub-industries, and these themes align broadly with industry best practices (ie. SASB, IFRS, ISSB). Responsible Investors can use these factors to help define their responsible investing goals..

| | THEME | DATA FACTORS |
|---|---|---|
| ❑ | **Corporate Ethics & Behavior** | Anti-competitive practices, corruption, bribery, extortion, money laundering, fraud, greenwashing, tax evasion, whistleblower programs, political involvement policy, lobbying and political expenses, transparency on government payments, conflict of interest policy, business ethics. |
| ❑ | **Biodiversity & Land** | Abusive/illegal fishing, coral reefs, endangered species, forest burning, illegal logging, land ecosystems, marine/coastal ecosystems, palm oil. |
| ❑ | **Climate & Energy** | Energy management, carbon intensity, renewable energy use, scope of ghg reporting, renewable energy programs, physical impacts of climate change. |
| ❑ | **Opportunities** | Sustainable food programs, eco-design, fleet emissions, green buildings, end-of-life product stewardship programs, green logistics, sustainable products & services, sustainable financial initiatives. |
| ❑ | **Packaging & Electronic Waste** | Waste management, e-waste reduction, sustainable packaging policy, controversies. |
| ❑ | **Pollution & Waste** | Air quality, local pollution, overuse and wasting of resources, mineral waste management, environmental fines and penalties, emergency response program. |
| ❑ | **Supply Chain** | Sustainable agriculture programs, recycled material use, supplier environmental programs, food retail initiatives, materials sourcing and efficiency. |
| ❑ | **Water** | Water scarcity, water intensity, water management programs, water stress, sustainable aquaculture programs, water and wastewater management. |
| ❑ | **Overall Risk Management** | Environmental policy, environmental management system, product design and lifecycle. |
| ❑ | **Employee Health and Safety** | Negligence, health and safety management systems, health and safety certifications, asbestos, employee fatality rate. |
| ❑ | **Human Capital and Labor Management** | Labor practices, poor employment conditions, salaries and benefits, employee training, employee turnover, working hours policy, freedom of association and collective bargaining. |
| ❑ | **Privacy and Data Security** | Data privacy and security policy and management, privacy violations, cyberattack, customer privacy. |
| ❑ | **Product Safety and Integrity** | Product quality and safety, customer welfare, controversial products & services, predatory lending, credit & loan standards, clinical trial standards, policy on emerging technologies, advertising ethics policy, editorial guidelines, qms certifications. |
| ❑ | **Opportunities** | Access to basic services, financial inclusion, access to medicine program, equitable pricing and availability, access to healthcare. |
| ❑ | **Stakeholder Relations** | Animal mistreatment, child labor, forced labor, human rights abuses, impacts on communities, conflict minerals, health impact, human trafficking, indigenous peoples, migrant labor, rare earth metals, fair trade products, community development programs. |
| ❑ | **Supply Chain Labor** | Child labor, scope and quality of supplier standards, supply chain monitoring and certification, ethical trading, controversies. |
| ❑ | **Diversity & Inclusion** | Discrimination policy, gender inequality, diversity programs, employee resource groups. |

## Risk Considerations

There is no assurance that a Portfolio will achieve its investment objective. Investment strategies are subject to market risk, which is the possibility that the market values of securities owned by a Portfolio will decline and may therefore be less than what you paid for them. **ESG strategies** that incorporate impact investing and/or environmental, social and governance (ESG) factors could result in relative investment performance deviating from other strategies or broad market benchmarks, depending on whether such sectors or investments are in or out of favor in the market. As a result, there is no assurance ESG strategies could result in more favorable investment performance.

There is no guarantee that any investment strategy will work under all market conditions, and each investor should evaluate their ability to invest for the long term, especially during periods of downturn in the market.

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