

## Responsible Investment Factsheet

31.12.2023

This is a marketing communication. Please refer to the prospectus and KID/KIID for the Fund, which contain detailed information on the Fund's characteristics and objectives, before making any final investment decisions. All data as at above date, unless otherwise stated. Past performance is not a reliable indicator of future results.

## Fund ESG Ratings

MSCI ESG Rating™:



Produced by MSCI ESG Research as of 26.01.24.

## SFDR Classification

Please see the fund's [Sustainability-related disclosures](#) and [SFDR Pre-contractual Disclosures](#), available on our website, for more information. [Periodic Reports](#) are also available.



## Fund Profile

### Benchmark

MSCI World Index

### Investment Objective

An equity fund investing in global companies that are aligned with the transition to a more sustainable economy. The Fund is actively managed and uses the MSCI World Index as a comparator benchmark only.

### Investment Case

Global exposure to high quality growth companies, with sustainable products and practices. Focus on mid-cap opportunities created by the transition to a more sustainable economy.

### Domicile

Ireland

## Other Documents

### Corporate Documents

- Responsible Investment Policy
- Stewardship Code Report
- Good Governance Policy

### Strategy Documents

- Approach to Sustainable Investing
- Approach to Remuneration Paper

## Fund Approach to Responsible Investment

### ESG Integration



### Exclusions<sup>1</sup>



Controversial weapons<sup>2</sup>



Thermal coal<sup>3</sup>



Norges Bank Exclusion List<sup>4</sup>



MSCI ESG Laggards<sup>5</sup>



Ethical product screening<sup>6</sup>



### Voting



### Engagement



<sup>1</sup>Further details can be found in the fund's [Exclusion Policy](#), available on our website.

<sup>2</sup>Cluster munitions, landmines, and biological and chemical weapons.

<sup>3</sup>Companies that generate more than 30% of revenues via thermal coal extraction or thermal coal power generation.

<sup>4</sup>The Fund adheres to the exclusion list of companies prepared by Norges Bank.

<sup>5</sup>Excludes companies rated as ESG laggards (B or CCC rating) by MSCI.

<sup>6</sup>An internally generated exclusion list of companies which derive more than 10% of revenue from adult entertainment, alcohol, fossil fuels, gambling, nuclear energy, palm oil, tobacco, and weapons.

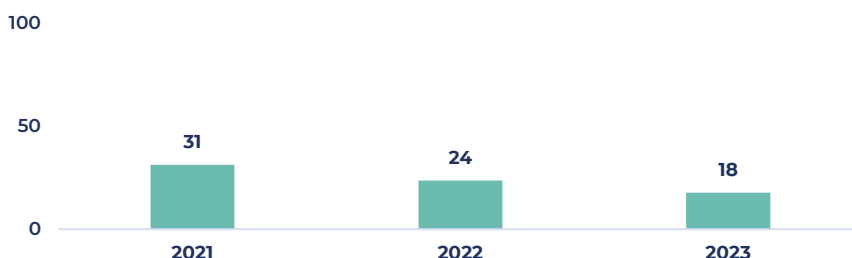
## ESG Integration Summary

The investment team uses a bottom-up ESG framework, developed in-house, to assess quantitatively the sustainability risk associated with current and potential underlying investments. Using the SASB materiality framework, the team have developed a scorecard that is used to evaluate a company based on various industry-specific ESG criteria.

The investment team also conduct rigorous qualitative reviews of fund holdings, which assess material risks and opportunities, and the alignment of business's product and services to the fund's three broad sustainable themes (Health & Wellbeing, Productivity & Connectivity, and Resource Efficiency). Reviews consist of a good governance assessment, and analysis of topics such as executive remuneration, carbon transition, and exposure to negative externalities. Material risks identified by the review inform the team's engagement priorities. Further information is available in the fund's Approach to Sustainable Investing paper, available [here](#).

## Fund Weighted Average Carbon Intensity (WACI)\* in tCO<sub>2</sub>e/\$M revenue

The fund's carbon intensity is measured and reported over time.



Source: Guinness Global Investors, CDP; Coverage: 100% (2021, 2022, 2023).

\*The Weighted Average Carbon Intensity (WACI) metric is calculated by multiplying the carbon intensity (emissions relative to revenue in millions USD) of each fund holding by its portfolio weight (the value of the holding relative to the total value of the portfolio, excluding cash). Carbon intensity is based on Scope 1 and 2 emissions. Scope 1 emissions are direct greenhouse gas emissions from sources that are owned or controlled by the company. Scope 2 emissions are indirect greenhouse gas emissions from the generation of energy purchased by the company (Reference: GHG Protocol). Coverage refers to the percentage of the carbon intensity data available at the date of publication for underlying fund holdings (as a percentage of total assets excluding cash).

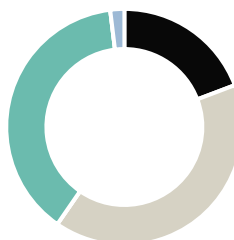
## Stewardship

Stewardship activities are integral to the investment process applied by the team. We believe that resourcing our stewardship activities with the investment team itself, with dedicated assistance as required, is the best way to ensure effective stewardship. The investment team's ESG incorporation approach often informs their proxy voting and engagement activity. In a spirit of transparency, we disclose fund-level voting and engagement statistics and case studies for calendar year 2023 below.

## Voting

The investment team make their own voting decisions based on their own research, supported by proxy voting research from Glass Lewis. All voting is undertaken by the investment team, with oversight provided by our Responsible Investment Committee. In order to vote, some markets require shares to be temporarily immobilised from trading until after the shareholder meeting has taken place (referred to as 'share blocking'). Some other markets require a local representative to be hired, under a Power-of-Attorney (POA), to attend the meeting and vote on our behalf. In such instances, it may sometimes be in clients' best interests to refrain from voting. But in all other circumstances we endeavour to exercise our voting responsibilities on clients' behalf. For more information, please see our Voting Policy, available on our website.

Voting Overview*	
Number of available proposals	394
% voted	87%
% did not vote	13%
Due to shareblocking	100%
% votes in line with management	85%
% votes against management	15%



Votes against management by topic (%)\*\*

<span style="color: black;">●</span> Audit/Financials	19%
<span style="color: #A8A8A8;">●</span> Board Related	40%
<span style="color: #4CAF50;">●</span> Compensation	38%
<span style="color: #2196F3;">●</span> Shareholder proposals	2%

\*\*May not sum to 100% due to rounding.

\*1st January 2023 to 31st December 2023

Source: Glass Lewis; Guinness Global Investors (31.01.24)

## Voting Case Studies



**Addus HomeCare** provides a broad range of social and medical services in the home. We voted against the 2023 Advisory Vote on Executive Compensation, due to insufficient clawback policies, a lack of executive stock ownership requirements, and short performance measurement periods under the long-term incentive plan. Overall, 10% of shareholders voted against the plan in 2023. 2023 was the second consecutive year that we voted against the vote, and we plan on engaging directly with Addus in 2024 to encourage the implementation of better policies.

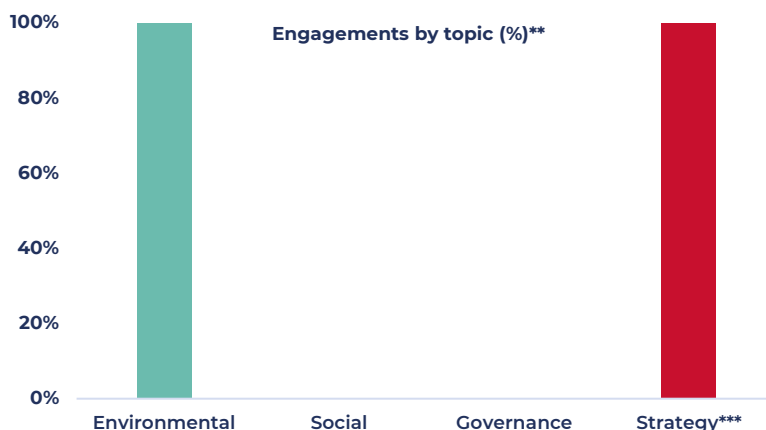


**Entegris** is a supplier of advanced materials and process solutions for the semiconductor, life sciences, and other high-tech industries. At the 2023 AGM, we voted against the Chair of the Governance and Nominating Committee due to a lack of board diversity, and a member of the Compensation Committee as they are a public executive at a different business. Finally, we voted against the ratification of the auditors as they have been in place for 57 years, a lengthy period under which independence may be called into question.

### Engagement

The investment team focused their engagements in 2023 around seeking improved ESG disclosures and external validation of emissions targets from portfolio companies. Following the conclusion of the 2023 CDP Non-Disclosure Campaign, the team engaged with eight portfolio companies in February 2024, on topics including their ongoing commitment to CDP, as well as more specific governance- and remuneration-related areas.

Engagement Overview*	
Number of company interactions	2
Number of engagements	2
Engagements by topic	
Environment	100%
Social	0%
Governance	0%
Strategy***	100%



Source (table/graph): Glass Lewis; Guinness Global Investors (31.01.24)  
\*1st January 2023 to 31st December 2023

\*\*In some cases, multiple topics are covered in a single meeting and the totals do not add up to 100%.  
\*\*\*Strategy includes disclosures, opportunities in sustainable products, positive impact, and regulation.

### Engagement Case Studies



Over 2023, as part of the CDP Non-Disclosure Campaign, we were the 'lead signatory' for a letter to **Interroll**, managing the correspondence on behalf of both Guinness Global Investors and a range of other investors, requesting they disclose to the CDP Climate Change questionnaire. This follows on from us co-signing letters to Interroll in 2022, given that they did not submit to CDP. Interroll indicated they are looking at possible 2024 disclosure to CDP and/or registering commitments with the Science Based Targets Initiative (SBTi) after its Scope 3 reporting system is implemented.



As part of our broader focus on the topic, we engaged with **KLA**, encouraging them to submit their emissions targets to the Science Based Targets Initiative (SBTi). We have previously been cosignatories to a letter sent to the company regarding SBTi submission and built on this by emailing Investor Relations directly, explaining the merits and reiterating our rationale. We will follow up with KLA on an ongoing basis and will continue to encourage them to submit to the SBTi going forward.

### Collaborative engagement



We are a member of **CDP**, which allows us access to environmental data for all companies that report to CDP. Through our membership, we participate in collaborative engagements, such as the **CDP Non-Disclosure Campaign (NDC)**. The NDC aims to drive further corporate transparency around climate change, deforestation and water security, by encouraging companies to respond to CDP's disclosure requests. In 2023, we joined the **CDP Science-Based Targets (SBT) Campaign**, to encourage portfolio companies to commit to and set 1.5°C-aligned science-based targets.

## Initiatives

We participate in relevant industry initiatives to promote the proper functioning of markets, responsible investing, and the management of market-wide and systemic risk. Where appropriate, members of the investment team will use initiatives to engage collaboratively with portfolio companies.

### External company ratings

Signatory of:



We became signatories to the United Nations Principles for Responsible Investment (UN PRI) in 2019, which provides external assurance on our stewardship approach broken down by activity.

In our latest Assessment Report, published in 2023, we received the following scores:



**Policy Governance and Strategy**



**Direct - Listed Equity - Active Fundamental**



**Confidence Building Measures**

## Industry Initiatives



**CFA UK's** mission is to build a better investment profession by serving the public interest by educating investment professionals, by promoting and enforcing ethical and professional standards and by explaining what is happening in the profession to regulators, policymakers, and the media. A member of the investment team at Guinness is part of the Sustainability Community Champions group.



As the trade body for the UK investment management industry, the **Investment Association (IA)** seeks to represent the industry interests, improve the investment landscape through thematic initiatives, which highlight topics such as diversity and inclusion, and by improving standards and best practice.



The **Independent Investment Management Initiative (IIMI)** aims to contribute effective financial regulation and promote client-centred models of investment management. Our CEO, Edward Guinness sits on the board of IIMI.



We are public supporters of the **Task Force on Climate-Related Financial Disclosures (TCFD)**, and we seek to improved climate-related financial disclosure that is consistent, comparable, reliable, and clear to enhance our investment processes.



The **UK Stewardship Code 2020** sets high stewardship standards for those investing money on behalf of UK savers and pensioners. It comprises a set of 12 'apply and explain' Principles for asset managers and asset owners to demonstrate their stewardship role and performance.



The **UK Sustainable Investment and Finance Association (UKSIF)** aims to support its members to grow sustainable and responsible finance in the UK. It also seeks to influence policymaking that promotes the growth of sustainable finance. Our Responsible Investment Lead is a member of the Industry Development Committee, and another member of investment team serves on the Membership Committee.

# Guinness Global Equity Income

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**Documentation** The documentation needed to make an investment, including the Prospectus, the Key Information Documents (KIDs), Key Investor Information Document (KIIDs) and the Application Form, is available in English from [www.guinnessgi.com](http://www.guinnessgi.com) or free of charge from: - the Manager: Waystone Management Company (IE) 4th Floor 35 Shelbourne Road, Ballsbridge, Dublin DO4 A4E, Ireland; or the Promoter and Investment Manager: Guinness Asset Management Ltd, 18 Smith Square, London SW1P 3HZ. Waystone Management Company (IE) as UCITS Man Co, has the right to terminate the arrangements made for the marketing of funds in accordance with the UCITS Directive.

**Investor Rights** A summary of investor rights in English is available here:

<https://www.waystone.com/waystonepolicies/>

**Residency** In countries where the Fund is not registered for sale or in any other circumstances where its distribution is not authorised or is unlawful, the Fund should not be distributed to resident Retail Clients.

**NOTE: THIS INVESTMENT IS NOT FOR SALE TO U.S. PERSONS.**

**Structure & regulation** The Fund is a sub-fund of Guinness Asset Management Funds PLC (the "Company"), an open-ended umbrella-type investment company, incorporated in Ireland and authorised and supervised by the Central Bank of Ireland, which operates under EU legislation. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

**Switzerland** This is an advertising document. The prospectus and KIID for Switzerland, the articles of association, and the annual and semi-annual reports can be obtained free of charge from the representative in Switzerland, Reyl & Cie S.A., Rue du Rhône 4, 1204 Geneva, Switzerland. The paying agent is Banque Cantonale de Genève, 17 Quai de l'Île, 1204 Geneva, Switzerland.

**Singapore** The Fund is not authorised or recognised by the Monetary Authority of Singapore ("MAS") and shares are not allowed to be offered to the retail public. The Fund is registered with the MAS as a Restricted Foreign Scheme. Shares of the Fund may only be offered to institutional and accredited investors (as defined in the Securities and Futures Act (Cap.289)) ("SFA") and this material is limited to the investors in those categories.

Telephone calls will be recorded and monitored.