



# 2024 SUSTAINABLE GLOBAL SMALL CAP ANNUAL REPORT



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## Global Alpha Capital Management at a glance

Global Alpha Capital Management (Global Alpha) was founded in 2008 and focuses solely on managing global, international and emerging market small cap equities. The investment team is led by Robert Beauregard, a veteran of the investment management industry with a long track record of managing global small cap equity portfolios. Since early on, Global Alpha started integrating ESG into the investment process before formally committing to the Principles for Responsible Investment (PRI) in 2012.

Global Alpha's approach involves constructing portfolios through a fundamental investing approach of bottom-up stock selection, ensuring a rigorous focus on identifying high-quality investment opportunities. Central to this process is the "one team, one view, one portfolio" ideology, which fosters seamless collaboration across all team members, with sustainability analysts and investment analysts collaborating closely. This integrated approach ensures that sustainability is not an isolated consideration, but a core

element embedded within the firm's decision-making framework and operational processes. By integrating sustainability into the investment process, Global Alpha ensures effective risk mitigation and enhances long-term value creation for clients. Furthermore, the quality of research produced is constantly monitored and reviewed.

The key to generating consistent added value for clients over time with bottom-up portfolios is to use global thematic perspectives and a risk-controlled, low-turnover approach.

In addition, it is a strong belief that diversity of team and thought are key contributors to successful investing. As such, it has been a deliberate practice at the firm to build a team of investment professionals with different backgrounds and experiences. Global Alpha strives to promote a diverse and inclusive culture to retain talent in the long term.

## Global Alpha's commitment to responsible investment



*\*The TCFD disbanded in 2023, having been incorporated into the IFRS's ISSB standards; however, its climate disclosure recommendations are still widely reported against.*

## Sustainable Global Small Cap Strategy

Since the firm's beginnings, Global Alpha has been holistically integrating ESG factors into the investment process as part of the bottom-up research process. To this day, it continues to update and enhance existing practices as it understands that the industry continues to evolve and change.

In late 2023, Global Alpha launched the Sustainable Global Small Cap (SGSC) Strategy to expand the Global Alpha Global Small Cap product offering. The SGSC Strategy leverages the team's current investment process with a primary focus on identifying companies that are expected to contribute to positive outcomes for the environment and society while also seeking to maximize long-term total returns.

To assess positive outcomes on the environment and society, Global Alpha has internally developed a methodology that aims to help identify investment opportunities whose products and services are aligned with the United Nations' Sustainable Development Goals (SDGs).



## Collaboration with Æquo

Global Alpha actively works with Æquo in the implementation and monitoring of the strategy's sustainability assessment framework to ensure it adheres to the goals outlined in this report. Æquo is a firm specializing in shareholder engagement and responsible investment with a mission to contribute to a sustainable and fair economy by using engagement as a lever for investor influence on companies. Æquo is responsible for maintaining and updating the strategy's sustainability assessment framework, as well as validating the analyses of the strategy's portfolio companies.



# 90.46%

OF REVENUES ALIGNED  
WITH THE UN SDGS



# 28%

OF HOLDINGS HAVE SET SCIENCE-BASED  
TARGETS (21% ALIGNED TO 1.5°C,  
2% ALIGNED TO 2°C, 6% COMMITTED)



# 28%

OF HOLDINGS HAVE COMMITTED TO NET  
ZERO BY 2040 OR 2050, 4% HAVE COMMITTED  
TO MAKING NET ZERO COMMITMENTS



# 31.82%

AVERAGE FEMALE REPRESENTATION  
ON THE BOARDS

*For the Sustainable Global Small Cap Strategy  
as of December 31<sup>st</sup>, 2024. Source: SBTi Targets  
Dashboard, Internal Climate Roadmap, Bloomberg.*

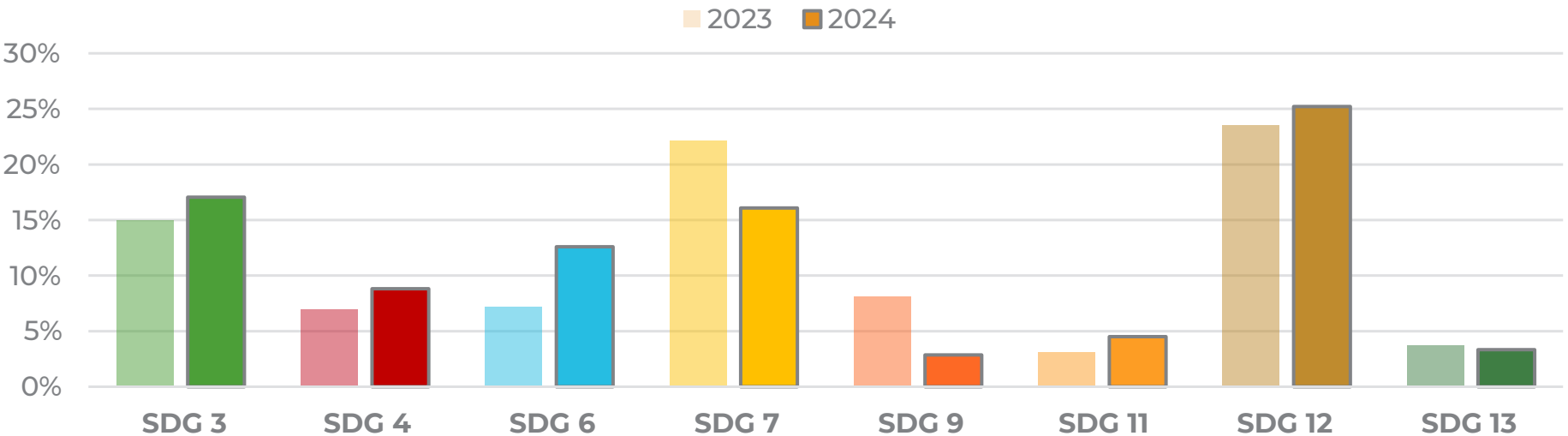


# Summary of strategy characteristics

## SDG ALIGNMENT

In 2024, the amount of revenue aligned to SDGs increased to 90.46%. While the revenue alignment only slightly increased from 89.88% in 2023, the mix of themes did change with a greater alignment to SDGs 3, 4, 6, 11 and 12

## SDG DISTRIBUTION

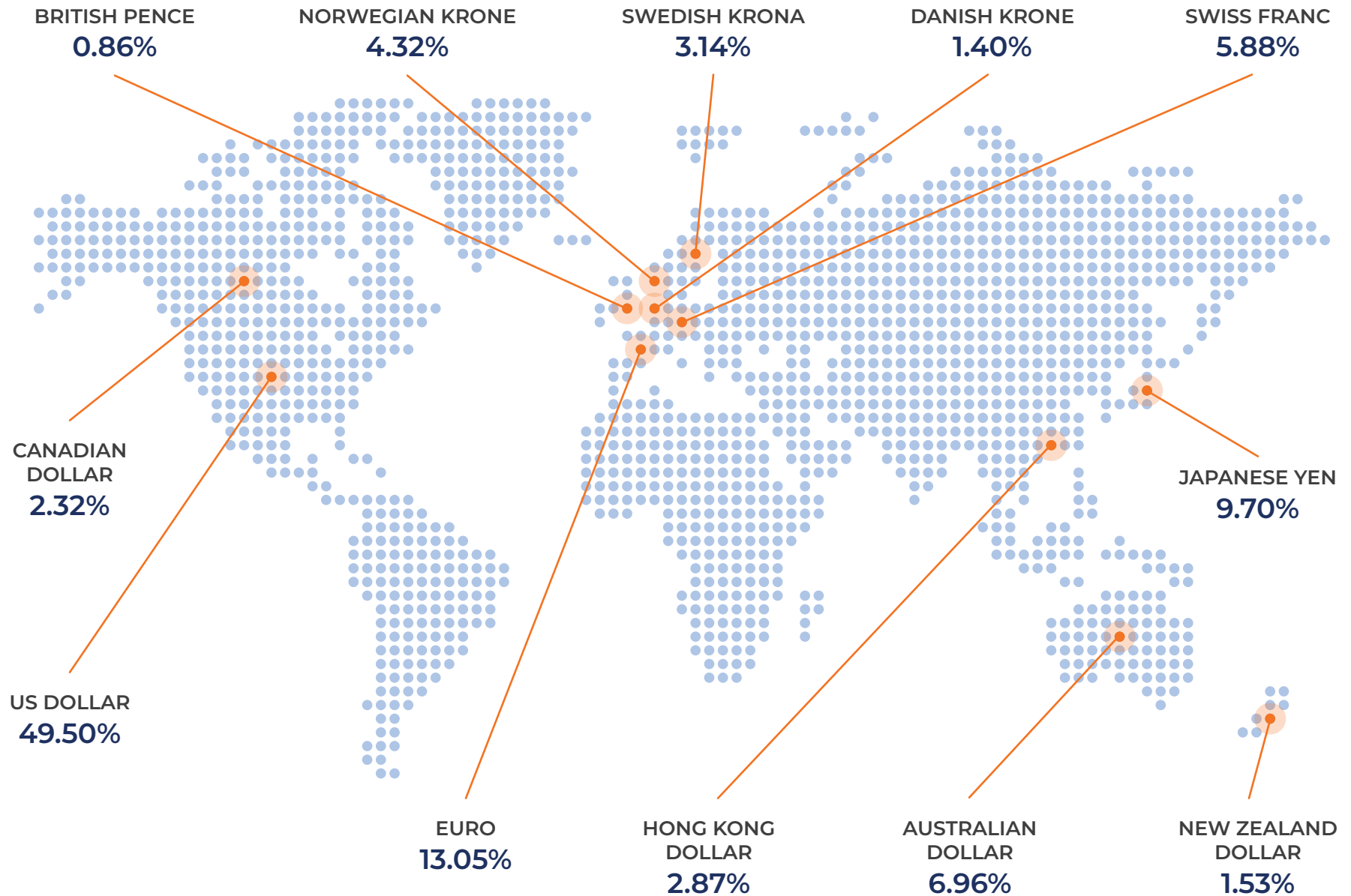


SECTOR DISTRIBUTION	%
Industrials	38.32
Health Care	13.86
Consumer Discretionary	8.91
Financials	8.42
Consumer Staples	8.10

SECTOR DISTRIBUTION	%
Real Estate	6.18
Materials	5.59
Utilities	5.00
Information Technology	3.81
Communication Services	1.23

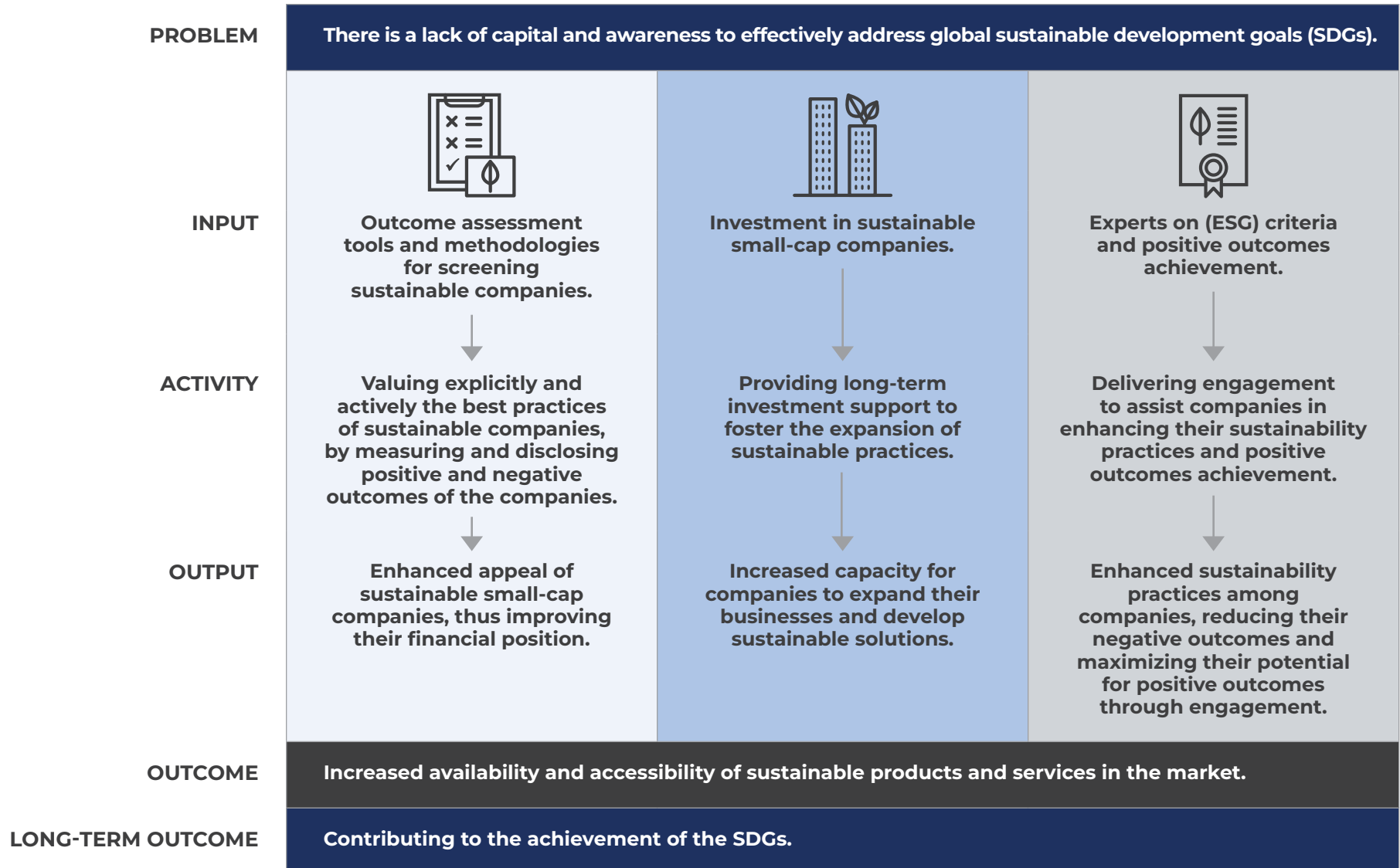
## Summary of strategy characteristics

### CURRENCY DISTRIBUTION



## SGSC Strategy Theory of Change

The Theory of Change (ToC) serves as a strategic roadmap, outlining the framework for achieving desired sustainable outcomes through targeted investments. It articulates the key steps, mechanisms and intermediate goals that will drive sustainable outcomes. By clearly mapping the cause-and-effect relationships between actions and outcomes, the ToC ensures that the fund remains aligned with the overarching sustainability objective.



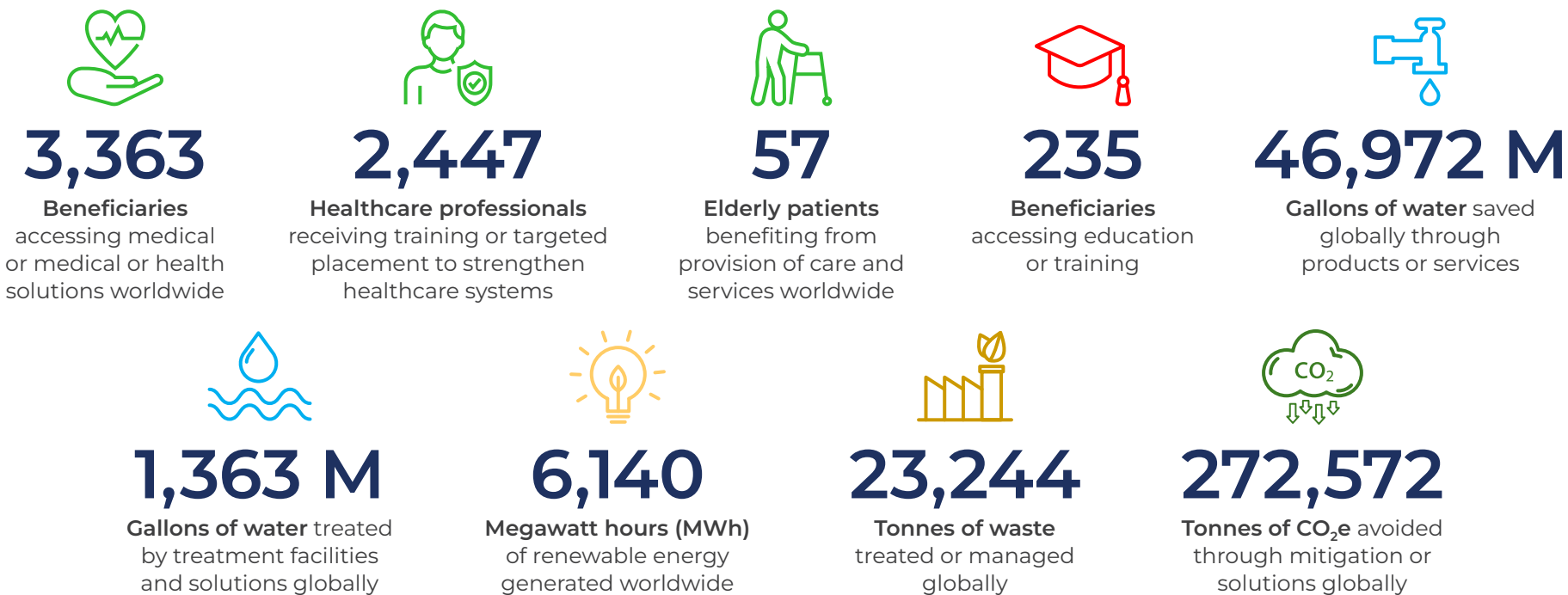
# Positive outcomes of the Sustainable Global Small Cap Strategy

The positive outcome calculator is an internally developed tool designed to quantify the positive social and environmental outcomes associated with investing in the SGSC Strategy. This strategy focuses on investing in companies that generate positive social and environmental outcomes. Each company must align with at least one of the eight selected SDGs through the sale of its products or services. Where possible, the positive outcomes of these products or services are quantified and aggregated to provide greater transparency into the strategy's real-world contributions.

## KEY ASPECTS OF THE TOOL INCLUDE:

- **Outcome quantification:** Translates social and environmental contributions into measurable metrics where feasible.
- **Aggregate outcomes reporting:** Provides consolidated data on the strategy's collective progress toward addressing global sustainability challenges.

Investments in the Sustainable Global Small Cap Strategy enabled companies to achieve (per USD 100,000,000 invested):



*Disclaimer: Global Alpha's positive outcome calculator is provided for informational and illustrative purposes only, to illustrate the positive outcomes financed by an investment in the SGSC Strategy. The financing of positive outcomes of holding companies is proportionally adjusted based on financial exposure to each company. This is done by using Enterprise Value (EV) as the scaling factor – an approach aligned with the Global Impact Investing Network's (GIIN's) 2021 Methodology for Comparing and Assessing Impact. Calculations may involve certain assumptions or estimations based on available company-reported data.*

*The positive outcome calculator provides illustrative estimates based on a hypothetical \$100 million investment in the fund. These estimates are not intended to reflect the actual positive outcomes generated by the underlying portfolio companies and should not be interpreted as a precise or guaranteed measure of impact.*

*Positive outcome = (outcome metric reported by the company ÷ enterprise value) × Market value of Global Alpha's investment in the company.*

*Æquo, a shareholder engagement and responsible investment firm, has reviewed the metrics and assumptions behind the SGSC positive outcome calculator based on publicly available information and within the limits of its expertise to ensure the accuracy and reliability of the reported data.*



# Sustainability assessment framework

One of the key differentiators of this strategy is that the SGSC Strategy aims to invest in securities that yield positive environmental or social outcomes. To ensure robust identification of activities that contribute to sustainability outcomes, Global Alpha decided to invest in companies whose revenues positively contribute to one or a combination of the selected SDGs.

The SDGs are a widely recognized framework developed by the United Nations to address global challenges while promoting sustainable development across three main areas: the economy, society and the environment.

More specifically, the SGSC Strategy targets eight SDGs which represent the main sustainability issues that can be addressed by companies through their core products and services.

To identify companies that are eligible to be included in the SGSC Strategy, Global Alpha has developed a sustainability assessment framework which includes the validation of revenue alignment, negative outcomes analysis and a controversy screening.

To be included in the SGSC Strategy, a company needs to have a majority of its revenue aligned to one or more of the SDGs.

REVENUE ALIGNMENT	NEGATIVE OUTCOMES	CONTROVERSY SCREENING
<p>This first step in the analysis is related to company revenues. It aims to ensure that all companies in the SGSC Strategy contribute to the SDGs in a measurable and significant way through their products and services. To determine alignment, Global Alpha has developed an internal taxonomy classifying positive outcome activities and their contribution to the SDGs. This taxonomy is based on internationally recognized frameworks and existing taxonomies.</p>	<p>This second part of the analysis focuses on the way in which companies conduct their activities, primarily through an analysis of potential negative outcomes resulting from their operations. It is a fundamental component aimed at ensuring that the negative outcomes are minimized. To ensure that companies do no significant harm, a double materiality analysis is conducted to identify the potential negative outcomes from a financial and impact perspective and an analysis of key issues is conducted. At the end of the assessment, a score is generated to assess the level of risk mitigation.</p>	<p>The last step includes a review of controversies. The resulting controversy score is based primarily on an assessment carried out by an external services provider and supplemented with additional verifications. Companies with low scores resulting from material controversies are excluded from the strategy.</p>

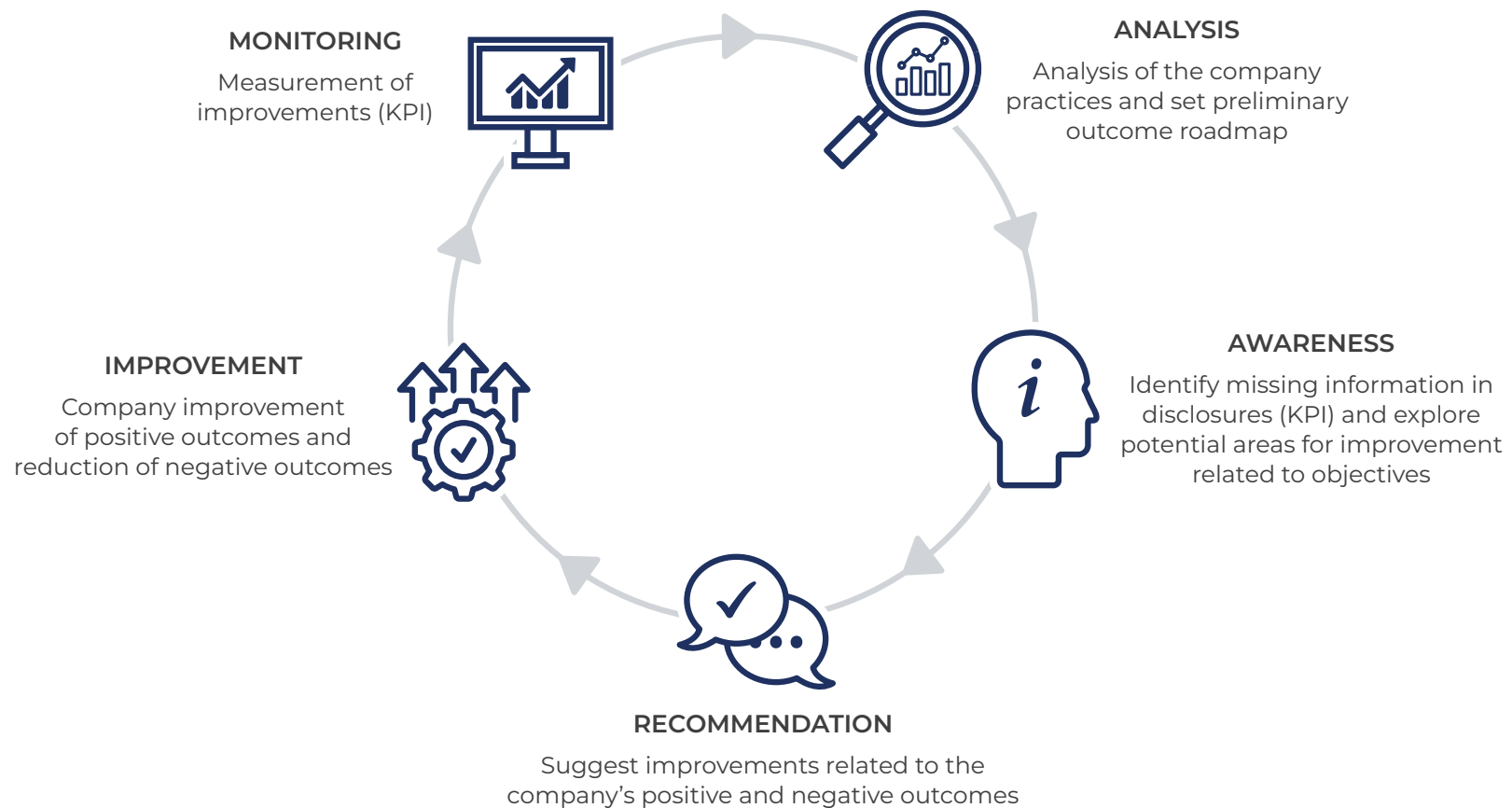
## Sustainability assessment framework

As part of its responsible investing approach, Global Alpha believes that shareholder engagement and proxy voting are effective ways to influence companies to adopt sustainable practices to enhance value and mitigate risks. As an active shareholder, Global Alpha considers direct engagement with issuers to be instrumental to its stewardship program. It conducts engagements via in-person visits, letters, emails and calls with company management.

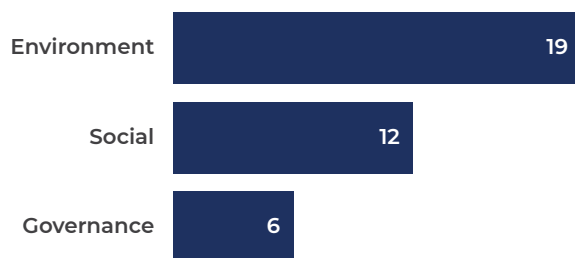
ESG engagements occur through two distinct approaches:

### Direct ESG engagement by Global Alpha's sustainability analysts

### Proxy voting and engagement supported by the CC&L Stewardship & Engagement Team



### ENGAGEMENTS BY CATEGORY\*



### ENGAGEMENTS BY SECTOR



Source: Global Alpha, ESG engagements with companies in the SGSC Strategy, as of December 31, 2024.

\*Adds up to more than the total number of engagements, as there may be more than one topic discussed per engagement.

## Direct ESG engagements

Applied to this strategy's framework, engagements have two main goals.

Firstly, the engagements aim to gather more information about companies to augment the firm's internal research and fully understand their activities and potential outcomes. Secondly, they aim to drive positive change through formulating recommendations to management with regard to positive outcome enhancement and risk management. Engagements could therefore take place before or after initiating a position in a company.

Additionally, Global Alpha votes proxies to exercise its fiduciary duty to clients. It is an integral part of its broader engagement process to ensure good corporate governance and enhance long-term shareholder value. Global Alpha utilizes the global proxy voting research and voting services of Institutional Shareholder Services (ISS) to help assess and vote proxies in accordance with its custom voting policy.

In 2024, Global Alpha held 20 direct ESG engagements between the sustainability analysts and holdings of the SGSC Strategy, representing about 38% of the companies in the strategy.



# DIRECT ESG ENGAGEMENT – CASE STUDIES

## Balchem

<b>Country:</b> United States	<b>Sector:</b> Materials
<b>Internal ESG score:</b> 3.5 / 5	<b>Response to engagement:</b> Good
<b>Themes:</b> Transparency in reporting, occupational health & safety	
<b>Issues:</b> Providing transparent reporting, improving health and safety practices	

### BACKGROUND

Balchem is a leading specialty performance ingredients provider based in the United States. The company develops, manufactures and distributes ingredients for a variety of end markets such as nutrition, food, animal health as well as industrial applications. The company's product portfolio includes multiple functional ingredients that improve the delivery of key nutrients in addition to minimizing nutritional waste that would typically end up in the environment. Balchem has also been working on its own sustainability goals and has been able to achieve a 32% reduction in direct emissions as of 2023 from 2020 base year, mainly by switching over to green energy sources and will continue to evaluate other alternatives to further reduce its footprint. Additionally, it has been in the process of improving the efficiency of its water usage by installing water-saving seal pots and controls on pumps resulting in over 2.4 million gallons of water saved annually. Quality improvements have been ongoing within its operations and the company will continue to evaluate strategic alternatives to achieve its sustainability commitments.

### ACTION

Global Alpha engaged with Balchem in August 2024. This was the second year in a row that Global Alpha engaged with the company. As a result of the first engagement, Balchem began reporting its revenue alignment with the SDGs. The company mentioned that Global Alpha, along with other investors, had requested this information and so it took action to publish this data. Global Alpha was pleased with the outcome and applauded the company for their improved reporting. One of the subjects that was discussed during this year's call was health and safety. In the last couple of years, Global Alpha noticed an increase in safety violation fines and wanted to know what the company was doing to improve internal controls. Balchem mentioned that it invested in additional training programs, as well as more automation within its facilities to minimize future incidents. As well, every quarter at employee town hall meetings, the company provides highlights of safety statistics. Global Alpha will continue to monitor these statistics and further discuss further safety initiatives.

These engagements highlight how investor engagement can help companies improve their sustainability disclosures.

Source: 2023 Balchem Sustainability Report





# Mueller Water Products

<b>Country:</b> United States	<b>Sector:</b> Industrial
<b>Internal ESG score:</b> 4.1 / 5	<b>Response to engagement:</b> Good
<b>Themes:</b> Transparency in reporting, climate change	
<b>Issues:</b> Providing more transparent reporting	

## BACKGROUND

Mueller Water Products is an American manufacturer and distributor of products and solutions for the transmission, distribution and measurement of water in North America. Its extensive range includes engineered valves, fire hydrants, pipe connection and repair solutions, metering devices, leak detection systems, pipe condition assessments, pressure management tools and software that delivers essential data for water systems. The products that the company manufactures are primarily composed of metal, 90% of which comes from recycled sources. With the company’s leak detection technology, it enabled a total savings of 1.8 billion gallons of water in 2023 alone.

## ACTION

Global Alpha engaged with Mueller Water for the first time in November 2024. The purpose of the first meeting was to gather information and speak to the company about our internal sustainability approach. Global Alpha was very satisfied with the company’s internal practices and its openness to feedback.

One of the subjects that was discussed was the topic of Scope 3 emissions. Though the company does not currently disclose this information, it is something that is being worked on internally. Global Alpha explained that Scope 3 emissions measurement will allow the company to dig into its whole value chain, understand the sources of the emissions and identify areas of improvement. Another subject that was discussed was innovation within its product portfolio. The company has an innovative offering called EchoShore which is a proprietary leak detection technology that has helped its customers save a vast amount of water through real-time monitoring. Global Alpha aimed to gather more insights into how the company is promoting the adoption of its solutions to enhance water savings among its customers. The company clarified that, given its customer base of utilities, the approval process for adoption is often lengthy. Global Alpha will keep a close eye on the uptake of these water-saving technologies and encourage the company to actively engage with its customers to foster greater adoption.

Source: 2023 Mueller Water Products ESG Report





# Valmont Industries

<b>Country:</b> United States	<b>Sector:</b> Industrial
<b>Internal ESG score:</b> 3.8 / 5	<b>Response to engagement:</b> Good
<b>Themes:</b> Occupational health & safety, DEI, supply chain management	
<b>Issues:</b> Health and safety monitoring and target setting	

## BACKGROUND

Valmont is a US-based global manufacturer that operates in two core segments: infrastructure and agriculture. The infrastructure segment produces engineered solutions for utilities, renewable energy, lighting, transportation and telecommunications. The agriculture segment specializes in mechanized irrigation systems and precision agriculture solutions, supporting efficient water and resource management.

## ACTION

At the end of August 2024, Global Alpha held a call with Valmont Industries. The focus of the call was on health and safety; specifically, Global Alpha wanted more details on the rate of near misses as this statistic had increased compared to prior years. The company provided details on its five-year strategic priorities, third-party site audits and the rollout of a compliance process set for 2025. An interesting thing that the company highlighted was its use of AI to minimize and prevent future safety issues. In addition, it pointed to the Valmont Safety

Index dashboard, which is a key tool for proactive injury prevention, while improved data collection explained the rise in Near Miss Frequency Rates. Safety culture remains a top priority, with record metrics achieved through enhanced training, third-party medical triage and CEO-led “Stop Work Authority” initiatives. On DEI, the company emphasized transparency, citing its first EE01 report and a 161% increase in women in the global leadership pipeline, supported by programs like the Women’s Leader Council. A gender pay gap analysis was confirmed to have been reviewed at the board level. For supply chain sustainability, the discussion centred on product recyclability (particularly steel and aluminum), with circular economy efforts such as refurbishment projects gaining momentum, especially in Europe. While specific recycled content goals were not yet quantified, leadership underscored ongoing commitments to safety, DEI and sustainable design as core strategic priorities. Global Alpha encouraged the company to set targets with respect to recycled content.



## Proxy voting in the SGSC Strategy

Global Alpha votes proxies to exercise its fiduciary duty to clients and as an integral part of its broader engagement process to ensure good corporate governance and enhance long-term shareholder value. Global Alpha utilizes the global proxy voting research and voting services of Institutional Shareholder Services (ISS) to help assess and vote proxies in accordance with its custom voting policy. Since its launch at the end of 2023, the SGSC Strategy is reporting on its first full year of proxy voting activities in 2024. The table below provides a summary of the SGSC Strategy's proxy voting activity in 2024 across all proposals on which it was eligible to vote.

Revised proposal code category	Votes against management	% of votes against management	Votes against ISS*	% Votes against ISS	Total No. of proposals
Corporate governance related	0	0%	0	0%	43
Capitalization	3	11%	0	0%	28
Company articles	0	0%	0	0%	8
Compensation	71	70%	56	55%	102
Director related	106	32%	90	27%	336
Environmental and social related	0	0%	0	0%	1
Miscellaneous	2	20%	0	0%	10
Non-routine/business	0	0%	0	0%	53
Anti-takeover related	0	0%	0	0%	7
<b>GRAND TOTAL</b>	<b>182</b>	<b>31%</b>	<b>146</b>	<b>25%</b>	<b>588</b>

Source: ISS as of December 31, 2024.

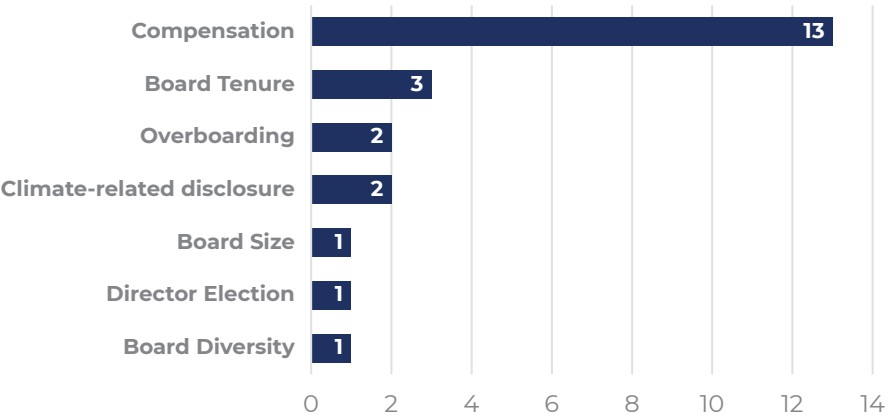
\*Votes against ISS indicate where Global Alpha's custom voting policy deviated from ISS's benchmark voting policy as of December 31, 2024.

## Proxy voting engagement highlights

As active shareholders, Global Alpha considers direct engagement with holdings to be instrumental to its stewardship program. Global Alpha takes a proactive approach to proxy voting by engaging with companies where it is considering voting against management's recommendations. To do so, Global Alpha receives support from the centralized CC&L Financial Group Stewardship & Engagement team, who works with the investment team to facilitate proxy voting and conducts engagements on proxy-voting matters. Global Alpha is pleased to share the highlights of the strategy's annual proxy voting engagement activity. In 2024, Global Alpha engaged with 13 companies in the SGSC Strategy prior to voting to discuss ESG related concerns. Following these discussions, Global Alpha proceeded to support management on 31% of the proposals reviewed, and proceeded to vote against management on 69% of the proposals reviewed throughout 2024.

Decisions to vote contrary to Global Alpha's customized proxy-voting policy resulted from a consideration of extenuating circumstances discussed during engagements, including Global Alpha's voting history at the company, the company's commitments to mitigate ESG risks and its overall financial and non-financial performance.

### PROXY-RELATED ENGAGEMENTS BY TOPIC



*Adds up to more than the total number of proxy voting engagements, as there may be more than one topic discussed per engagement.*



## PROXY VOTING ENGAGEMENT EXAMPLES

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In May 2024, Global Alpha engaged with Casella Waste Systems Inc. (CWST US), an American waste and recycling service, to discuss the company's director compensation and corporate governance policies. During the engagement, Casella shared that it had expanded on its gross-up provisions and, in particular, the legacy arrangements with two company executives that provide for the exercise of tax gross-up payments. Though this remains a legacy issue, the company highlighted its commitment to discontinue tax gross-ups moving forward. Additionally, Casella provided further clarification on their clawback policy for current and former executive officers, which includes performance-based compensation. Subsequently, Global Alpha shared insights on best practices for clawback provisions to cover all equity compensation and include both performance and time-based measures, as well as a sunset provision. After consideration, Global Alpha voted against management on several compensation-related proposals at the company's AGM in June and provided feedback on the additional disclosures and clawback provisions that would be beneficial to shareholders.



In May 2024, Global Alpha engaged with Elis S.A. (ELIS PA), a French circular services provider, prior to the company's AGM to discuss the company's non-executive director compensation policies and practices. Elis inquired into Global Alpha's non-executive director pay guidelines and requested for further clarification. Global Alpha shared its proxy-voting and remuneration policies and expanded on its proxy-voting and engagement approach. Following a comprehensive review of Elis' compensation provisions, Global Alpha supported management on several director-related proposals at the company's AGM.



In June 2024, Global Alpha met with Vital Farms Inc. (VITL US), an American public benefit corporation specializing in pasture-raised eggs and butter, to engage on the topic of compensation and minority shareholder rights. The company shared details regarding its approach to non-executive director compensation and dilution rate due to its share issuance. Additionally, Vital Farms provided details regarding its staggered board structure, noting the structure allows for longer board terms which enables directors to better familiarize themselves with stakeholder interests. Vital Farms highlighted that such structures are common practice among other Delaware Public Benefit Corporations. After consideration, Global Alpha elected to vote against management's recommendations on the relevant proposals given its views on best governance practices.



## THEME OVERVIEW – QUALITY EDUCATION

### Accessibility | Affordability

#### INCLUSIVE EDUCATION

Global progress toward quality education is lagging behind targets. There is a need to promote more accessible and affordable quality education to ensure better standards of living for all members of society.

As part of the SGSC Strategy, one of the selected SDGs is SDG 4 – quality education. Education is critically important to promote social well-being and elevate a nation's standards of living. The purpose of SDG 4 as stated by the United Nations is to “ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.”<sup>1</sup>

In the United States alone, the education industry is projected to grow to over \$1.5 trillion by 2028,<sup>2</sup> ranging from early childhood education to postgraduate studies. Though the United States is a developed country, disparities still exist when it comes to access to education. These disparities have long-standing consequences for academic success and future opportunities. According to the National Assessment of Educational Progress, among students that came from low-income households, only 19% were proficient in math compared to 50% of students from higher-income households. The pandemic exacerbated this problem and there remains a gap to bridge to allow for equal opportunities throughout the United States. To this day, students still struggle, remaining less than halfway to full academic recovery from pandemic setbacks.<sup>3</sup> Math proficiency lags further behind reading, with younger students and marginalized groups facing the slowest rebound.

Global Alpha identified education as an interesting investment opportunity that helps bridge the gap of access to education.

In 2024, Global Alpha held three companies that help tackle the issues of education accessibility and affordability in the United States. One of the US-based companies offers K-12 online education, giving families a more flexible approach to education; the company has been able to reach over 3,000,000 students since 1999.<sup>4</sup> Its offering allows students to access quality education while addressing a variety of student needs such as safety concerns, increased academic support, scheduling flexibility, physical/health restrictions or advanced learning. The second company in the portfolio addresses the education-accessibility problem while also delivering a solution for the growing healthcare needs in the United States by training future doctors and nurses. This company specializes in healthcare education through its post-secondary institutions and has both physical and virtual offerings. It also promotes accessibility for students from diverse backgrounds where half of its student body comes from underrepresented backgrounds. Finally, Global Alpha's third company operates in the United States and internationally, providing early education and childcare for working families. The company has over 1000 centres servicing families across four countries through both corporate-sponsored centres and government subsidy programs to support families. Providing quality childcare is critical to promote greater participation in the workforce.

4

QUALITY  
EDUCATION



<sup>1</sup> Goal 4, Department of Economic and Social Affairs.

<sup>2</sup> U.S. Education Market Size & Share to Surpass \$1.5 Trillion by 2028, Vantage Market Research.

<sup>3</sup> The scary truth about how far behind American kids have fallen, Center for Education Policy Research at Harvard University.

<sup>4</sup> Stride Annual Report 2024.



# SDG ALIGNMENT CASE STUDIES

## Elis S.A.

**Industry:** Commercial & professional services

**Headquarters:** France

**Revenue alignment:** SDG 12 – Responsible consumption and production: 84%

### COMPANY DESCRIPTION

Elis S.A. (ELIS PA) is a global leader in circular services, specializing in the rental and maintenance of products designed to enhance protection, hygiene and well-being. The company offers a wide range of services, including the rental and maintenance of workwear, linens, mats and hygiene equipment, servicing diverse

clients across hospitality, healthcare, industry and commerce in Europe and Latin America.

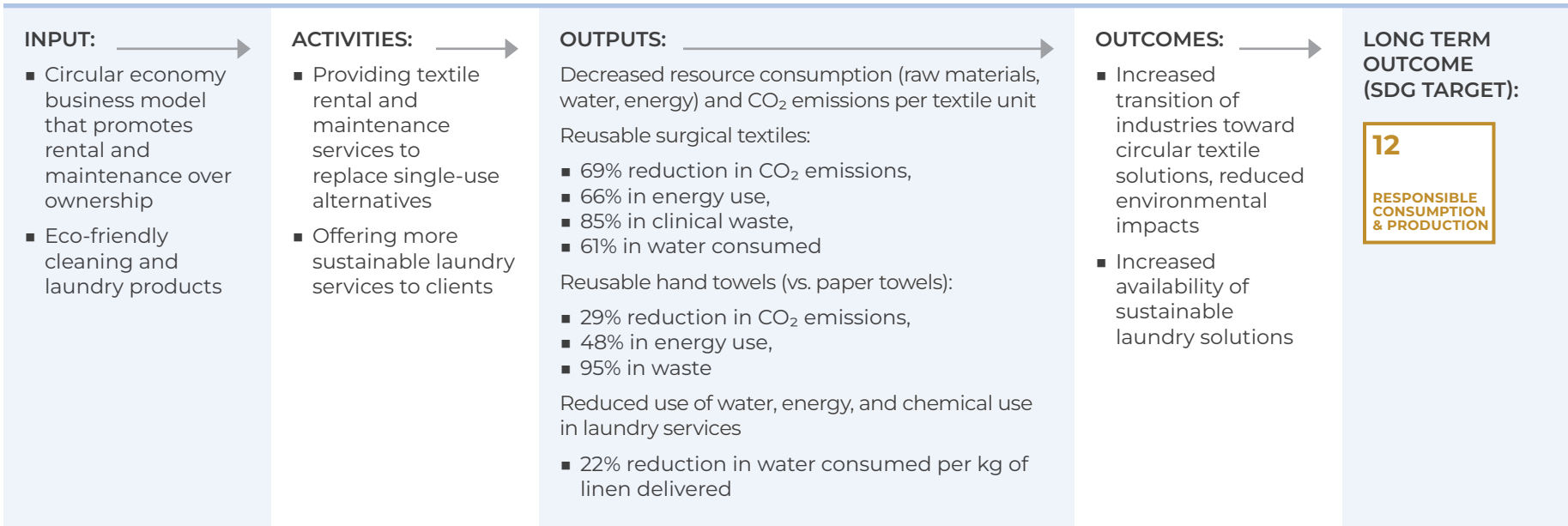
### CONTRIBUTION TO POSITIVE OUTCOMES

Elis embodies the principles of the circular economy by providing products as a service and other circular-use solutions for workwear and bed linen. This model optimizes resource use, extends product lifespan and minimizes waste, enabling customers to reduce consumption and lower their environmental footprint. Instead of purchasing textiles, customers rent them, benefiting from regular collection, laundry, maintenance and delivery. This system promotes sustainable consumption patterns while ensuring high-quality textile reuse and efficient cleaning processes.



### THEORY OF CHANGE

**Problem statement:** Industries that rely on textiles contribute significantly to waste, resource depletion and carbon emissions, exacerbating environmental challenges.



# Daiseki Co. Ltd.

**Industry:** Commercial & professional services

**Headquarters:** Japan

**Revenue alignment:** SDG 12 – Responsible consumption and production: 100%

## COMPANY DESCRIPTION

Daiseki Co. Ltd. (9793 JP) is a leading Japanese company specializing in industrial waste management and recycling. It offers advanced waste treatment, resource recovery and environmental consulting services, serving a diverse range of industries, including manufacturing and construction.

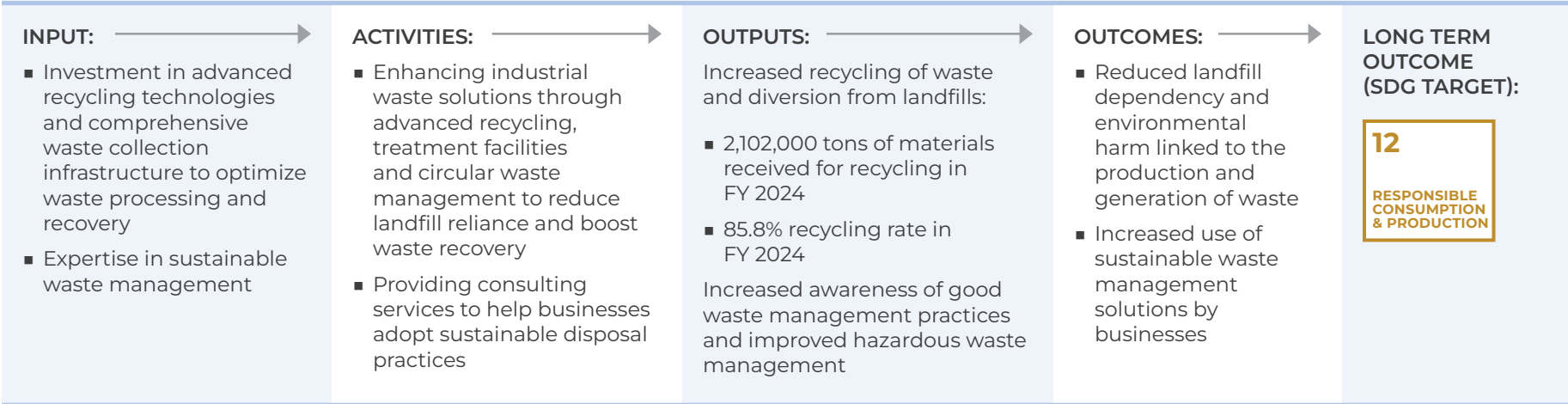
## THEORY OF CHANGE

**Problem statement:** Industries generate large volumes of waste, which can lead to landfill overflows, resource depletion and environmental harm. Traditional waste disposal methods fail to maximize recycling and resource recovery.

## CONTRIBUTION TO POSITIVE OUTCOMES

Daiseki plays a key role in advancing circular economy principles by providing innovative solutions for industrial waste treatment and resource recovery. Through efforts to minimize environmental impact, reduce landfill dependency and lower hazardous waste emissions, Daiseki helps industries transition toward more sustainable production models.

As environmental regulations tighten and corporate responsibility expectations increase, the demand for sustainable waste management solutions will continue to rise. Daiseki’s ability to scale its recycling technologies and expand its service offerings will enhance industrial efficiency, promote resource conservation and drive long-term sustainability.



# Option Care Health Inc.

**Industry:** Health care equipment & services

**Headquarters:** United States

**Revenue alignment:** SDG 3 – Good health and well-being: 100%

## COMPANY DESCRIPTION

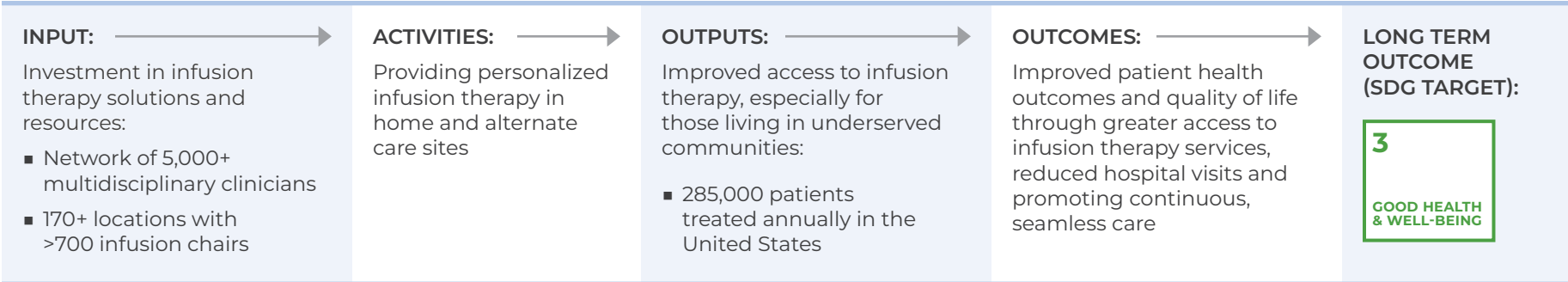
Option Care Health Inc. (OPCH US) is a leading US provider of home and alternate-site infusion therapy services, offering personalized treatment plans for patients with chronic and acute conditions.

## THEORY OF CHANGE

**Problem statement:** Many patients, especially those in rural and underserved communities, face limited access to specialized infusion therapy and chronic disease management, leading to higher healthcare costs, increased hospitalizations and reduced quality of life.

## CONTRIBUTION TO POSITIVE OUTCOMES

Option Care Health expands access to specialized healthcare by delivering patient-centred infusion therapy in home and outpatient settings, reducing hospital dependency and costs. By scaling operations and integrating digital health solutions, the company enhances efficiency, affordability and patient outcomes, particularly for rural and underserved populations. As value-based care grows, its impact will reduce hospitalizations, improve quality of life and expand access to critical therapies.



# The North West Company Inc.

**Industry:** Consumer staples distribution & retail

**Headquarters:** Canada

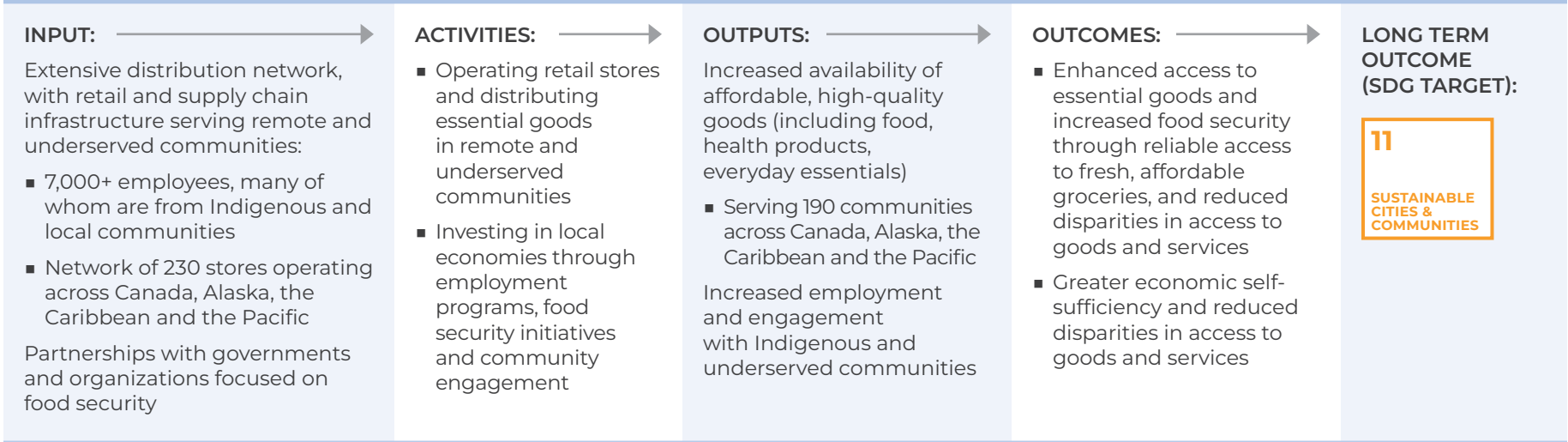
**Revenue alignment:** SDG 11 – Sustainable cities and communities: 76.86%

## COMPANY DESCRIPTION

The North West Company (NWC US) is a leading retailer serving remote and underserved communities in Canada, Alaska, the Caribbean and the Pacific. The company provides a range of essential goods and services, including grocery, general merchandise, financial services and health products.

## THEORY OF CHANGE

**Problem statement:** Many remote and underserved communities, including Indigenous communities, face limited access to essential goods and services, which can impact their quality of life, economic development and overall well-being.



## CONTRIBUTION TO POSITIVE OUTCOMES

The North West Company provides essential goods and services to remote and underserved communities, where access to affordable, high-quality products is often limited. By leveraging its extensive distribution network and strong community ties, the company enhances food security, improves access to health products, fosters economic opportunities and reduces reliance on inefficient supply chains. Over time, these efforts contribute to greater community resilience, promote sustainable consumption and ensure equitable access to essential goods, aligning with long-term global sustainability goals.



## Portfolio carbon footprint

### ALIGNMENT ANALYSIS

The scenario alignment analysis compares current and future portfolio GHG emissions with the carbon budgets for the International Energy Agency's (IEA) Sustainable Development Scenario (SDS), Announced Pledges Scenario (APS) and Stated Policies Scenario (STEPS). Performance is shown as the percentage of assigned budget used by the portfolio and benchmark.

### SUSTAINABLE GLOBAL SMALL CAP STRATEGY

The Global Alpha Sustainable Global Small Cap Strategy has a potential temperature increase of 1.5°C, whereas the MSCI World Small Cap Index has a potential temperature increase of 2.3°C.

### PORTFOLIO AND BENCHMARK COMPARISON TO SDS BUDGET

	2024	2030	2040	2050
Portfolio	-72.33%	-69.95%	-46.73%	+12.52%
Benchmark	-26.53%	-20.61%	+32.39%	+157.18%

(Red = Overshoot)

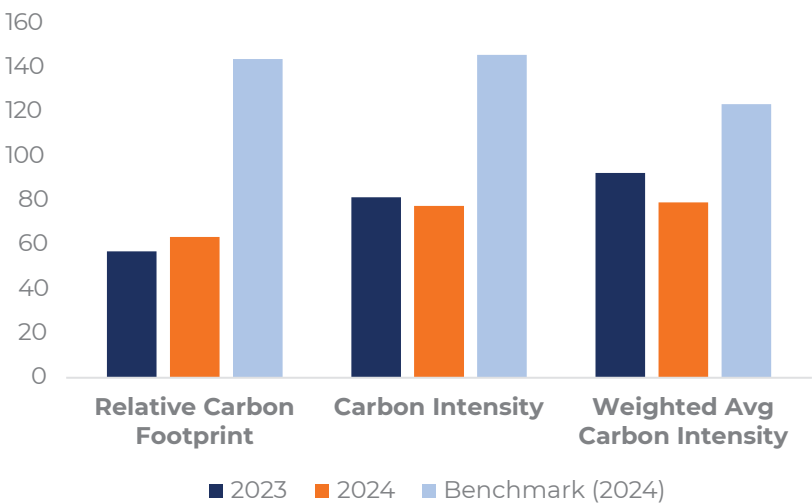
2049

THE PORTFOLIO EXCEEDS ITS  
SDS BUDGET IN 2049.

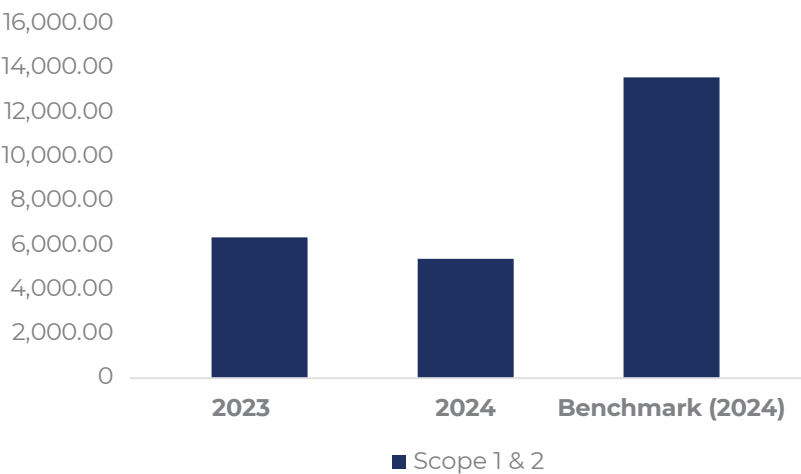
1.5°C

THE PORTFOLIO IS ASSOCIATED  
WITH A POTENTIAL TEMPERATURE  
INCREASE OF 1.5°C BY 2050.

### RELATIVE EMISSIONS (IN TCO<sub>2</sub>E)



### ABSOLUTE EMISSIONS (IN TCO<sub>2</sub>E)



Source: ISS Climate Impact Reports as of December 31, 2024 .



