

## Responsible Investment Factsheet

31.12.2025

This is a marketing communication. Please refer to the Prospectus and 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 does not predict future returns.

## Fund ESG Ratings

MSCI ESG Rating™:



Produced by MSCI ESG Research as of 31.12.25.

## Fund Profile

### Benchmark

MSCI Europe ex UK

### Investment Objective

An equity fund investing primarily in European Ex UK companies. Primarily the companies invested in will pay dividends. The Fund is actively managed and uses the MSCI Europe Ex UK Index as a comparator benchmark only

### Investment Case

Provides exposure to European dividend paying companies. Dividend payers outperform in the long term, dividend growers even more so. Dividend paying companies can protect against inflation over the long term.

### Domicile

United Kingdom

## Risk

WS Guinness European Equity Income Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement; you may not get back the amount originally invested. Details on the risk factors are included in the Fund's documentation, available on the website [www.waystone.com](http://www.waystone.com). If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

## Fund Approach to Responsible Investment

### ESG Integration



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



Controversial weapons<sup>2</sup>



Thermal coal<sup>3</sup>



### Voting



### Engagement



<sup>1</sup>Further details can be found in our corporate [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.

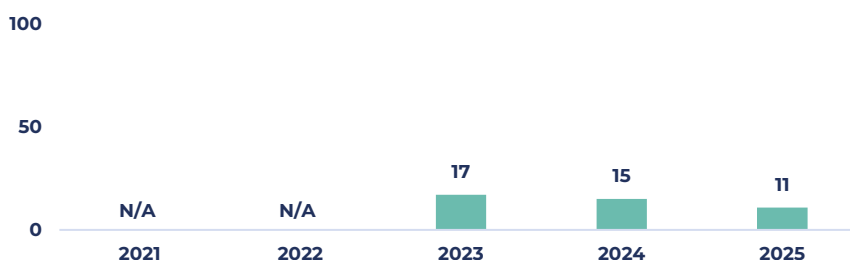
## ESG Integration Summary

The investment team use 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. 'Materiality' and 'transparency' are two key components of the scorecard: the materiality component ensures the key risk factors to a company's operations are assessed, and the transparency component informs the team of the drivers of ESG scores at a granular level.

The team supplement this with a rigorous qualitative review, which features assessments of material risks and opportunities, good governance, executive remuneration, carbon transition, and exposure to negative externalities. Further information is available in the fund's Approach to Responsible Investment and ESG 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 from 2023 onwards.



Source: Guinness Global Investors, CDP; Coverage: 100% (2023, 2024, 2025).

\*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).

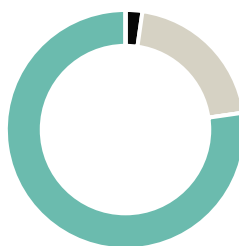
## Stewardship

Stewardship activities form part of the investment process applied by the team. We believe that resourcing our stewardship activities within 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 2025 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 companies available to vote	30
Number of available proposals	639
% voted	73%
% did not vote** (6 companies)	27%
% votes in line with management	91%
% votes against management	9%



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

Board Related	20%
Compensation	77%
Audit/Financials	2%

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

\*1st January 2025 to 31st December 2025

Source: Glass Lewis; Guinness Global Investors 31.12.25

\*\*This includes where we do not vote in jurisdictions where share blocking is in effect or power of attorney requirements apply

## Voting Case Studies



**Capgemini** is a global consulting, technology and digital services company. At the company's 2025 AGM, we voted against the re-election of two directors, Mr Kurt Sievers and Mr Jean-Marc Chéry, alongside 30% and 22% of shareholders respectively.

Our vote against Mr Sievers reflected concerns regarding his attendance, as he attended fewer than 75% of board and committee meetings during the year. We voted against Mr Chéry due to concerns about overboarding. In addition to his role as a director at Capgemini, Mr Chéry serves on the board of Legrand and is Chief Executive Officer and Chair of STMicroelectronics. We believe that excessive external commitments can adversely affect a director's ability to effectively discharge their responsibilities.

We will continue to assess board composition, attendance and director time commitments as part of our ongoing governance oversight.



**Euronext** is a pan-European market infrastructure provider. Over the past two years, the company has received significant shareholder dissent on its Remuneration Report, with 54% and 59% of votes cast against in 2024 and 2025 respectively. Following the 2025 vote, we engaged with the company to explain our rationale for voting against the remuneration resolution.

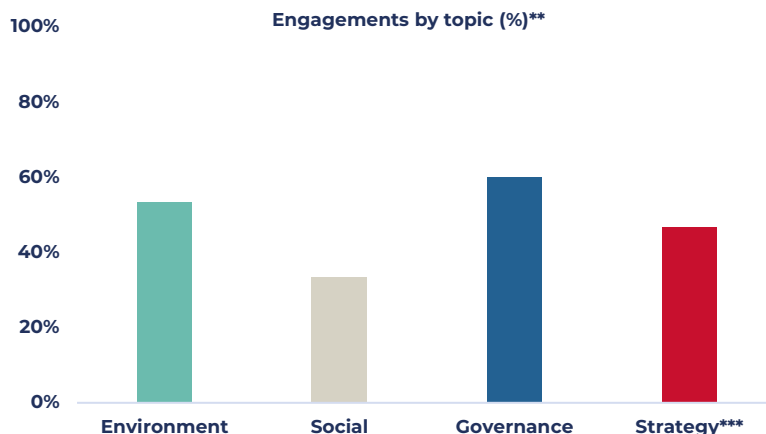
Our concerns focused on the limited disclosure within the short-term incentive plan (STI), which the company cited as commercially sensitive, and the heavy weighting of total shareholder return (TSR), which accounted for 50% of the long-term incentive plan (LTI). We believe that over-emphasising TSR is not optimal, as share price performance should be the outcome of strong operational execution rather than a primary objective. In addition, TSR can be materially influenced by external factors such as market sentiment and macroeconomic conditions that are outside management's control.

Following the AGM in May 2025, Euronext published updated remuneration disclosures, providing greater clarity on the STI within the constraints of market sensitivity. The weighting of TSR within the LTI has been modestly reduced to 45% and remains a key requirement for other shareholders, as confirmed through recent investor roadshows. In addition, the company introduced a new 10% ESG component, split equally between CO<sub>2</sub> consumption per employee (aligned with the Science Based Targets initiative framework) and gender diversity within the senior leadership team.

### Engagement

The investment team met several prospective portfolio companies in 2025. Engagement work covered executive remuneration, seeking to ensure management are incentivised appropriately to deliver high long-term returns on capital. For more information, please see the team's [Approach to Remuneration Paper](#).

Engagement Overview*	
Number of company interactions	26
Number of engagements	15
Engagements by topic	
Environment	53%
Social	33%
Governance	60%
Strategy***	47%



\*1st January 2025 to 31st December 2025  
Source: Glass Lewis; Guinness Global Investors 31.12.25

\*\*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



In September 2025, we wrote to Melexis following its Annual General Meeting in May to discuss the factors behind MSCI's downgrade of the company's ESG rating from BB to B. A key contributor to the downgrade was an increase in reported employee attrition.

In discussions with the Investor Relations team, Melexis explained that approximately 30% of its workforce is based in Bulgaria, where competition for skilled labour is particularly intense. The company acknowledged the need to enhance retention efforts in this region.

Melexis also highlighted organisational changes implemented at the end of 2023, which involved the removal of several managerial roles. Around 50 employees left the company as part of this transition. Management described a cultural preference for a flatter organisational structure, emphasising the value of operational roles over managerial layers and a deliberate effort to avoid excessive hierarchy.



**Universal Music Group (UMG)** is one of the world's leading music companies. In September 2025, we contacted the company to raise several governance topics, with a particular focus on executive remuneration, following its most recent AGM where 31% of votes were cast against. We sought greater clarity on the rationale behind the performance metrics used in both the short-term incentive (STI) and long-term incentive (LTI) plans, including the adjustments applied to certain metrics. We subsequently held a call with the company in December 2025, where we discussed UMG's corporate history and the context behind key governance features. The company explained that, at the time of its public listing, executive remuneration arrangements were governed by an employment contract established under its former parent company, Vivendi, which limited the board's ability to make immediate changes.

Since then, UMG has reviewed its remuneration framework and been able to restructure arrangements to move from a purely cash-based approach to a combination of cash and equity, aiming to better align incentives with long-term shareholder interests while accounting for legacy contractual obligations. UMG also highlighted its unique corporate history, with its domicile in Amsterdam, longstanding operations in the US, and former ownership by a French parent, which contributes to governance structures that differ from more traditional European peers. We welcome the progress made and will continue to engage as governance practices evolve.

### 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.

### 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 2024, 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.



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 Chair of the Industry Development Committee, and another member of investment team serves on the Board of Directors and the Membership Committee.



The **FAIRR Initiative (FAIRR)** is a collaborative investor network that raises awareness of the material risks and opportunities in the global food sector. By providing research and coordinating engagement, it helps investors drive more sustainable practices in the agriculture and protein sectors.

### Other Documents

#### Corporate Documents

- Responsible Investment Policy
- Stewardship Code Report
- Good Governance Policy
- [Responsible Investment Glossary](#)

#### Strategy Documents

- Approach to Responsible Investment and ESG
- Europe – a destination for income

# Guinness Global Equity Income

MSCI ESG Research LLC's ("MSCI ESG") Fund Metrics and Ratings (the "Information") provide environmental, social and governance data with respect to underlying securities within more than 31,000 multi-asset class Mutual Funds and ETFs globally. MSCI ESG is a Registered Investment Adviser under the Investment Advisers Act of 1940. MSCI ESG materials have not been submitted nor received approval from, the US SEC or any other regulatory body. None of the Information constitutes an offer to buy or sell, or a promotion or recommendation of, any security, financial instrument or product or trading strategy, nor should it taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the Information can be used to determine which securities to buy or sell or when buy or sell them. The Information is provided 'as is' and the user of the Information assumes the entire risk of any use it may make or permit to be made of the Information. The information contained herein: (1) is proprietary to MSCI ESG and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither MSCI ESG nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

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If you decide to invest, you will be buying shares in the Fund and will not be investing directly in the underlying assets of the Fund.

**Documentation:** The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID), and the Application Form, is available in English from the website [www.fundsolutions.net/uk/guinness-global-investors/](http://www.fundsolutions.net/uk/guinness-global-investors/) or from:-

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**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 WS Guinness Investment Funds, an investment company with variable capital incorporated with limited liability and registered by the Financial Conduct Authority.