

Responsible Investment Update: Q3 2023

Introduction

This update has been prepared by Hymans Robertson LLP for the WPP. This quarterly WPP Responsible Investment (RI) Update sets out recent RI activity and information on the following Sub-Funds: Global Growth; Global Opportunities; UK Opportunities; Emerging Markets; Sustainable Active Equity; Global Credit; Multi-Asset Credit; Absolute-Return Bond; UK Credit.

It should not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety. We accept no liability to any other party unless we have accepted such liability in writing.

Summary of quarterly RI activity

JGC RI activity

- Climate and ESG Risk Reports for the Absolute Return Bond and Multi-Asset Credit Sub-Funds were presented. Discussions arose on the development of a WPP-specific Escalation Policy, including on Robeco's approach to escalation and divestment.
- RI training session on stewardship, including Robeco's approach to active ownership and the engagement process.

LAPFF alerts

Following Q2 23 as peak proxy voting season, Q3 23 saw a limited number of LAPFF alerts issued:

- National Grid
- FedEx
- Ryanair

Stewardship Code report

WPP submitted its third annual stewardship code report for the year ending 31 March 2023, submitting the report to the FRC on 31 October 2023.

Securities lending

The Broadridge Proxy Recall service provided by Northern Trust is due to go live across the Global Growth, Global Opportunities, UK Opportunities and Emerging Market Equity Sub-Funds in Q4 23.

Simon Jones, Partner

Rachel Barrack, Senior RI Analyst

For and on behalf of Hymans Robertson LLP

November 2023

Stewardship Summary

Quarter ending 30 September 2023

WPP employs Robeco as its Voting and Engagement Provider, with Robeco voting on resolutions across four of the WPP's Active Equity Sub-Funds (Sustainable Active Equity from Q4 23), while also providing the engagement function with issuers across all active Sub-Funds, as well as the passive mandates.

One area of activity over the quarter was around the role of financial institutions in facilitating climate action. Specifically, we saw a rise in the number of shareholder proposals at the annual general meetings of banks, requesting action and disclosure on their climate impact, and how they are supporting the net-zero transition. In addition, shareholders have been asking issuers to adopt a time-bound phase-out policy for the lending and underwriting of new fossil fuel exploration and development, hoping to support capital reallocation towards more sustainable solutions in line with the goals of the Paris Agreement.

A summary of activity is provided below, with voting broken down between Sub-Funds in subsequent pages. It should be noted that some stocks are common across multiple Sub-Funds and hence votes will be reported against each.

Overall voting summary

Breakdown of voting activity			
Number of meetings		146	
Votes cast		1,430	
Meetings with at least one vote against management		66 (45%)	
For	1,282	With management	1,275
Withhold	8	Against Management	155
Against	130		
Abstain	0		
Other	10		

Overall engagement summary

Number of engagement cases by topic		Number of engagement activities by contact type	
Environment	41	Meeting	6
Social	12	Conference call	53
Corporate Governance	12	Written correspondence	68
Voting Related	2	Shareholder resolution	1
UN SDGs	26	Analysis	18
Global Controversy	8	Other	0
Total	101	Total	146

Global Opportunities Sub-Fund:

Key Metrics as at 30 September 2023

Key characteristics

Fund value	£2.9bn
Underlying managers	Jacobs Levy, Morgan Stanley, Numeric (low vol & global), Nissay, Oaktree, Sanders, SW Mitchell, Intermede

Source: Waystone/Russell

Top-10 holdings (by AUM)	
1. Microsoft	6. Samsung
2. Meta	7. Elevance Health
3. Alphabet	8. BNP Paribas
4. Apple	9. Adobe
5. TSMC	10. HCA Healthcare

Source: Waystone/Russell

Climate metrics

Figures as at 30 September 2023	Fund	Coverage	Benchmark	Coverage
WACI (tCO ₂ e/\$m sales)	97.3	>94%	135.0	>99%
WACI EVIC (tCO ₂ e/\$EVIC)	73.5	>94%	56.7	>99%
Carbon emissions (tCO ₂ e/£m invested)	169.6	>94%	117.3	>99%
Holdings with exposure to FF reserves	5.0%	>95%	7.4%	>99%
Approved Science-Based Targets (%)	29.8%	Not applicable	38.8%	Not applicable

Source: MSCI; Hymans Robertson

Benchmark: MSCI ACWI

ESG metrics

Figures as at 30 September 2023	Fund	Coverage	Benchmark	Coverage
Overall ESG score	5.5	>94%	5.5	>99%
E pillar	6.5	>94%	6.6	>99%
S pillar	5.2	>94%	5.1	>99%
G pillar	5.7	>94%	5.6	>99%
UNGC violators	0.6%	>94%	0.6%	>99%

Source: MSCI; Hymans Robertson

Benchmark: MSCI ACWI

Global Opportunities Sub-Fund:

Stewardship Summary

Voting Summary (Q3 2023)

Number of meetings		47	
Votes cast		420	
Meetings with at least one vote against management		24 (51%)	
For	374	With management	369
Withhold	5	Against Management	51
Against	31		
Abstain	0		
Other	10		

Key votes

The following are highlighted as notable votes during the quarter:

FedEx (US, 21 September 2023)

- A number of shareholder proposals were up for discussion at FedEx's annual general meeting. We note two of particular relevance. The first called for FedEx to prepare a report disclosing how it is addressing the impact of its climate change strategy on relevant stakeholders, including employees, workers in its supply chain and communities in which it operates, in line with the Just Transition guidelines. Robeco determined that FedEx's current disclosures here were limited, so supported the proposal.
The shareholder proposal received over 30% support and did not pass.
Robeco voted in line with the LAPFF alert regarding FedEx's Just Transition report.
- The second proposal requested disclosure on the company's permanent paid sick-leave policies. Robeco determined that, given the upcoming reorganisation of its operating companies (including a review of policies that impact the company's global workforce), additional disclosures as requested in the shareholder proposal did not add value, so voted against it. That said, Robeco will continue to monitor management and disclosure around this subject going forward.
The shareholder proposal received over 10% support and did not pass.

Electronic Arts (US, 10 August 2023)

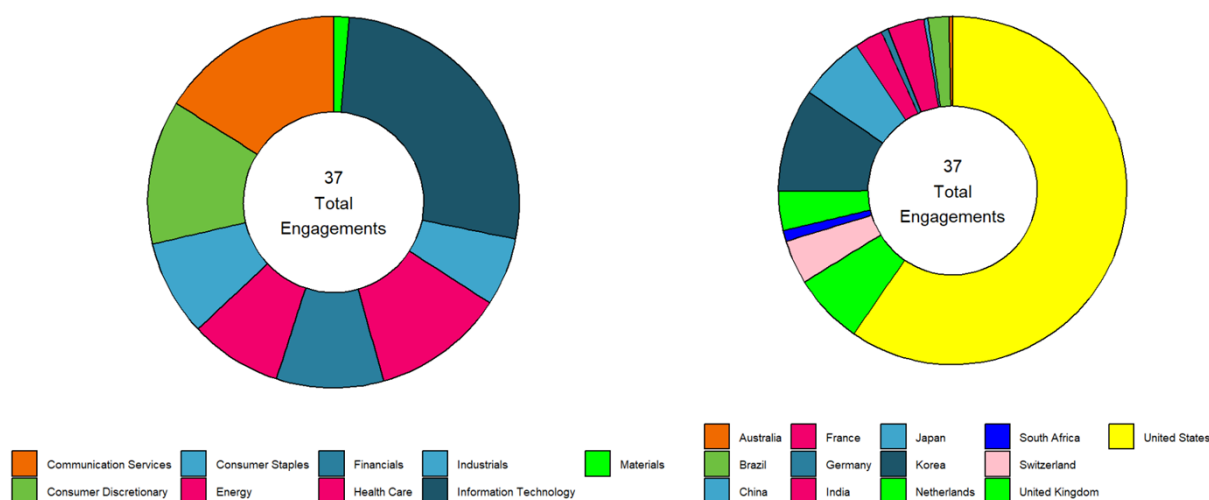
- The 2023 annual general meeting of Electronic Arts saw a number of governance topics under scrutiny. Robeco has voted against Electronic Art's executive compensation plan on numerous successive occasions, deeming it to be excessive and with an insufficient underlying structure. This was also the case on this occasion, with the proposed plan this year continuing to exhibit these features.
The management proposal passed with over 92% support.
- In order to escalate concerns around executive remuneration, Robeco also voted against the chair of the compensation committee for the second time.
The management proposal passed with over 96% support.

- Robeco voted for a shareholder proposal asking the company to institute a policy to seek shareholder approval of any senior severance packages that exceed a value of 2.99 times the employee’s base salary and target annual bonus opportunity.
The shareholder proposal received over 9% support and did not pass.

Engagement Summary (Q3 2023)

Robeco engaged with 36 companies, with assets totalling £432.5 million, 15% of the Sub-Fund. Companies within the Sub-Fund may be engaged under different themes. For example, Unilever was also engaged under two themes: Good Governance and Biodiversity.

Companies under engagement (by AUM)



Source: Robeco, Hymans Robertson

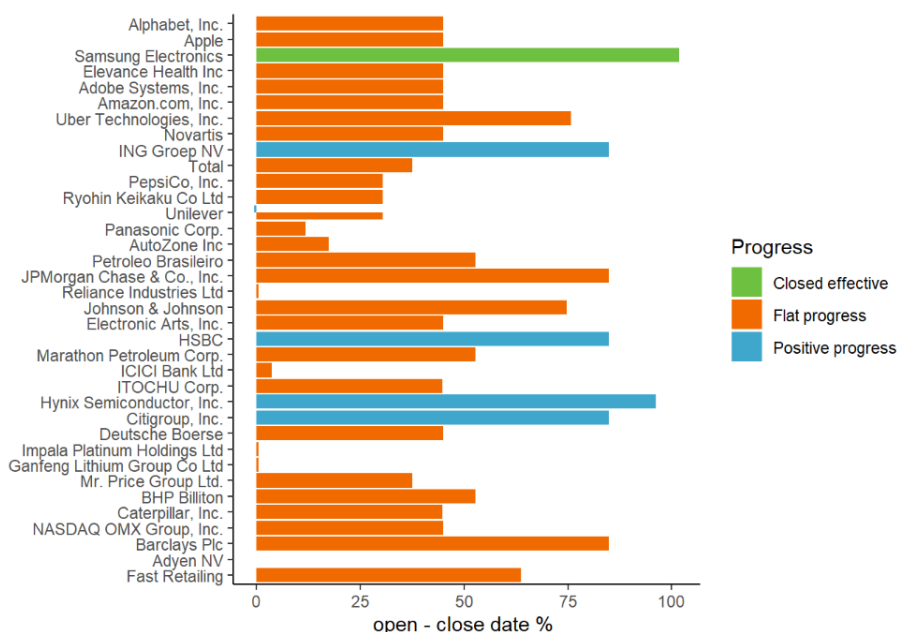
Of the issuers held in the Sub-Fund that are currently under engagement, the vast majority of AUM comes from companies domiciled in the US or UK. A list of companies by engagement theme is set out below.

Theme	Companies
Acceleration to Paris	Caterpillar, ITOCHU
AGM Engagement 2023	Johnson & Johnson
Biodiversity	Unilever, Ryohin Keikaku
Climate Transition of Financial Institutions	Barclays, Citigroup, HSBC, ICICI Bank, ING Groep, JPMorgan Chase
Corporate Governance in Emerging Markets	Samsung Electronics
Corporate Governance Standards in Asia	Hynix Semiconductor, Panasonic
Good Governance	Adyen, Unilever
Human Rights Due Diligence	Fast Retailing
Just Transition in Emerging Markets	Ganfeng Lithium, Impala Platinum, Reliance Industries
Labour Practices in a Post Covid-19 World	Uber Technologies
Natural Resource Management	PepsiCo
Net Zero Carbon Emissions	BHP Billiton, Marathon Petroleum, Petroleo Brasileiro
SDG Engagement	Adobe Systems, Alphabet, Amazon.com, Apple, AutoZone, Deutsche Boerse, Electronic Arts, Elevance Health, Mr. Price, NASDAQ OMX, Novartis, Total

Source: Robeco, Hymans Robertson

Progress by company

Engagements are typically for a period of three years, although Robeco will close an engagement if the objectives are achieved early or if attempts to engage the company are unsuccessful. The following chart illustrates progress on various engagements as at 30 September 2023, noting that positive progress had been made with five companies over the course of the quarter, with one company engagement also closing successfully.



Source: Robeco, Hymans Robertson

Case Study

Robeco has been engaging with South Korean electronics name Samsung Electronics since 2017, including on improving disclosure of its non-financial strategy, capital expenditure and board composition. This has also included collaborative engagement with other investors. Since the beginning of the engagement, Samsung has increased the diversity and number of independent directors on its board. All key investment decisions are now reviewed by the entire board, with board sub-committees composed entirely of independent directors. Samsung furthermore started to publish its strategy for each of its businesses and has strengthened its environmental reporting.

Emerging Markets Sub-Fund:

Key Metrics as at 30 September 2023

Key characteristics

Fund value	£677.4m
Underlying managers	Artisan, Axiom, Barrow Hanley, Bin Yuan, Numeric, Oaktree

Source: Waystone/Russell

Top-10 holdings (by AUM)	
1. TSMC	6. MediaTek
2. Samsung Electronics	7. Bank Rakyat Indonesia
3. Alibaba	8. Baidu
4. SK Hynix	9. TSMC ADR
5. Tencent	10. Ping An

Source: Waystone/Russell

Climate metrics

Figures as at 30 September 2023	Fund	Coverage	Benchmark	Coverage
WACI (tCO ₂ e/\$m sales)	235.5	>92%	322.4	>99%
WACI EVIC (tCO ₂ e/\$EVIC)	133.6	>92%	149.0	>99%
Carbon emissions (tCO ₂ e/£m invested)	298.7	>92%	369.8	>99%
Holdings with exposure to FF reserves	6.4%	>95%	7.4%	>99%
Approved Science-Based Targets (%)	9.6%	Not applicable	13.8%	Not applicable

Source: MSCI; Hymans Robertson

Benchmark: MSCI EM

ESG metrics

Figures as at 30 September 2023	Fund	Coverage	Benchmark	Coverage
Overall ESG score	5.0	>91%	4.9	>99%
E pillar	5.8	>91%	5.8	>99%
S pillar	5.2	>91%	5.1	>99%
G pillar	4.7	>91%	4.5	>99%
UNGC violators	1.6%	>93%	1.3%	>99%

Source: MSCI; Hymans Robertson

Benchmark: MSCI EM

Emerging Markets Sub-Fund:

Stewardship Summary

Voting Summary (Q3 2023)

Number of meetings		86	
Votes cast		610	
Meetings with at least one vote against management		36 (42%)	
For	524	With management	521
Withhold	1	Against Management	89
Against	85		
Abstain	0		
Other	0		

Key votes

Prosus (Netherlands, 23 August 2023)

- Prosus put forward a proposal to approve a share buyback that would enable the board to repurchase shares representing up to 50% of the issued share capital over a period of 18 months. Robeco supported the proposal regarding the share buyback, seeing this as an effective means of addressing the issuer's steep valuation discount.

The management proposal passed with over 91% support.

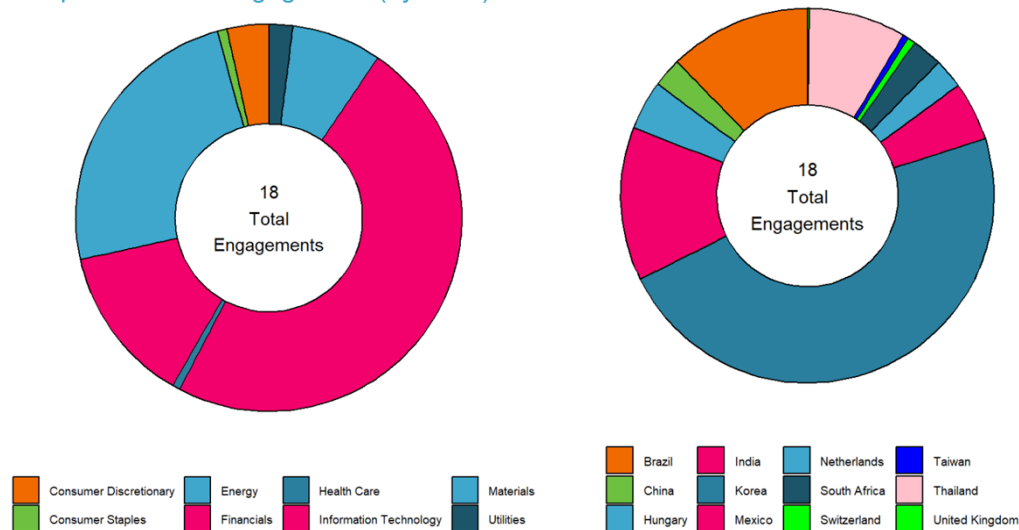
- There was also a management proposal to approve the company's remuneration report. Following last year's remuneration report, which was aimed at incentivising the executive team to reduce the discount to net asset value, this year's remuneration report outlined that the discount had been reduced from 54% to 38%. That said, Prosus failed to disclose the ex-ante targeted discount. Robeco noted that Prosus did not award a special short-term incentive award for 2023/24, instead awarding a long-term incentive award with a similar mix to prior years. However, on balance, given concerns around pay magnitude and transparency, and in line with Robeco's remuneration framework, Robeco voted not to approve the remuneration report.

The management proposal passed with over 84%.

Engagement Summary (Q3 2023)

Robeco engaged with 18 companies, with assets totalling £41.2 million, 11.5% of the Sub-Fund.

Companies under engagement (by AUM)



Source: Robeco, Hymans Robertson

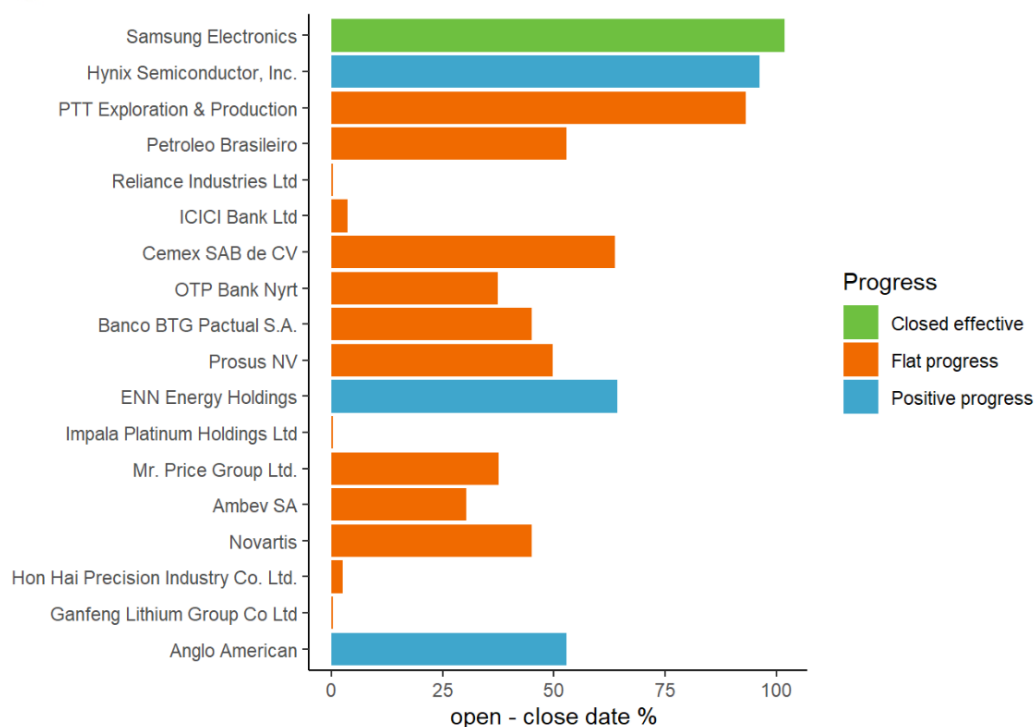
Of the issuers held in the Sub-Fund that are currently under engagement, the vast majority of AUM comes from companies domiciled in South Korea. A list of companies by engagement theme is set out below.

Theme	Companies
AGM Engagement 2023	Prosus
Climate Transition of Financial Institutions	ICICI Bank
Corporate Governance in Emerging Markets	ENN Energy, Samsung Electronics
Corporate Governance Standards in Asia	Hynix Semiconductors
Human Rights Due Diligence	Cemex, Hon Hai
Just Transition in Emerging Markets	Ganfeng Lithium, Impala Platinum, Reliance Industries
Natural Resource Management	Ambev
Net Zero Carbon Emissions	Anglo American, Petroleo Brasileiro, PTT Exploration & Production
SDG Engagement	OTP Bank, Banco BTG, Mr. Price Group, Novartis
AGM Engagement 2023	Prosus

Source: Robeco, Hymans Robertson

Progress by company

Engagements are typically for a period of three years, although Robeco will close an engagement if the objectives are achieved early or if attempts to engage the company are unsuccessful. The following chart illustrates progress on various engagements as at 30 September 2023, noting that positive progress had been made with three companies over the course of the quarter, with one engagement also closing successfully.



Source: Robeco, Hymans Robertson

Case Study

Robeco has been engaging with South Korean electronics name Samsung Electronics since 2017, including on improving disclosure of its non-financial strategy, capital expenditure and board composition. This has also included collaborative engagement with other investors. Since the beginning of the engagement, Samsung has increased the diversity and number of independent directors on its board. All key investment decisions are now reviewed by the entire board, with board sub-committees composed entirely of independent directors. Samsung furthermore started to publish its strategy for each of its businesses and has strengthened its environmental reporting.

Sustainable Active Equity Sub-Fund:

Key Metrics as at 30 September 2023

Key characteristics

Fund value	£1.3bn
Underlying managers	Sparinvest, Mirova, Neuberger Berman, Wellington, Artemis

Source: Waystone/Russell

Top-10 holdings (by AUM)	
1. Microsoft	6. GSK
2. Visa	7. Novo Nordisk
3. Thermo Fisher	8. TSMC
4. Mastercard	9. ING
5. Adobe	10. ASML Holdings

Source: Waystone/Russell

Climate metrics

Figures as at 30 September 2023	Fund	Coverage	Benchmark	Coverage
WACI (tCO ₂ e/\$m sales)	62.5	>95%	135.0	>99%
WACI EVIC (tCO ₂ e/\$EVIC)	40.8	>95%	56.7	>99%
Carbon emissions (tCO ₂ e/£m invested)	91.6	>95%	117.3	>99%
Holdings with exposure to FF reserves	1.4%	>95%	7.4%	>99%
Approved Science-Based Targets (%)	50.4%	Not applicable	38.8%	Not applicable

Source: MSCI; Hymans Robertson

Benchmark: MSCI ACWI

ESG metrics

Figures as at 30 September 2023	Fund	Coverage	Benchmark	Coverage
Overall ESG score	5.9	>95%	5.5	>99%
E pillar	7.1	>95%	6.6	>99%
S pillar	5.4	>95%	5.1	>99%
G pillar	6.1	>95%	5.6	>99%
UNGC violators	0.0%	>95%	0.6%	>99%

Source: MSCI; Hymans Robertson

Benchmark: MSCI ACWI

Multi-Asset Credit Sub-Fund:

Key Metrics as at 30 September 2023

Key characteristics

Fund value	£463.5m
Underlying managers	Barings, BlueBay, ICG, ManGLG, Voya

Source: Waystone/Russell

Climate metrics

Figures as at 30 September 2023	Fund	Coverage	Benchmark	Coverage
WACI (tCO ₂ e/\$m sales)	362.1	>23%	n/a	n/a
WACI EVIC (tCO ₂ e/\$EVIC)	197.5	>20%	n/a	n/a
Carbon emissions (tCO ₂ e/£m invested)	564.9	>23%	n/a	n/a
Holdings with exposure to FF reserves	3.4%	>58%	n/a	n/a
Approved Science-Based Targets (%)	5.1%	n/a	n/a	n/a

Source: MSCI; Hymans Robertson

ESG metrics

Figures as at 30 September 2023	Fund	Coverage	Benchmark	Coverage
Overall ESG score	4.9	>23%	n/a	n/a
E pillar	5.8	>23%	n/a	n/a
S pillar	4.7	>23%	n/a	n/a
G pillar	5.2	>23%	n/a	n/a
UNGC violators	5.7%	>24%	n/a	n/a

Source: MSCI; Hymans Robertson

Please note a low level of coverage for the MAC Sub-Fund, given the nature of the holdings. This may result both in marked fluctuations in metrics from quarter to quarter with the reported metrics whilst the reported metrics may not be representative of the portfolio as a whole.

The nature of the MAC Sub-Fund means that adopting a single benchmark comparator may not be appropriate. At this time, we have not therefore shown a benchmark.

Multi-Asset Credit Sub-Fund:

Stewardship Summary

Engagement Summary (Q3 2023)

Robeco engaged with two companies, with assets totalling £962.5k, 0.1% of the Sub-Fund.

Companies under engagement

Barclays (UK, financials) was engaged under the Climate Transition of Financial Institutions theme. The theme engages financial companies on installing climate-risk management processes, and in setting climate metrics and targets. Engagements are typically for a period of three years, although Robeco will close an engagement if the objectives are achieved early or if attempts to engage the company are unsuccessful. Progress on engagement, as at 30 September 2023 has been flat.

Prosus (Netherlands, consumer discretionary) was engaged under the AGM theme. The theme looks to engage with companies to either explain voting at annual general meetings or to pre-emptively highlight concerns ahead of such. Such engagement can help address governance and other sustainability issues. Progress on engagement, as at 30 September 2023 has been flat.

Appendix 1: WPP stewardship themes (2023/24)



Focusing on net zero

Organisations, particularly those in materially affected sectors, should be developing and implementing transition plans to ensure that the long-term migration to a low-carbon economy is orderly. Companies should ensure that plans are published, and climate management disclosures are comprehensive and available for investor scrutiny.



Supporting people

An organisation's workforce is one of its most valuable assets, and it is incumbent on the organisation to ensure that its people are properly managed and rewarded. This includes the consideration of people within supply chains, which can often be areas of lower scrutiny.



Delivering sustainable outcomes (governance)

Organisations should be managed with a longer-term horizon so as to ensure that practices become more sustainable. This can ensure that executive remuneration is better linked to longer-term goals, including incorporating ESG criteria.

Appendix 2: issuers under engagement (Q3 2023)

ENVIRONMENT

Biodiversity

Arcadis
 Archer-Daniels-Midland Co
 Axfood
 Barry Callebaut
 Bridgestone Corp
 Bunge
 Cie Generale des Etablissements Cranswick
 The Hershey Co
 JBS
 Kimberly-Clark
 Leroy Seafood Group
 Marfrig Global Foods
 Mondelez International
 Ryohin Keikaku
 Sappi
 Signify
 Suzano
 Top Glove Corp
 Unilever
 VF Corp

Climate Transition of Financial Institutions

Australia & New Zealand Banking Group
 Bank of America
 Barclays
 BNP Paribas
 Citigroup
 DBS Group Holdings
 HSBC Holdings
 ICICI Bank
 ING Groep
 JPMorgan Chase
 Sumitomo Mitsui Financial Group

Lifecycle Management of Mining

Barrick Gold
 Gerdau

Natural Resource Management

Ambev
 Callon Petroleum
 CF Industries Holdings
 Continental Resources
 Diageo
 OCI

PepsiCo
 Sappi
 Severn Trent
 Tronox Holdings
 United Utilities Group

Net Zero Carbon Emissions

Anglo American
 ArcelorMittal
 Berkshire Hathaway
 BHP Group
 BlueScope Steel
 BP
 CEZ
 Chevron
 China National Building Material Co
 CRH
 Ecopetrol
 Enel
 Exxon Mobil
 HeidelbergCement
 Hyundai Motor Co
 JFE Holdings
 LyondellBasell Industries
 Marathon Petroleum
 Petroleo Brasileiro
 Phillips 66
 PTT Exploration & Production
 Rio Tinto
 Saudi Arabian Oil Co
 Shell
 Valero Energy
 Vistra Energy
 WEC Energy Group

Sound Environmental Management

Alexandria Real Estate Equities
 Guangdong Investment
 Hangzhou First Applied Material
 LONGi Green Energy Technology

SOCIAL

Diversity and Inclusion

Eli Lilly
 Netflix
 Oracle
 TSMC
 Thermo Fisher Scientific

Human Rights Due Diligence for Conflict-Affected and High-Risk Areas

Bharat Electronics
 Booking Holdings
 Cemex
 Fast Retailing Co
 HeidelbergCement
 Hon Hai Precision Industry
 Industria de Diseno Textil
 PTT Exploration & Production
 Sinotruk Hong Kong
 SolarEdge Technologies
 Volkswagen
 Wacker Chemie

Just Transition in Emerging Markets

Ganfeng Lithium Group
 Impala Platinum Holdings
 Pertamina Persero
 Reliance Industries

Labour Practices in a Post Covid-19

World
 Accor
 Delivery Hero
 InterContinental Hotels Group
 Marriott International
 Meituan
 Uber Technologies
 Walmart

Social Impact of Gaming

Activision Blizzard
 NCSOFT Corp
 NetEase
 Take-Two Interactive Software
 Tencent Holdings

Sound Social Management

Baidu
 Post Holdings
 Tencent Holdings
 Tesco
 Weibo Corp

GOVERNANCE

Corporate Governance in Emerging Markets

CCR
 Cosan
 Coway
 CPFL Energia
 ENN Energy Holdings
 Haier Smart Home
 Hyundai Motor
 Midea Group
 Samsung Electronics

Corporate Governance Standards in Asia

Inpex
 Panasonic
 Resonac Holdings
 Rohm
 Shin-Etsu Chemical
 SK Hynix

Good Governance

Adyen
 Arcadis
 DSM-Firmenich
 Heineken Holding
 Koninklijke Ahold
 Delhaize
 Signify
 Unilever

Responsible Executive Remuneration

Aspen Technology
 Booking Holdings
 Henkel
 Nike
 Schneider Electric
 Tesco
 The Walt Disney Co
 Wolters Kluwer

**VOTING
RELATED
ENGAGEMENTS**

**AGM Engagement
2023**

Airbus
BAWAG Group
BFF Bank
Boeing
CBRE
The Boeing Co
Cheniere Energy
Deutsche Bank
Hana Financial
Group
Johnson & Johnson
Monex Group
Morgan Stanley
NextEra Energy
Ovintiv
Plug Power
Prosus
Prysmian
Semen Indonesia
Persero
Sendas Distribuidora

Sociedad Quimica y
Minera de Chile
Wells Fargo & Co
Xylem

SDGs

SDG Engagement

Adobe
Alphabet
Amazon.com
Amgen
Apple
AutoZone
Banco BTG Pactual
Bank of Montreal
Capital One Financial
Corp
CBRE Group
CCR
Deutsche Boerse
eBay
Elanco Animal Health
Electronic Arts
Elevance Health
F5
Grupo Bimbo
Hitachi
Jeronimo Martins

L'Oreal
LyondellBasell
Meta Platforms
Mr Price Group
Nasdaq
Neste
Novartis
OTP Bank
Rio Tinto
Salesforce
Salmar
Samsung Electronics
Sandvik
Sony Group
STMicroelectronics
TotalEnergies
Trane Technologies
Union Pacific Corp
United Parcel
Service
Volvo

**Acceleration to
Paris**

African Rainbow
Minerals
Alleghany
Anhui Conch Cement

Caterpillar
Formosa Plastics
ITOCHU
Marubeni
Mitsubishi
Mitsui & Co
Nippon Steel
POSCO Holdings
SAIC Motor
Sumitomo
Toyota Industries
WH Group

**Global Controversy
Engagement**

During the quarter,
12 companies were
under
engagement based
on potential breaches
of the UN Global
Compact and/or the
OECD Guidelines for
Multinational
Enterprises.

Palm Oil

MP Evans Group
REA Holdings
Wilmar International

Appendix 3: metrics definitions

MSCI ESG Research LLC data coverage:

Climate change metrics have broad coverage, with data available on the ACWI Investable Market Index, and selected equity indices and non-listed fixed-income issuers. Coverage represents 19,000+ entities including subsidiaries, with ~12,150 entities directly covered (as at April 2023). For ESG ratings, more than 17,220 issuers are covered, including 10,800 that are directly rated.

To note, the metrics used in this report cover corporate issuers, but do not currently cover sovereign issuers. This means that coverage across the fixed-income funds will be lower than among listed-equity funds. In addition, certain products (for example, securitised products) will not return data from the parent issuer, resulting in reduced coverage. The above may result in much lower coverage for the MAC and ARB Sub-Funds in particular. This may also result in marked fluctuations in data output from quarter to quarter

Metric	Description/Methodology
ESG Rating	A final ESG Rating. At a company level, this represents the weighted average of individual 'E', 'S' and 'G' pillars. The weight given to each pillar is dictated by MSCI's process, which determines the relevance of each pillar to a given company and sector. At a portfolio level, this is the weighted average of individual company scores by the weight in the portfolio.
Environmental Score	The Environmental Pillar Score, at a company level, represents the weighted average of all Key Issues that fall under the Environment Pillar.
Social Score	The Social Pillar Score, at a company level, represents the weighted average of all Key Issues that fall under the Social Pillar.
Governance Score	The Governance Pillar Score, at a company level, represents the weighted average of all Key Issues that fall under the Governance Pillar.
UNGC Violators	This factor indicates the percentage of the portfolio exposed to companies that violate the United Nations Global Compact principles.
Weighted Average Carbon Intensity (WACI)	A measure of a portfolio's exposure to carbon-intense companies. This is expressed in terms of tons of CO ₂ equivalent emitted per million dollars of revenue, weighted by the size of the allocation to each company. This is measured using Scope 1 + Scope 2 emissions.
Weighted Average Carbon Intensity (EVIC)	A measure of a portfolio's exposure to carbon-intense companies. This represents companies' most recently reported or estimated Scope 1 & Scope 2 greenhouse gas emissions, normalised by enterprise value including cash (USD). This ratio facilitates portfolio analysis by allocating emissions across equity and debt.
Total Carbon Emissions	This represents the portfolios estimated Scope 1 + Scope 2 greenhouse gas emissions. This is expressed in terms of thousand tons of CO ₂ equivalent emitted by the companies invested in by the portfolio, weighted by the size of the allocation to each company.

Metric	Description/Methodology
% of Portfolio with Ties to Fossil Fuels	The percentage of the portfolio invested in companies with evidence of owning fossil fuel reserves regardless of their industries, including companies that own less than 50% of a reserves field. Fossil reserves are defined as proved and probable reserves for coal, and proved reserves for oil and natural gas. Evidence of owning reserves includes companies providing the exact volume of reserves and companies making a statement about their ownership of reserves.
% of Portfolio with SBT Approved Target	The percentage of the portfolio invested in companies with one or more active carbon-emissions-reduction target(s) approved by the Science-Based Targets initiative (SBTi).
Scope 1 emissions	Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel as in a furnace or vehicle.
Scope 2 emissions	Scope 2 emissions are those caused by the generation of electricity purchased by the company.

Appendix 4: General Risk Warning and Disclaimer

Risk warning

Please note the value of investments, and income from them, may fall as well as rise. You should not make any assumptions about the future performance of your investments based on information contained in this document. This includes equities, government or corporate bonds, currency, derivatives, property, and other alternative investments, whether held directly or in a pooled or collective investment vehicle. Further, investments in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the full amount originally invested. Past performance is not necessarily a guide to future performance.

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