

PACTA 2020

Instructions

The data transmission process steps are described below. Further information about the climate alignment assessment, the PACTA method and 2DII can be found in the FAQ section.

Data transfer:

1. Registration

First, please register by entering the code. Remember to register only with your business e-mail address and the name of your institution. In the "Type of organization" field, please select the industry to which your financial institution belongs. This latter serves as the basis for peer comparisons. This information can be changed up until the final transmission of your data in the "account management" (gear-icon, top right).

2. NDA

If you require a non-disclosure agreement, a pre-filled templates is available in the section "NDA". Please download the file, complete the highlighted sections and send the document to the mentioned address of 2° Investing Initiative.

3. Qualitative Survey

To acknowledge your efforts to achieve climate compatibility beyond investments in real estate, bonds and equity, we ask you to fill out a questionnaire. You can view the full set of questions that will be asked here. You will be given access to this survey via the "Survey" tab (after receipt of the NDA).

4. Portfolio Transfer of Listed Equities and Bonds

You can your real estate portfolio and various financial portfolios to the 2DII server in the section "Portfolio". Further, you can upload you portfolios that are invested indirectly in Swiss Real-Estate.

In order to achieve the most representative result possible, we ask you to consider all the investments you manage. Besides the name, you can optionally specify various other properties of the portfolio (e.g. ESG). Please make sure that portfolios are effective as of 31.12.2019.

If you have already participated in 2017 and would like an individual analysis of the portfolio development, please provide us with a reference portfolio as at 31.12.2016.

We kindly ask you to adhere to the form specifications of the portfolio templates for all portfolio data records submitted.

5. Portfolio Transfer Swiss real estate and mortgage

The portfolios of Swiss real estate and mortgage can be transferred on two way. Either, you upload the data files to the server provided by 2DII, also in the portfolio section, or you send the files directly to Wüest Partner via email (pacta2020@wuestpartner.com).

The template for real estate and mortgage portfolios is available below. Please obey, that the excel file consists of three sheets. In the file it is explained which data must be submitted and which information is optional, to increase the robustness of the results.

We kindly ask you to adhere to the form specifications of the portfolio templates for all portfolio data records submitted.

For mortgage portfolios, please use the Excel file designated accordingly.

6. Portfolio Audit

From the beginning of May, you will have the opportunity to view the results of the initial portfolio data audit. Additionally, you will receive a list of entries that 2DII and Wüest Partner were unable to process. We will then ask you to check these entries for typing errors and upload the portfolio again.

7. Final Submission

Once you have uploaded all required data and corrected it if necessary, we ask you to check in the portfolio overview whether all uploads are approved for the evaluation. Then, you can select for each portfolio file whether a stress-test should be performed. You complete the final data transfer in "Submit."

8. Next steps

After May 26, 2020, all data records submitted by 2DII and Wüest Partner will be evaluated. As soon as the individual test reports are available, likely in September 2020, you will be notified via the email address provided.

If you have any further questions that are not answered here, please email pacta2020@2degrees-investing.org

Q: How much does it cost to participate?

A: Participation is free of charge. But, the project benefits from a range of stakeholders, such as governmental institutions, that funded the development of the tool set which now allows for automated processing.

Q: Why should I participate in the coordinated test instead of running the analysis on my own using the online tool?

A: Financial institutions can currently run the PACTA tool at www.transitionmonitor.com/participate. There are several benefits however from participating in the internationally coordinated test round, notably:

- Ability to compare results directly to your 'peers' in your country / financial institution group;
- Addition of new sectors (heavy duty vehicles, real estate in some markets);
- Consideration of qualitative elements;
- Contribution to broader awareness-raising and dialogue with policymakers – including on facilitating the minimization of reporting burdens;
- Update portfolio templates considering TCFD-recommendations;
- Additional to pdf reports, the evaluation results will be presented in a dynamic online platform with a personalized log-in

Q: What is the timeline of the project?

A: The project will take place in 2020. Specific timelines may vary in different countries, but the overall timeline will involve the following steps:

- March to May – Input of the portfolio data & response to questionnaire
- June – August – Analysis of the portfolio data and preparation of the results
- September – November – Participants receive automatically generated individual test reports with peer comparison at the same time; Publication of country studies with aggregated data (meta-studies) and provision of results to participating financial institutions.

Q: How can I submit my portfolio for analysis?

A: You will be able to upload the listed equity and corporate bond portfolios under a dedicated link (separate to the Participate link) in Spring 2020. A dedicated platform will be provided for each participating country and its institutions. For banks, 2°ii will provide an open-source software that can be used to perform the analysis on lending portfolios on-site. Portfolios should be effective as of , as well as contain for equity and corporate bonds a list of ISINs with corresponding market values and currencies. We will evaluate each Funds according to all listed direct holdings within the Fund. A sample portfolio that illustrates the proper formatting and content can be found on the website. For Swiss real estate and mortgage portfolios a list of 'EGID'-numbers or address data must be filled in the corresponding template. In addition, participants can voluntarily fill out a qualitative template covering climate strategies and action.

Q: What asset classes and sectors are covered in the analysis?

A: This analysis covers listed equity, corporate bonds, and corporate loans in the power, automotive, oil and gas, coal mining, aviation, shipping, cement, and steel sectors. For Switzerland, also real estate can be covered with a separate module (see section 1.6). Coverage for individual parts of the analysis may vary based on data availability – see sections 1.2 and 2.2 for details.

Q: Will my portfolio information be kept confidential?

A: All data provided or downloaded in the process of using the online tool is kept confidential and will not be distributed or used for purposes other than running the analysis and providing results, as well as anonymized use for meta-studies and peer comparison. Before uploading the data, 2°Investing Initiative will sign a non-disclosure-agreement. For the online tool, 2° Investing Initiative uses a stand-alone server, i.e. no other website or information is stored on the server, which increases the security significantly. The server is set up in compliance with the security standards of the German Federal Data Protection Act (BDSG, "Bundesdatenschutzgesetz"), Tele Media Act (TMG, "Telemediengesetz"), and is built on infrastructure that is DIN ISO/IEC 27001 certified.

Q: Will I be required to publish the results?

A: You will not be required to publish the results. The project will involve however the publication of aggregated, anonymized 'country reports'.

Q: How does the PACTA analysis differ from portfolio carbon footprinting?

A: This analysis assesses the alignment of a portfolio with different climate scenarios based on forward-looking production and capacity metrics. Carbon footprinting, on the other hand, relies on backward-looking data. Portfolio carbon footprinting also requires the normalization by financial units, which both prevents the benchmarking to scenarios, as well as a meaningful comparison between the climate performance of companies.

Q: Will the project give me information on what climate actions I can take?

A: 2° Investing Initiative and its partners are not regulated investment advisors, managers, or consultants and are thus not regulated to give financial advice. Moreover, the current evidence as to

the effectiveness of one strategy over another is limited. More evidence-building is required, to which this project will hopefully contribute. To facilitate actions however, the briefing will involve an overview of potential actions taken by peers and individual case studies. 2° Investing Initiative will also launch a “Target-setting module” on the Transition Monitor Platform for participating financial institutions in this PACTA 2020 tests that they can use to set explore different strategies, develop climate actions and targets, and ensure alignment with external target-setting standards.

For participants interested in climate related stress tests, a voluntary test can be performed as part of the project (see chapter 2).

Q: I have another question that is not answered in this briefing.

A: Please get in touch with us at pacta2020@2degrees-investing.org

Contact Information

If you have any questions, please don't hesitate to contact us via email at

pacta2020@2degrees-investing.org

or by phone:

Tel +33 1 42 81 19 97 (French)

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For questions regarding the evaluation of the Swiss Real Estate portfolios please contact

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