

Climate and Nature Voting Solutions

Enhanced voting strategies and options for evolving environmental risks

ISS STOXX Climate and Nature Voting Solutions empower institutional investors to align their voting strategies with environmental risks, stewardship priorities, and client mandates. By leveraging our proprietary research, in-house climate and nature data, and governance experience, these solutions provide a comprehensive approach to enhanced climate and nature-focused perspectives for proxy voting. This includes structured policies for informed execution, customized voting strategies, and advanced insights on net zero and biodiversity.

Driving Informed and Consistent Voting Decisions

Our Climate and Nature Voting Solutions are supported by a comprehensive framework of five key topical pillars.

- **Norms Violations**
Flags violations of international standards related to carbon emissions, pollution control, and responsible resource management.
- **Current Performance Signals**
Measures climate impact through key metrics, including greenhouse gas emissions and resource efficiency, using the Greenhouse Gas Protocol.
- **Sector-Specific Materiality**
Prioritizes industry-specific climate risks and opportunities using our Carbon Risk Classification.
- **Future Climate Performance Signals**
Assesses forward-looking strategies using our carbon Risk Ratings (CRR) to evaluate companies' sector-specific preparedness for transition risks and long-term viability.
- **Disclosure | Signals**
Evaluates the quality and transparency of climate disclosures, aligned with the Task Force on Climate-Related Financial Disclosures framework for consistent reporting.

This robust framework supports investors in making informed, consistent, and credible voting decisions, backed by high-quality data and proprietary research.

Custom Climate Voting Policy

Customized Voting Recommendations

Tailored voting guidelines and recommendations reflecting unique perspectives on climate risks and performance.

- **Flexible Scorecard Customization:** Adjustable weightings and options for targeting specific voting items.
- **Pick-and-choose:** Ability to select one or multiple scorecard components as vote recommendation drivers.

Specialty Climate Voting Policy

Pre-Defined Voting Guidelines

Thematic guidelines for consistent voting recommendations based on climate risks and performance.

- **Fixed Scorecard Approach:** Utilizes a consistent scorecard reflecting climate-related risk and performance factors.
- **Simple Implementation:** Quick and easy to adopt with minimal customization.

Strategic Benefits for Institutional Investors

- **Manage Environmental Risks**
Make informed proxy voting decisions with enhanced recognition of climate and nature-related risks.
- **Align with Strategic Objectives**
Tailor voting strategies to reflect your organization's unique perspectives and fiduciary responsibilities.
- **Streamline Voting Processes**
Integrated with ISS' ProxyExchange platform for efficient and scalable vote execution and reporting.

Coverage Universe

With regularly expanding coverage, companies across more than 20 major markets are covered by Climate Voting Solutions.



Expanding Voting Capabilities

With these expanded capability options, investors with a focus on net zero and biodiversity gain access to advanced data insights and tailored vote recommendations to support their proxy voting decisions, ensuring alignment with their stewardship priorities and evolving regulatory expectations. As add-on modules for Custom Climate Voting Policy subscribers, they deliver tailored vote recommendations based on selected criteria:

Biodiversity Signal in Custom Voting Policies

- Assess Nature Action 100 companies' impacts on biodiversity, drawing on Sustainable Development Goals (SDGs) 14 (Life Below Water) and 15 (Life on Land).
- Analyze company operations, product impact, and controversies to determine biodiversity risks.
- Support more precise voting recommendations in sectors with significant biodiversity considerations.

Net Zero in Custom Voting Policies

- Evaluate companies' progress towards achieving net zero emissions targets.
- Identify alignment with Paris Agreement objectives and sector-specific decarbonization strategies.
- Equip investors with the ability to distinguish companies leading the transition and prioritize meaningful engagement and voting actions.

The underlying data leveraged for these solutions is available upon subscription, for year-round performance and risk monitoring.

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ISS STOXX delivers world-class research, data, and technology solutions that empower capital market participants to pursue their visions with confidence. Our expertise spans indices, corporate governance, sustainability, cyber risk, and fund intelligence, giving clients the tools they need to uncover opportunities, manage risks, and navigate evolving regulations. We are made up of 4,000 professionals operating across 20 countries and serving approximately 5,000 clients, including many of the world's leading institutional investors. Our scale and reach give us deep market knowledge, while our innovative methodologies allow us to offer our clients tailored insights that drive impact and success.

ISS STOXX Governance offers objective governance research and recommendations; responsible investment data, analytics, and research; end-to-end proxy voting and distribution solutions reliable global governance data and modeling tools; asset management intelligence, portfolio execution and monitoring, fund services, and media. Clients rely on ISS STOXX Governance expertise to help them make informed investment decisions. Governance solutions are provided by Institutional Shareholder Services Inc., an investment adviser registered under the U.S. Investment Advisers Act of 1940.

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