Simplifying ESG using technology

About

- GaiaLens is a FinTech group that provides an **AI-powered ESG Analytics Platform** to institutional investors. We achieve this by combining cutting-edge technologies and the latest thinking in ESG investing.

- Our platform acts as an **automated ESG analyst team** which can support investors throughout the whole ESG investment lifecycle and save them a significant amount of time.

- We are a group drawn from finance professionals, technologists, and academics who believe that economic value creation can and should be combined with environmental stewardship, social inclusion, and sound governance.

GaiaLens AI-Powered ESG Analytics Platform

Simplifying ESG using technology

The GaiaLens platform is comprised of a suite of tools to help investors fulfil their ESG needs including **portfolio reporting**, **investment screening**, and **deep-dive research capabilities**.

At its core, GaiaLens is a data-driven product that compiles and analyses structured and unstructured data sets, as well as traditional financial data sets to ensure that all ESG-relevant data on **c.19,000 companies** are gathered, measured for consistency and transparency, and scored in real-time across the E, S and G pillars. We handle **both equity/debt securities** and have environmental data on > 2 million private companies.

The GaiaLens platform can also integrate and process data which is not currently in our system for example data from **private companies**. We are **ESG data experts** and can easily handle new data which can then be used to calculate ESG scores and presented on our ESG Analytics platform.

GaiaLens' Scores are Explainable, Comprehensive and Innovative

GaiaLens **optimises explainability** to enable users to drill into and fully understand the detail behind the numbers. Our **proprietary algorithm** enables the system to aggregate a massive volume of data in order to calculate overall ESG scores.

Much of the focus within ESG investing tends to be on the Environmental pillar but **GaiaLens' holistic approach** has exactly the same level of commitment to ensuring robust, multi-sourced, real-time scoring for the Social and Governance pillars.

GaiaLens calculates the **dynamic materiality** of ESG themes at the industry level to track structural changes as they take place. We use Machine Learning to engineer innovative **proprietary features** such as diversity metrics and use state-of-the-art Natural Language Processing to analyse and absorb news streams into its analytics platform.

Proprietary ESG Data includes best-in-class ESG scores and news data

GaiaLens' ESG Scores: We calculate ESG scores for each of our c.19,000 companies in **real-time** using our proprietary ESG scoring algorithm. Our scoring system has four levels of hierarchy starting with transforming raw ESG data into *Factor Level Scores*, then calculating *Theme Level Scores*, *Pillar Scores* and finally *Overall Scores*. We have historical scores going back **20 years**.

GaiaLens' Proprietary ESG Factors: we engineer proprietary datapoints which are inputted into our scoring algorithm. These include *Beneish M Score, Board Gender Pay Gap, Ethnic Diversity on the Board, Percentage of Independent Directors on Board, Percentage of Women on the Board, Employee Satisfaction Rating, Employee Turnover, Corporate Misconduct Penalties.*

GaiaLens' ESG News: we have millions of articles that we generate signals from using our **proprietary NLP models**. We heavily process each article and extract as much value as possible including calculating a **company relevance score** (which measures how relevant the article is to the company); we also calculate **similarity and sentiment scores** for over 50 different ESG topics including SASB themes and UN SDGs. We also track key people/entities that get mentioned in the article such as CEOs and insider/outsider shareholders. We have news going back over **10 years**.

GaiaLens

GaiaLens Portfolio Benchmarking – ESG Scores

Step1: easily upload your portfolio

Step 2: choose a benchmark

Step 3: see if your portfolio is under/over performing

Portfolio Management - Add Portfolio

METHOD 1: UPLOAD CSV   METHOD 2: ENTER COMPANIES

Portfolio Name

Share With Colleagues

Download CSV template to upload

Select...

Download CSV ⬇

Drag and drop or upload a .csv file here

Choose file   No file chosen

Index Selected

S&P 500

- FTSE Aus
- iShares China Large-Cap ETF
- iShares Core MSCI EAFE ETF
- iShares Core MSCI Emerging Markets ETF
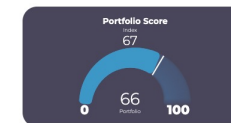- iShares Global Clean Energy ETF
- iShares MSCI ACWI ETF

Portfolio Score **66**   Portfolio Selected FAANGs   Index Selected S&P 500   15th February 2023 Last refresh Date

Portfolio Score 67 — 0 66 Portfolio 100

Environmental Score 58 — 0 66 Portfolio 100

Social Score 71 — 0 66 Portfolio 100

Governance Score 67 — 0 57 Portfolio 100
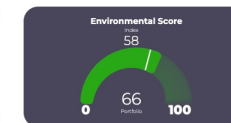
GaiaLens Portfolio Benchmarking – Sustainability Frameworks

Portfolio Score 66

Portfolio Selected
FAANGs

Index Selected
S&P 500

15th February 2023
Last refresh Date

UN SDGs

SDG 9   SDG 17

84%

57%
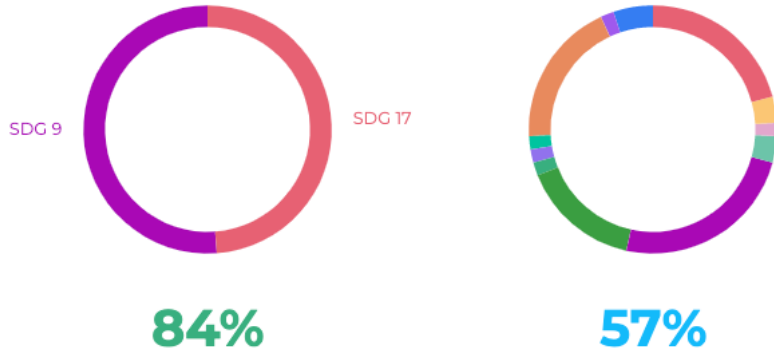
Portfolio SDG Revenue Alignment All SDGs (2020)   Index SDG Revenue Alignment All SDGs (2020)

SFDR

| PAI	Pillar	SFDR Metric	Fiscal Year
Select...	Select...	Select...	Select...

Download SFDR Annex 1

Download CSV

PAI	Pillar	Adverse Sustainability Indicator	SFDR Metric	Fiscal Year	Units	Portfolio Weighted Avg.	Portfolio Coverage	Index Weighted Avg.	Index Coverage	Definition
mandatory	E	Greenhouse gas emissions	Carbon Scope 1 (tCO2e)	2020	tCO2e	40,686	100%	4,283,710	100%	Greenhouse gas (GHG) emissions from sources that are owned or controlled by the company (categorised by the Greenhouse Gas Protocol).
mandatory	E	Greenhouse gas emissions	Carbon Scope 2 (tCO2e)	2020	tCO2e	1,900,595	100%	1,342,553	100%	Greenhouse gas (GHG) emissions from consumption of purchased electricity, heat or steam by the company (categorised by the Greenhouse Gas Protocol).
mandatory	E	Greenhouse gas emissions	Carbon Scope 1 & 2 (tCO2e)	2020	tCO2e	1,941,281	100%	5,626,263	100%	Greenhouse gas (GHG) emissions from sources that are owned or controlled by the company (Scope 1), plus emissions from consumption of purchased electricity, heat or steam by the company (Scope 2). Scopes are as categorised by the Greenhouse Gas Protocol.
mandatory	E	Greenhouse gas emissions	Carbon Scope 3 Total (tCO2e)	2020	tCO2e	9,690,345	100%	31,099,294	100%	Total Scope 3 (downstream + upstream) Carbon Emissions.

EU Taxonomy

58%
Portfolio Total Eligible Revenue (2020)

0%
Portfolio Partially or Fully Aligned Revenue (2020)

0%
Portfolio Total Aligned Revenue (2020)

35%
Index Total Eligible Revenue (2020)

1%
Index Partially or Fully Aligned Revenue (2020)

0%
Index Total Aligned Revenue (2020)

TCFD

1,941,281
Portfolio Carbon Scope 1 & 2 (tCO2e)

9,690,345
Portfolio Carbon Scope 3 Total (tCO2e)

14
Portfolio Total Carbon Scope 1 + Scope 2 Intensity

5,626,263
Index Carbon Scope 1 & 2 (tCO2e)

31,099,294
Index Carbon Scope 3 Total (tCO2e)

110
Index Total Carbon Scope 1 + Scope 2 Intensity

Portfolio Controversy Alerts Service uses state-of-the-art Large Language Models

Step1: toggle on Controversy Alerts for one of your portfolios
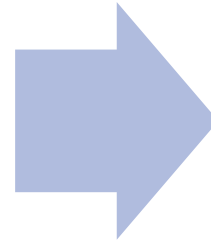
Step 2: automatically start receiving controversy updates for your portfolio

Portfolio Management

Add, edit or delete portfolios

+ Add Portfolio

Portfolio Name

Portfolio Role

Actions

Controversy Portfolio

Portfolio Owner

Toggle Controversies Alerts

Dear Sarah,

We hope this email finds you well. We are writing to inform you that your ESG portfolio **Controversy Portfolio**, has triggered 3 controversy alerts as of today Wed Feb 15 2023:

1. Exclusive: After multi-billion U.S. fund collapse, Germany's Allianz eschews risk for safe bonds – **Allianz**
2. Toshiba's profits fall 90% as top executive resigns – **Toshiba**
3. Adani Enterprises Q3 results today. Can they help the Adani group stock recover after 50% fall? – **Adani Enterprises**

EDCI Workflow: data collection and benchmarking

Step 1: investors or portcos can add data → Step 2: create a private investment portfolio → Step 3: benchmark your portcos across any EDCI metric

GaiaLens Offering:
1) ESG Analytics Platform – *empowering investors across the ESG lifecycle*

The AI-Powered **ESG Analytics Platform** is our flagship product and includes access to our 3 main dashboards:

1. **Company-level dashboard** is designed for deep-dive research into a company's ESG profile with the ability to drilldown to the most granular level of data. This includes our *explainable ESG scores*; news flow screens which categorises articles into ESG topics and highlights ESG incidents affecting companies; historical time series; EU Taxonomy, SFDR and UN SDGs mappings; thematic investing screens; magnitude/materiality matrix.

2. **Portfolio-level dashboard** is intended to make portfolio monitoring straightforward and intuitive for investors. This includes portfolio reporting capabilities and benchmarking the ESG performance of portfolios; showing exposure to any ESG laggard/detractor stocks; flagging potential areas of engagement; highlighting ESG news controversies that are taking place concerning portfolio companies in real-time. Custom themes can also be created such as Modern Slavery which allows investors to benchmark their portfolios with respect to that theme combining both structured and unstructured data.

3. **Screening tool** which enables users to screen on traditional valuation criteria and ESG factors. This was designed to aid investors with portfolio construction giving them the ability to screen on both financial and ESG metrics and see the most up-to-date data for their selected universe.

GaiaLens Offering:
2) *Data – Real-time Scores, News & Proprietary Data*

We are flexible when it comes to data delivery and can deliver via our API, data dumps or sharing via a bucket.

1. **GaiaLens ESG Scores**: Access to our underlying data including our ESG scores for c.19,000 companies, ESG pillar scores, theme scores and factor level scores. We currently have c.200 ESG factors that are used to calculate our ESG scores and track well over 500 factors.

2. GaiaLens Proprietary Data: The GaiaLens system uses a combination of intelligent web crawlers and Machine Learning to engineer innovative proprietary features such as diversity metrics at scale and in real-time.

3. GaiaLens News Data: we have built a cutting-edge news system to process the news for all our coverage in real-time. This involves monitoring hundreds of thousands of news sources, social media, and NGO's. We track c.50 ESG news topics including SASB themes and UN SDGs and a few other important ESG themes such as Modern Slavery and Gender Equality. The news just like our scores is refreshed daily across our whole coverage. We can offer the news data in two formats:

1) <u>News flow</u>: all news flow for our company coverage including articles and tweets.

2) <u>ESG Controversies</u>: output from our controversy detection model that calculates the probability that a company is involved in a scandal or controversy for each article processed.