

Mirae Asset Global Investments

PCAF Report

Responsible Investment Strategy Center
March 2024

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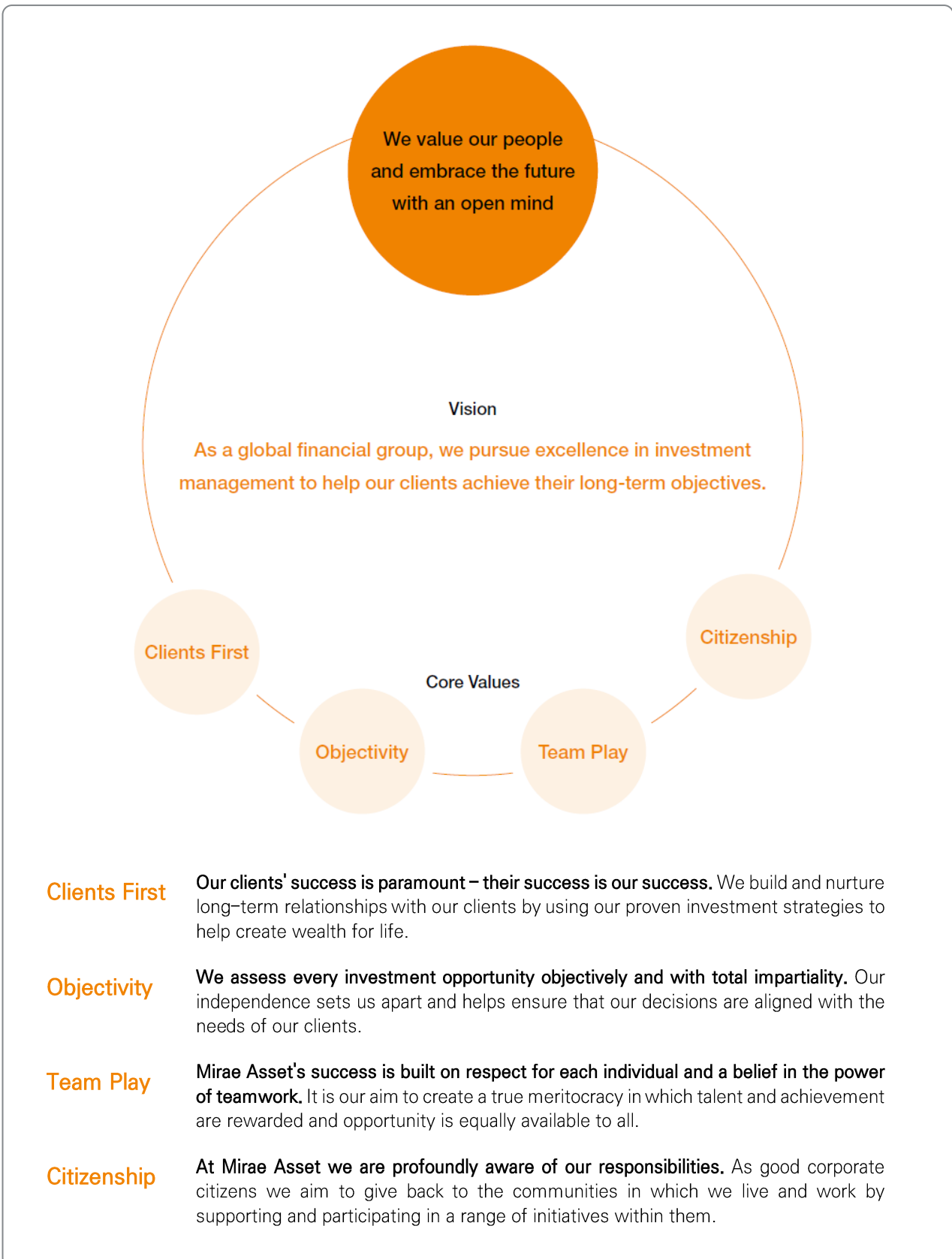
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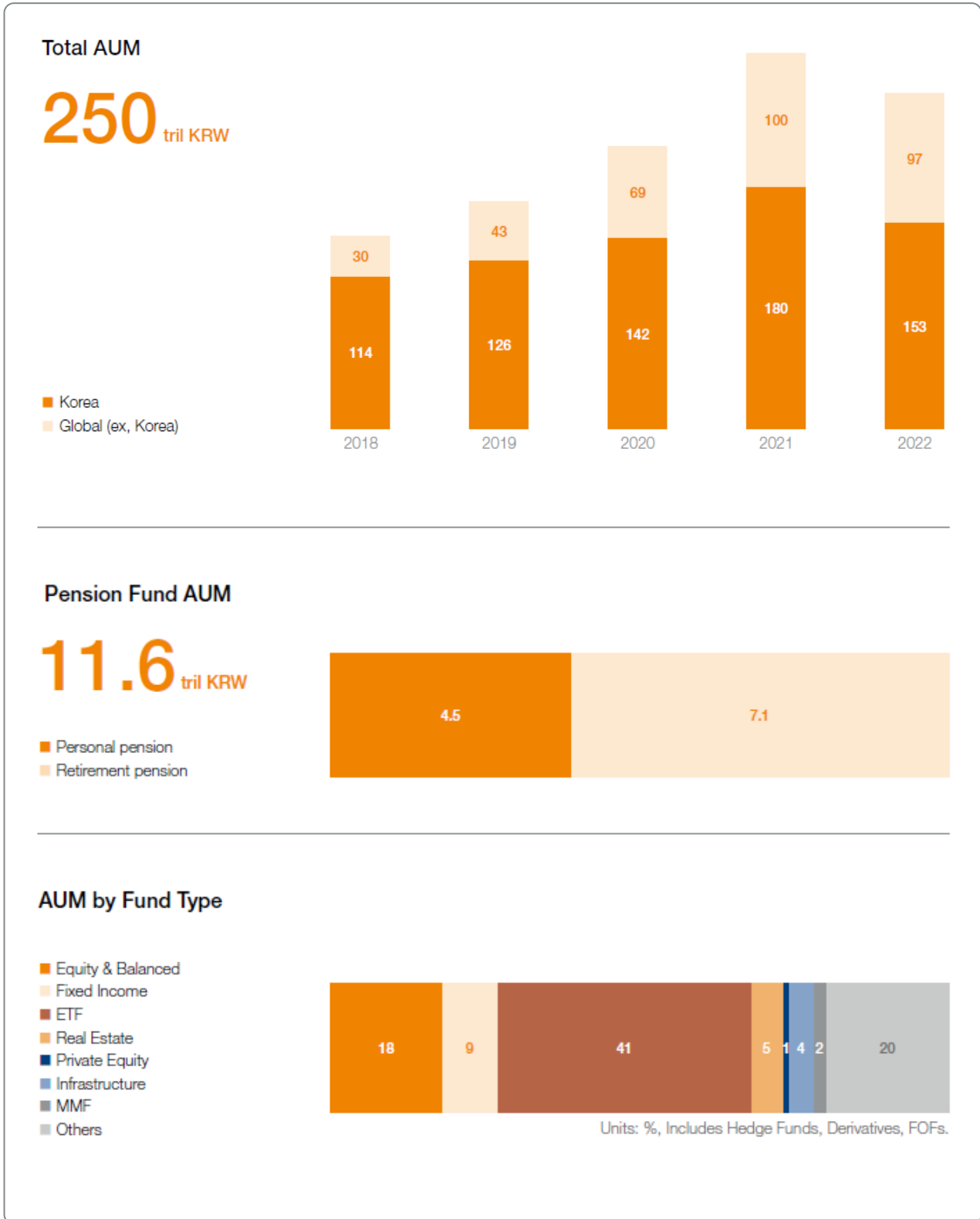
1. Introduction

I. Business Philosophy



1. Introduction

II. Mirae Asset Global Investments at a Glance



2. ESG Governance

1. Responsible Investment Principles

As a global financial group, Mirae Asset Global Investments pursues excellence in investment management to help our clients achieve their long-term objectives. To realize this vision, we enacted the Responsible Investment Principles. The principles represent a promise to integrate ESG (Environmental, Social and Governance) into our investment management process and to fulfill our stewardship as fiduciaries.

Our Responsible Investment Principles are based on our belief that ESG is a powerful factor in finding new values and managing possible risks in a changing world and capital markets. Climate change is a notably serious threat to human well-being, but mitigating and adapting to climate change also represents an investment opportunity of the century.

As an institutional investor who manages clients' assets in good faith, we adhere to the following principles of Responsible Investment.

- 1. We recognize Responsible Investment as a significant element of asset management in accordance with Mirae Asset's core values and investment principles.**
- 2. We actively examine ESG from a long-term perspective to generate a stable and sustainable revenue.**
- 3. By incorporating ESG into our investment process, we aim to improve risk-adjusted returns on portfolios.**
- 4. We actively discover new investment opportunities that emerge from an ESG perspective.**
- 5. We consider mutual cooperation and innovative thinking as the bases of all responsible investment activities.**
- 6. We exercise shareholder rights in accordance with the principles on the Stewardship Responsibilities of Institutional Investors.**
- 7. We engage in global responsible investment initiatives and support the principles of initiatives in which we participate.**
- 8. All of our stakeholders can be partners in responsible investment activities.**

3. ESG Integration

I . Proprietary ESG rating model (M-ESG Score)

1. (Purpose of Rating) As a part of the ESG Integration strategy, the proprietary ESG rating model (hereafter ‘M-ESG Score’) aims to assess invested firms’ sustainability and management capacity to handle non-financial risk factors.
2. (Structure of the model) The ESG rating model consists of sustainable agendas at the top, specific categories in the middle, and actual indicators to assess the firms’ data at the bottom. The firms’ Agenda scores are aggregated to derive the total ESG integration score.

[Detailed structure in Agenda and Category levels]

Agenda	1		2		3		4		5			6			7						
	Climate Change		Natural Capital		Green Growth		Supply Chain Management		Human Capital			Trust Capital			Governance						
Category	Environment							Social							Governance						
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
	E-Governance	Climate Change Mitigation	Climate Change Adaptation	Climate Change Management	Pollutant Management	Circular Economy	Eco-friendly Goods & Services	Eco-friendly Supply Chain	Fair Trade	Human Rights in Supply Chain	Labor Environment	Health & Safety	Diversity, Equity & Inclusion	Anti-Corruption	Product & Service Safety	Data Security	Transparency	Shareholder Rights	Capability of Board of Directors	Remuneration	Internal Control & Auditing



About 80 Indicators below

- 1) The rating model consists of agendas at the top, categories in the middle, and indicators at the bottom. By choosing an ESG agenda according to the investment strategies of each portfolio asset, the model can be restructured for customized application.
- 2) A total of 34 industries are classified according to the MSIC (Miraeasset Standard Industrial Classification). For each industry, the material issues are classified and weighted accordingly.

4. Reporting of the Financed Emissions

I . Financed Emissions from the Asset Portfolio

Since joining the PCAF(Partnership for Carbon Accounting Finance) initiative in March 2022, Mirae Asset Global Investments has calculated the financed emissions from Corporate Finance and Project Finance according to the PCAF methodology.

Corporate Finance Emission data is widely used in our investment strategies. For example, Our ETF products, such as *TIGER Carbon Efficient Green New Deal* or *TIGER KRX Climate Change Solutions*, integrate analysis of the climate change mitigation capabilities of the companies they invest in.

For our Real Estate and Infrastructure sector assets, we have attempted to measure their actual carbon emissions data by hand, rather than relying on rough estimates. The calculation is based on *the National Greenhouse Gas Emission Calculation Guidelines*, along with the carbon emission factors presented by the South Korean government and IPCC (Intergovernmental Panel on Climate Change).

[Classification of assets covered by PCAF]

Financing type & source		Activity sector	Asset class
Corporate finance	Listed equity	All sector	Listed equity & corporate bonds
	Corporate bonds		
	Equity in private companies		Business loan & unlisted equity
	Loans	Real estate/ Motor vehicle	Commercial real estate
Project finance	Equity & Loans	All sector	Project finance
Consumer finance	Loans	All sector	Mortgages

Besides, our Infrastructure Investment Division strives to meet the global need for energy transition by investing in renewable energy projects. Avoided Emissions from those projects are calculated accordingly, and disclosed on the following page.

Corporate Information

Category	AUM (in KRW)	Type of Investments
Asset Manager	153 tril.	Equity & Balanced, Fixed Income, Private Equity, Real Estate, Infrastructure, etc.

(*) Financed emission data below only cover investment assets where the PCAF Standard Methodology could be applied : Derivatives, Indirect Investments, cash equivalents are excluded in following analysis

Sources of data

Asset class	Data Quality Score	Source of Data
Corporate Equity & Bond	2.52	<ul style="list-style-type: none"> Corporate Sustainability Report S&P Market Intelligence Carbon Data National Green-house Gas Management System
Commercial Real Estate	2.38	<ul style="list-style-type: none"> Energy Consumption, Industrial Facility Operations data National Carbon Emission Factor (Ministry of Environment) Carbon Emission Factor Database (IPCC 2006)
Project Finance	2.20	
Avoided Emissions	-	<ul style="list-style-type: none"> Renewable energy generation Emission factors of Korea Electric Power Corporation
Final Score (Weighted Average)	2.37	

Financed Emissions from AUM as of FY2022

Asset class		Financial Exposure (100 mil KRW)	Absolute Financed missions ¹⁾ (tCO ₂ e)	Financed Emissions Intensity ²⁾
Corporate Finance ³⁾	Corporate Equity & Bonds ⁴⁾	342,114	3,192,252	9.33
	Commercial Real Estate	83,795	79,459	0.03
Project Finance		18,414	183,094	9.94
In total		444,323	3,454,805	7.78

¹⁾ Assessing only Scope 1 and 2 emissions

²⁾ Unit of Intensity : Corporate Equity&Bonds(tCO₂e/100 mil KRW Invested), Commercial real estate(tCO₂e/m²), Project Finance(tCO₂e/100 mil KRW)

³⁾ Excluding all indirect investment exposure such as SPAC, ETF, REITs and derivatives

⁴⁾ Including both listed stocks and private equities

Asset class		Financial Exposure (100 mil KRW)	Absolute Financed Emissions (tCO ₂ e)	Financed Emissions Intensity
Project Finance	Avoided Emissions ⁵⁾	3,355	47,073	-

⁵⁾ Solar power 28,340 tCO₂e, Heat pump 20,861tCO₂e

Financed Emissions by Sectors

