

BITA iClima Climate Change Adaptation Index USD



March 2023

We shift the narrative on climate change investments, by looking for the companies with products and services that preclude emissions from ever taking place.

Equally unique is that we use tangible and quantifiable metrics in our methodology, such as Potential Avoided Emissions, as a proxy for impact & relevance.

Ours is a holistic ESG approach. We lead with "E", based on these tangible metrics, and additional "S" and "G" screens are based on UN Global Compact indicators.

Index Details

Index Name: BITA iClima Climate Change Adaptation Index

Index URL:
<https://www.bitadata.com/pages/BIADPT>

Inception Date: September 2022

Number of holdings: 33

Asset Class: Equities

Eligible Universe: BIADPT NR USD

Weighting: Equal weight

Index Provider: BITA GmbH

Rebalance Frequency: Quarterly

Bloomberg Ticker: BIADPT

ISIN: DE000A3DVOA2

Currency: USD

Base Value/Base Date:
15 Mar 2019, set at 655.66

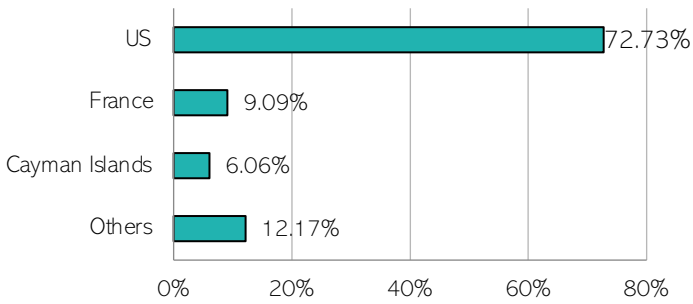
Adaptation has a significant role in decreasing climate change exposure and risk. The BITA iClima Climate Change Adaptation Index USD aims to represent the most pertinent solutions that can protect humans, wildlife, and ecosystems. The purpose is to illustrate adaptation solutions that are both anticipatory (such as earth observation solutions) and reactive (such as irrigation), as well as incremental (such as HVAC systems) or transformational (e.g., nature based regeneration).

Why iClima Climate Change Adaptation Index?

Specific ethnic groups, women, and low-income groups are disproportionately affected by the effects of climate change. It is challenging to find suitable investment businesses with this focus on the equity capital markets. Hence, the BITA iClima Climate Change Adaptation Index represents adaptation solutions projected to expand as innovations scale up, benefit from deflationary dynamics, and become more accessible for a bigger populace.

- 1. Increasing vulnerability to climate change risks:** Climate change is affecting millions of people worldwide. Adaptation is a complementary and pertinent strategy to mitigation. Swiss Re forecasts that if temperatures rise by 3°C, global GDP might recede by 18% by 2050, and COP26 made adaptation and resilience a central focus, citing that climate-related and geophysical disasters cost the global economy \$520 billion each year.
- 2. Low-cost, effective with immediate impact:** Early warning systems for severe weather events, coastal barriers, water desalination and wastewater treatment, vertical farming and hydroponic agriculture, improved cooling and insulation systems, 3D printed and modular housing, and other widespread climate adaptation measures are not only cost-effective but can spur economic growth. According to the Global Commission on Adaptation (GCA), adaptation solutions are predicted to generate US\$7.1 trillion in economic benefits, with a 10:1 or higher return on investment.
- 3. Adaptation Solutions present a USD 2trillion economic opportunity:** With physical climate risks rising exponentially in the next 10 to 30 years, the UN IPCC's latest report affirms that demand and markets for adaptation solutions to build resilience to climate extremes and variability will increase. This is supported by a recent Bank of America report, which forecasts the climate adaptation market at US\$2 trillion annually within the following five years.

Exposure and Characteristics



TOTAL Capitalization \$280,371 Million

% of Index

Large cap	24.24%	Small Cap	9.09%
Mid Cap	39.39%	Micro Cap	27.27%

Exposure and Characteristics

Security	% Weight
Xylem Inc.	7.47%
Johnson Controls International plc	6.91%
Compagnie de Saint-Gobain S.A.	6.91%
Carrier Global Corp	6.82%
Dassault Systèmes SE	6.61%
Trimble Inc.	4.77%
EMCOR Group, Inc.	4.69%
Aecom	4.62%
Valmont Industries, Inc.	4.62%
Owens Corning	4.58%
Total	58%

Sector Breakdown



Monitoring Solutions 27.60%



Food Security & Availability 2.32%



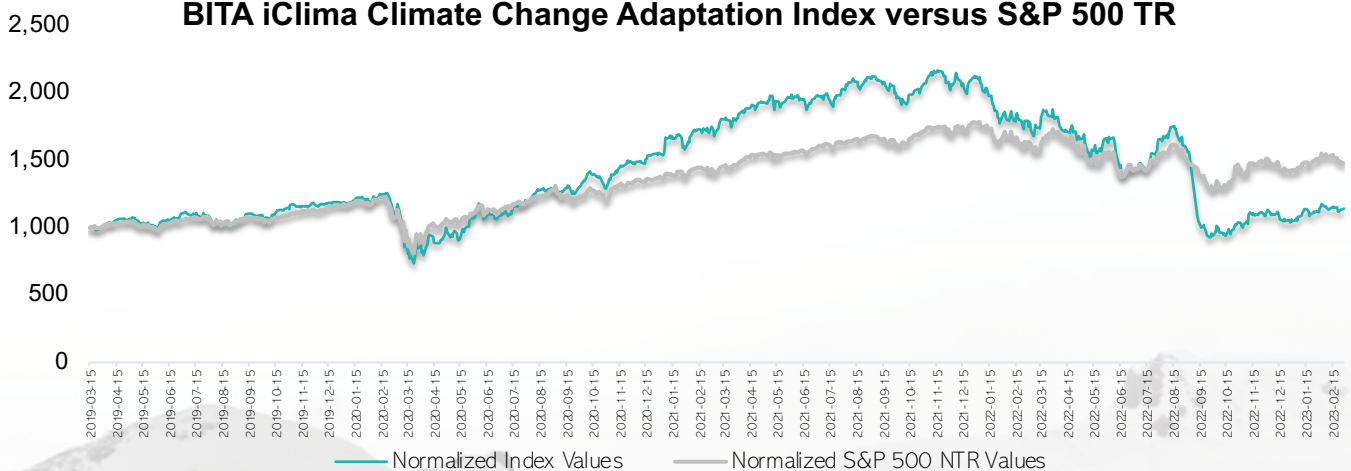
Climate Resilient Infrastructure & Buildings 49.69%



Water Scarcity 20.39%

Index Performance 15th March 2019 to 28th February 2023

BITA iClima Climate Change Adaptation Index versus S&P 500 TR



BITA iClima Climate Change Adaptation Index NTR

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	S&P500 YTD
2023	9.08%	-0.22%											8.84%	3.60%
2022	-13.02%	-2.78%	0.74%	-8.37%	-1.05%	-13.14%	16.27%	-4.70%	-8.78%	10.06%	6.34%	-4.98%	-24.58%	-19.67%
2021	1.80%	7.86%	6.33%	6.72%	1.80%	0.56%	2.76%	3.65%	-6.94%	4.29%	-0.51%	4.22%	36.71%	28.71%
2020	0.03%	-7.04%	-21.14%	11.15%	10.34%	3.87%	6.69%	8.39%	1.94%	1.21%	14.46%	5.10%	30.97%	18.40%
2019				6.46%	-6.36%	10.73%	-2.29%	-2.30%	3.92%	3.78%	3.20%	0.83%	18.26%	16.24%

Methodology

iClima's methodology for company selection is informed by a triangulation of key research sources, including the World Resources Initiative's (WRI) Global Commission on Adaptation, the Working Group II contribution to the IPCC Sixth Assessment Report (IPCC AR6 WII), and the EU Taxonomy recommendations by the Technical Expert Group (TEG). The index constituents are selected based on a list of products and services that enable climate change adaptation, across five broader sectors and 15 segments characterised by products and services that support adaptation actions to at least one significant risk listed by the IPCC. Companies within each of these segments were then included based on a rules-based funneling system to test for whether they are revenue generating, to gauge the percentage of their 'green' revenue vs. non green. Exclusions were then applied to companies that have exposure to nuclear, armaments, fossil fuels, and certain Global Compact indicators including slavery.

The Adaptation Solutions

The index represents securities from sectors supporting Climate Change Adaptation in five segments: Monitoring Solutions, Resilient Buildings, Food Security & Availability, Water Scarcity and Nature Based Solutions. There are 15 subsectors that further summarize the nature of each solution



Monitoring Solutions for Disaster Prevention Companies include earth observation, satellite images and sensors; fire protection, sensors and monitoring; early warning systems.



Food Security & Availability offer Controlled environmental agriculture, e.g. vertical farming, hydro farming.



Climate Resilient Infrastructure & Buildings Companies provide sustainable construction and 3D printing; adaptative materials and insulation solutions; HVAC and heat adaptation; hurricane protection; building resilience.



Water Scarcity Companies include Irrigation, desalination, water efficiency, purification and decentralized water treatments.

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