



RESPONSIBLE  
INVESTMENT  
REPORT 2025



Publicly available at <https://www.guinnessgi.com/>  
This is a marketing communication. Please refer to the prospectuses, KIDs and KIIDs for the Funds, which contain detailed information on their characteristics and objectives, before making any final investment decisions.

 **GUINNESS**  
GLOBAL INVESTORS

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# A word from the CEO



**In December 2025, we launched the Guinness Global Environment Fund, designated as Article 9 under the EU Sustainable Finance Disclosure Regulation. This strategy reflects our continued commitment to offering investment solutions with clear sustainability objectives.**

Welcome to our Responsible Investment Report, which outlines how Guinness Global Investors continues to embed and evolve responsible investment across our business, investment strategies and stewardship activities.

Since we introduced our first ESG Policy in 2014 and became a signatory to the UN Principles for Responsible Investment in 2019, responsible investment has become firmly embedded within our investment approach. Our focus has increasingly shifted from building foundations to strengthening implementation, deepening stewardship and enhancing the quality and transparency of our outcomes.

Our responsible investment function works closely with portfolio managers and analysts to support the consistent integration of ESG considerations and stewardship across investment strategies. We continue to meet the expectations of the PRI framework and to evolve our approach in line with best practice, regulation and client expectations.

Stewardship remains a core pillar of our responsible investment approach. In 2025, we maintained a strong focus

on both individual and collaborative engagement, including continued participation in the CDP Non-Disclosure Campaign and Climate Action 100+. During the year, we also joined the FAIRR Initiative, a collaborative investor network focused on addressing material sustainability risks and opportunities within the global food system.

Alongside this, we have conducted thematic engagements, including a firm-wide plastics initiative which is covered in more detail later in this report. We will also be updating our reporting to align with the revised UK Stewardship Code in 2026.

Internally, we continue to invest in building capability and accountability across the firm. This includes regular ESG training delivered at company level, ongoing development of our investment governance structures to support the effectiveness of our approach, and continued publication of responsible investment resources and fund-level disclosures. We also published our second TCFD-aligned report during the year, reflecting ongoing progress in our climate-related governance and risk management, and we continue to work towards meeting our 2030 Corporate Emissions Target.

As a responsible employer, we remain focused on supporting employee wellbeing, professional development and engagement with the wider community through initiatives including coaching, sponsorship of professional qualifications, insight days, internships and partnerships with organisations such as Grocers' Academy Awards and Sinfonia Smith Square.

We hope this report provides a clear and transparent view of how our responsible investment approach continues to evolve at Guinness Global Investors. As always, we welcome feedback and constructive dialogue on our work.

A handwritten signature in blue ink, appearing to read 'Edward Guinness'. The signature is fluid and cursive, written on a white background.

**Edward Guinness**  
CEO, Guinness Global Investors

# Highlights

**\$9.3 billion**

USD managed in Article 8 & 9 funds\*

**22%**

Reduction in corporate Scope 1 and 2 emissions\*\*

**11,623**

Proxy votes cast

**120**

Company engagements

**4th**

Consecutive year supporting the CDP Non-Disclosure Campaign

Launched **Article 9**

Guinness Global Environment Fund\*

## Additional 2025 Milestones

- Joined the **FAIRR Initiative**
- **UK Stewardship Code** commitment renewed
- Scope Awards “*Best Asset Manager ESG Specialist*”\*\*\*

Source: Guinness Global Investors

\*Under the EU Sustainable Finance Disclosure Regulation (SFDR). Data as of 31 December 2025. For further information, please see Page 6.

\*\*Please note this has been calculated using a market-based approach, and our internal emissions calculations are unaudited.

\*\*\* “Best Asset Manager ESG Specialist” for Austria and Switzerland.

# Our Values

Our focus has shifted from building foundations to strengthening implementation, deepening stewardship and enhancing the quality and transparency of our outcomes.

## Active Management

We believe in intelligent solutions for long-term investing in a rapidly changing world. Active management, high conviction and identifying value are central pillars to our investment philosophy and they are delivered in

concentrated, high-conviction portfolios with a methodology for selecting investments that is logical, robust, repeatable, while remaining consistent with our core investment beliefs and our duty to invest responsibly.

## Responsible Investment

Fundamental data and rigorous in-house research are the cornerstones of our investment process. This includes considering the impact of environmental, social and governance (ESG) factors, which has evolved over time as more relevant data has become available. As signatories of the PRI, we are committed to adopting and implementing responsible investment principles in a manner that is consistent with our fiduciary responsibilities to clients.

As we manage our clients' assets to deliver on their mandate, we assume a stewardship role. We maintain a programme of engagement with investee and potential investee companies. We are signatories to the UK Stewardship Code, and our portfolio managers, empowered to make voting decisions in clients' best interests, exercise voting rights whenever practical to do so.

## UN Principles for Responsible Investment (PRI)



The PRI provides external assurance on our stewardship approach broken down by activity. In November 2024, we received our latest Assessment Report, on our responsible investment activity in 2023. We obtained the following scores:

Policy Governance and Strategy



Direct - Listed Equity - Active Fundamental



Confidence Building Measures



Please note that no PRI submission was made in 2025 (reflecting 2024 activity) due to negligible changes to the reporting framework. Our next PRI submission will be made in Q2 2026.

# Our Fund Range

## EU-Domiciled Funds

Guinness Global Investors provides 18 long-only strategies, with 83% of assets under management domiciled in the European Union as of 31 December 2025.

Our range of EU-domiciled funds is subject to the Sustainable Finance Disclosure Regulation (“SFDR”), introduced to help improve transparency in the market, clarify sustainability claims made by financial market participants,

and prevent greenwashing. There are three classifications of investment strategy that apply to our funds. Relevant disclosures under SFDR for each fund can be found at [guinnessgi.com](http://guinnessgi.com).

 <p>Funds which are not committed to integrating any kind of sustainability into the investment process.</p>	 <p>Funds promote environmental or social characteristics.</p>	 <p>Funds have sustainable investment as their objective.</p>
Article 6 Funds	Article 8 Funds	Article 9 Funds
Global Energy	Global Quality Mid Cap	Sustainable Energy
Global Money Managers	Global Equity Income	Sustainable Energy ETF
Multi-Asset Balanced*	Global Innovators	Global Environment
Multi-Asset Growth*	Asian Equity Income	
China RMB Income	Best of Asia	
	Greater China	
	China A Share	
	Emerging Markets Equity Income	
	European Equity Income	
	Pan-European Equity Income	
	Global Real Assets	

\*The Multi-Asset Funds follow investment recommendations made by a third-party adviser and comply with the adviser's Responsible Investment Policy. Please refer to our Responsible Investment Policy for further details.

# Our Fund Range

## UK-Domiciled Funds

On the 28th November 2023, the Financial Conduct Authority (FCA) published its long-awaited Policy Statement on the Sustainability Disclosure Requirements (SDR) and Investment Labels (PS23/16). This regulation was introduced and designed to enhance transparency and mitigate

greenwashing in the investment industry. The regulation establishes a labelling system for investment products to help investors make informed choices about sustainability-focused funds.

All of our UK-domiciled funds comply with SDR.

### LABELLED FUNDS

Our UK-domiciled WS Guinness Sustainable Energy Fund has been classified under the **'Sustainability Focus'** label.

The Sustainability Focus label applies to funds that invest mainly in assets that focus on sustainability for people or the planet.

#### WS Guinness Sustainable Energy Fund



##### Fund Objective

The Fund aims to provide investors with capital growth over the long term (at least 10 years), after all costs and charges have been taken, whilst investing at least 80% in sustainable energy companies that are helping to deliver the transition towards a lower-carbon economy.

The Fund invests at least 80% in assets which are involved in the sustainable energy or energy technology sectors. To qualify, a company must derive at least 50% of its business activity from helping to deliver the transition to a lower-carbon economy.

##### Key Performance Indicator (KPI)

The KPI used to measure the Fund's focus objective is **carbon emissions displaced by the products or services of the Fund's investments**. Delivery of this KPI will help to ensure that the Fund's investments contribute to a lower-carbon economy. A lower-carbon economy is beneficial because it reduces greenhouse gas emissions, helping to mitigate climate change.

For further details, please refer to the Fund's Supplement, Consumer Facing Disclosure (CFD), and Impact Report, available [on our website](#).

### NON-LABELLED FUNDS

The remainder of our UK-domiciled funds do not carry a sustainability label but continue to integrate responsible investment principles in line with our broader ESG strategy. They adhere to the Investment Manager's exclusion policy and assess the ESG credentials of investee companies through qualitative

and quantitative analysis. Their primary objective remains financial, and they do not seek to achieve a dedicated sustainable objective. For further details, please refer to the Fund Supplements and Consumer Facing Disclosures (CFD) available on each fund's webpage.



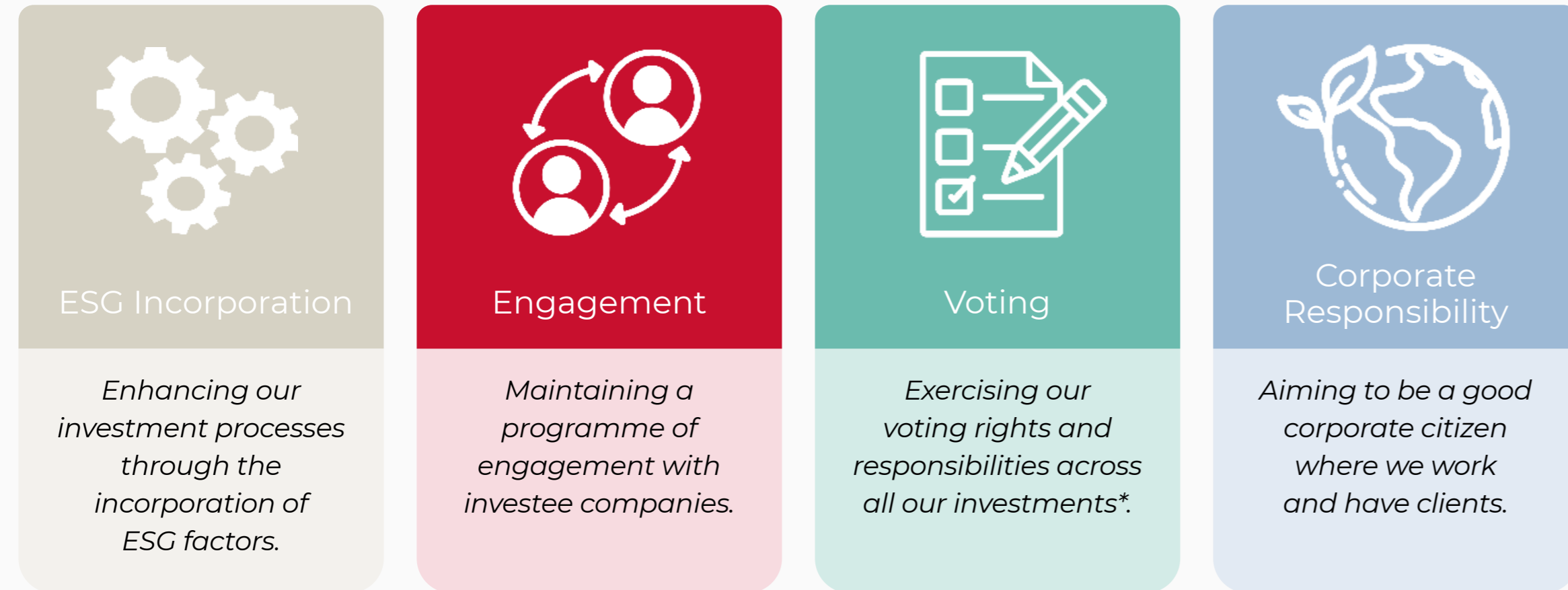
# Our Approach To Responsible Investment



# Our Approach

We divide responsible investment activity into the incorporation of ESG factors and stewardship activity (such as engagement and voting).

Adding the consideration of our own corporate responsibility, we have structured this report according to the following four pillars:



## Governance of our Responsible Investment Approach

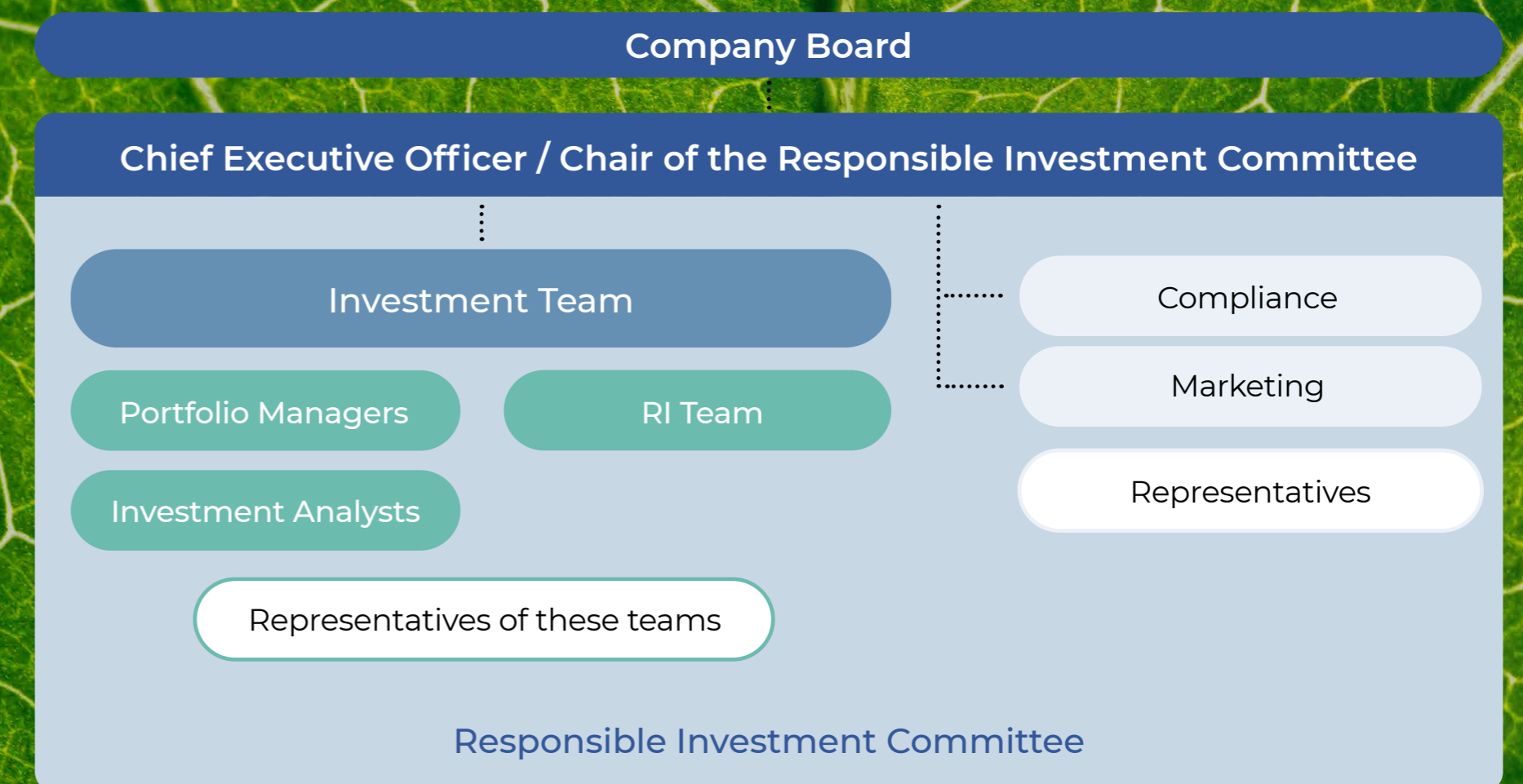
The **Board** decides strategy and objectives and is responsible for directing all areas of the business. It is therefore where ultimate responsibility lies for our responsible investment approach.

The **Responsible Investment Committee** (Figure 1), chaired by our **CEO**, meets at least quarterly and has the objective of developing, performing, and monitoring our ESG incorporation and stewardship activities. It includes a portfolio manager

from each investment team and representatives from the Compliance and Marketing teams.

Much of our day-to-day responsible investment activity is performed by the investment team, with our **Responsible Investment Team** providing support to all investment teams and preparing company-wide analysis and materials.

Figure 1: Responsible Investment Oversight Structure



\*We aim to exercise all voting rights, but it is sometimes impossible, impractical or against clients' best interests to do so. Please see page 34 for more details.

Figure 1 source: Guinness Global Investors

# ESG Incorporation



# Exclusion Approach

As a firm, we prefer engagement over exclusion, but there are areas of activity where we rule out some companies from our investment universes.

Figure 2: Corporate-level exclusions



Thermal coal



Controversial  
weapons

Our firm-level [Exclusion Policy](#) covers controversial weapons (cluster munitions, landmines, and biological and chemical weapons) and thermal coal (Figure 2). Strategy-level exclusion policies may add further exclusionary criteria.

# ESG Integration

**We believe that the incorporation of ESG factors – for which we use both proprietary quantitative scoring and qualitative analysis – enables us to assess potential risks and opportunities and can enhance our investment process.**

Portfolio managers are empowered to tailor their processes to the respective geographic and sectoral focus of their strategies, typically including both qualitative and quantitative analysis. **Environmental** factors consider how a company performs as a steward of nature; **Social** factors examine how companies manage relationships with employees, suppliers, customers, and the communities where it operates; and **Governance** deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

In 2025, we strengthened ESG incorporation through several enhancements across our investment processes: refining internal ESG review model templates to capture the increasing depth of sustainability and climate-related disclosures, deepening integration between ESG analysis and stewardship by embedding engagement matrices and company voting and engagement data more directly into the review process, strengthening bottom-up engagement prioritisation and adding Paris-Aligned Benchmark (PAB)

We believe, as active managers, that building our own methodology to assess ESG factors is better than relying solely on third-party scores or relying on exclusionary criteria. To inform our internal assessments, we use a wide range of resources, including but not limited to the third-party providers outlined in Figure 3. Further information is available in our [Responsible Investment Policy](#).

sections following the introduction of ESMA's Fund Naming Guidelines. We conduct analysis to understand how our funds are exposed to carbon and climate-related risks, including the weighted average carbon intensity\* (WACI) of our funds in absolute terms and relative to their benchmarks. We also examine fund-level transition and physical risks, as well as the measures that investee companies have implemented to mitigate them. Please see our latest [TCFD-aligned Climate Report](#) for more information.

\*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).

Figure 3: Incorporation process of ESG factors and stewardship activity

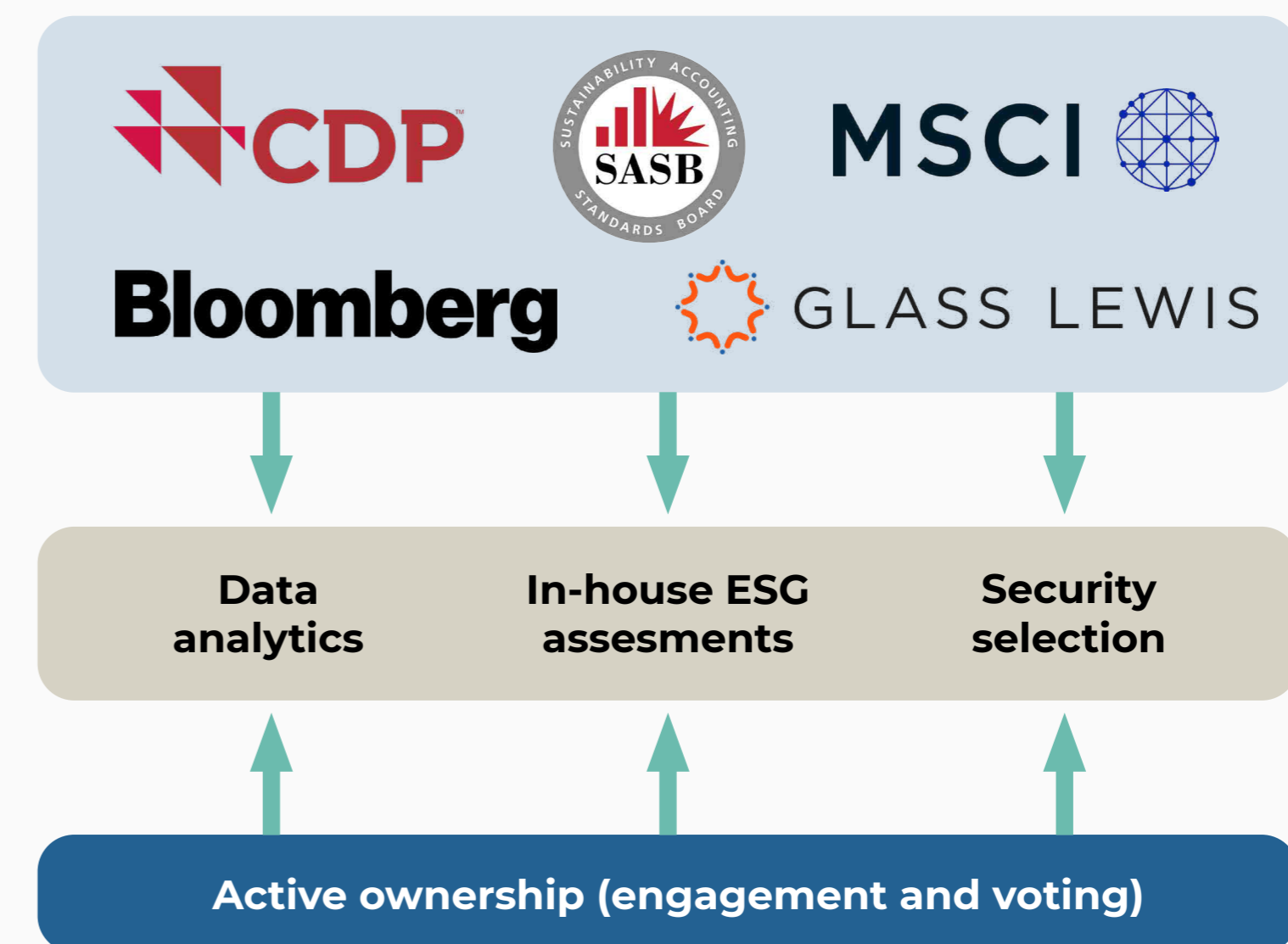


Figure 3 source: Guinness Global Investors

# Case Study: ESG Integration

## HALEON

The **Guinness Global Equity Income** strategy added **Haleon** to the portfolio in 2025. The Ireland-domiciled Guinness Global Equity Income Fund has been assigned an Article 8 classification under SFDR.

Haleon is one of the world's largest consumer healthcare companies, with a diversified portfolio across Oral Health, Vitamins, Minerals and Supplements (VMS), and over-the-counter (OTC) products. Around 60% of revenues are generated from nine global power brands including Sensodyne, Advil and Centrum.

### ESG opportunities

Haleon is well positioned to benefit from long-term structural megatrends that support both growth and positive social outcomes. Demographic tailwinds, particularly population ageing and rising health awareness, are driving sustained demand for consumer healthcare products focused on prevention and self-care. By 2050, more than one in six people globally is expected to be over the age of 65 (UN), nearly doubling in absolute terms versus today. Older consumers tend to consume higher quantities of vitamins, supplements, pain relief and digestive health products, supporting long-term volume growth across Haleon's core categories.

Global population growth is increasingly concentrated in emerging markets, which are expected to account for around 90% of population growth over the next five years. Emerging markets already represent c.35% of Haleon's

sales and offer a significant long-term opportunity given faster population growth and lower penetration of Haleon's power brands relative to developed markets. In many of these regions, OTC consumer healthcare markets are highly regulated and pharmacy-led, creating barriers to entry through regulatory scrutiny, brand trust requirements and the need for extensive local sales infrastructure.

### ESG risks

The team identified **product quality and safety** as Haleon's most material ESG risk, reflecting the high level of trust required in OTC consumer healthcare. Failures in this area could lead to regulatory action, product recalls and reputational damage, with direct implications for brand equity across Haleon's portfolio of power brands.

The company operates a comprehensive 'Quality System' across the product lifecycle, from product development to distribution and post-market safety monitoring. Governance is supported by a specialised safety board comprising senior scientific and medical leadership which defines product safety strategy and oversees compliance with internal policies and regulatory requirements. Quality processes are further supported through internal reviews, third-party audits, and regulatory inspections across Haleon's global manufacturing and supply chain network.

Operational execution appears robust, with the company achieving a 100% satisfactory outcome in 119 health authority inspections in 2024. While a small number of product recalls have occurred in recent years,

Haleon's established quality systems and continued investment in quality management provide a strong framework for mitigating product safety risks.

Environmental risks are primarily linked to packaging waste and plastic usage. Haleon has previously committed to reducing virgin petroleum-based plastic usage by 10% by 2025 and by one-third by 2030 relative to a 2022 baseline, and to making all packaging recyclable or reusable by 2030 (subject to healthcare safety requirements). Progress towards the former target has been uneven; with a 1% reduction in 2024 following a 3% increase in 2023. However, as of its latest FY25 statement, Haleon disclosed that 80% of its packaging is now recycle-ready (up from 65% in 2022), but this is difficult to achieve for the remaining 20% due to stringent safety, quality, and regulatory requirements for healthcare packaging. We describe these challenges and our 2025 engagement on plastics with consumer staples companies on page 20.

### Governance

A strong governance framework underpins Haleon's ESG risk mitigation activity. Following its demerger from GSK, the board is majority-independent, with all board committees fully composed of independent directors. Executive incentives are broadly aligned to shareholder interests, with an emphasis on free cash flow within long-term incentive plans alongside material ESG considerations such as carbon and plastic reduction.

### Engagement Priorities

Following our ESG review and recent analysis of plastic usage, we have identified two priority areas for engagement with Haleon.

First, we will engage on progress towards the company's virgin plastic reduction targets. While Haleon has set clear 2025 and 2030 goals, progress to date has been modest. We intend to understand better the barriers to faster reduction, the feasibility of the pathway to achieving targets, and how the company is balancing recyclability ambitions with healthcare safety requirements.

Second, we will discuss product quality and safety, including the company's approach to managing litigation and recall incidents. Given the importance of consumer trust in OTC healthcare, we will seek further clarity on oversight, risk management and accountability frameworks.

These topics will form part of the Guinness Global Equity Income Fund's upcoming engagement campaign, where we will monitor progress and encourage enhanced transparency where appropriate.

# New Sustainable Strategy

The **Guinness Global Environment Fund** seeks growth by investing in environmental solutions.



**Jordan Patel**  
Portfolio Manager



**Jamie Melrose, CFA, CAIA**  
Portfolio Manager

**Launched:**  
23/12/2025

**Benchmark:**  
MSCI World

**Morningstar Sector:**  
Equity Ecology

**No. of holdings:**  
30

**"Our core belief is that the persistence of quality and durable growth is often mispriced by markets."**

We launched the Guinness Global Environment Fund, an addition to our range of sustainable thematic equity strategies, in 2025. Its portfolio managers explain their approach.

## What is the strategy's investment philosophy and process?

Our core belief is that the persistence of quality and durable growth is often mispriced by markets. We access durable growth through exposure to five long-term environmental themes (food, water, land, waste and climate), while quality is enforced through disciplined screening.

These environmental resources are expected to see multi-decade demand growth, driven by population and GDP growth, while also exhibiting an element of inflexible supply. This imbalance creates an attractive opportunity for companies which help to relieve environmental pressures by reducing resource intensity or enhancing existing sources of supply.

We begin by constructing a thematic universe of around 600 companies with material exposure to one or more of our five themes. Disciplined screening then focuses us on companies with a proven ability to deliver above-average returns on capital and earnings growth through a 10-year cycle. This narrows the opportunity set to a Focus List of around 200 companies, from which the portfolio is predominantly constructed.

Within this Focus List, we prioritise businesses with repeatable business models, pricing power, and resilient revenue streams. We then assemble a high-conviction portfolio of 30 broadly equally weighted stocks.

## Why should investors allocate to the environment theme today?

The Fund was launched in 2025 following a thematic "boom" in 2020–21 and a subsequent "bust" in 2022–23. One of the key lessons from this period was that many thematic strategies placed too much emphasis on growth, often at the expense of quality and resilience, resulting in heightened volatility when market conditions changed.

Our objective is to capture long-term environmental growth while avoiding these pitfalls. We do this by combining a strong quality bias with diversification across five environmental themes. While this approach may underperform individual themes during strong upcycles, we believe it offers a more resilient, lower-volatility way to access long-term thematic growth across a full market cycle.

## What environmental solutions do the Fund's portfolio companies provide?

The portfolio includes companies such as Tetra Tech, the world's largest water consultancy, which helps to test, monitor and remediate existing water supplies; Carlisle Companies, which provides energy-efficient roofing and insulation solutions that help customers reduce energy consumption; and Elis, a circular solution for flat linen in the hotel and leisure industry. Their pooled solution increases the utilisation of linens, thereby reducing wastage, and also reduces the water intensity of laundry operations.

# Stewardship



# Engagement

**Engagement activities are conducted both individually by our investment teams and via collaborative initiatives.**

As active shareholders with long-term investment horizons, engagement is fundamental to our investment process.

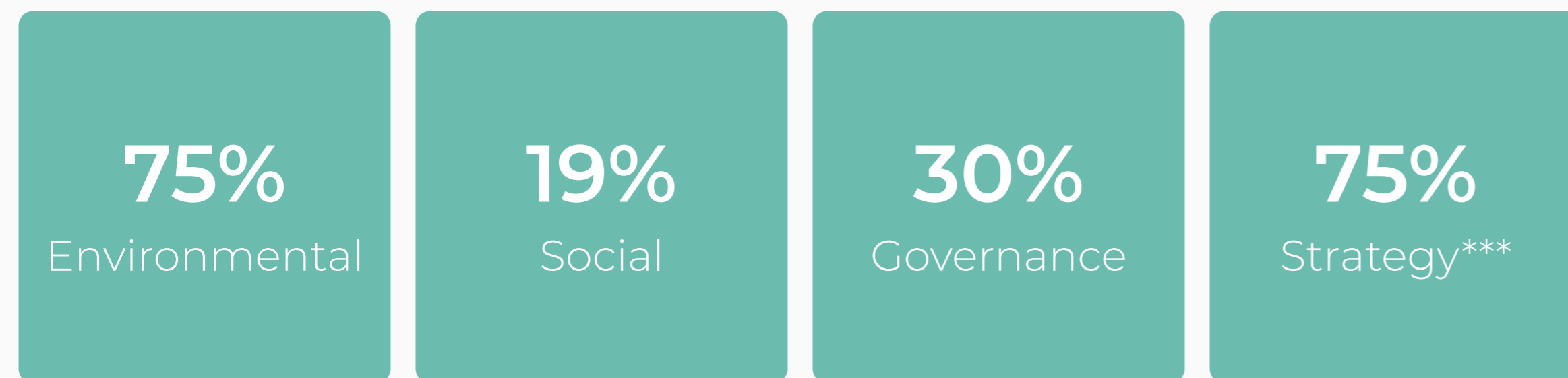
We engage with investee companies for several reasons, including influencing them proactively on ESG issues, encouraging improved or increased ESG disclosure, and to gain a greater understanding of their ESG strategies.

## 2025 Engagement Statistics



Each engagement activity is made on a case-by-case basis. We engage directly and collaboratively and do not prioritise between the various approaches.

Engagements by topic are outlined below. In some cases, multiple topics are covered in a single meeting, and so the totals do not add up to 100%.



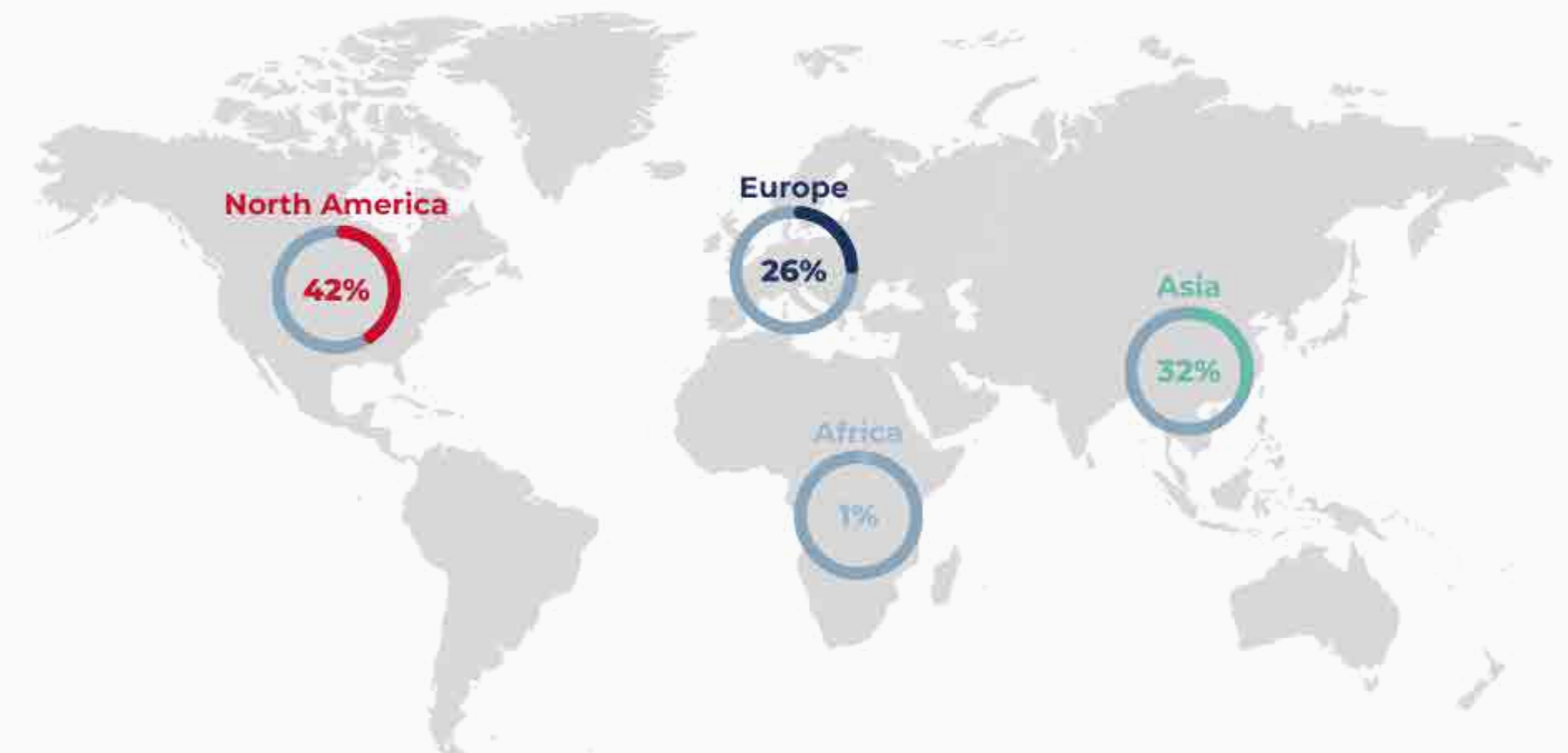
Statistics source: Guinness Global Investors

\*Refers to all engagements, as well as contact with companies made without any of the above objectives.

\*\*These refer to CDP-related engagements where we have acted as a “lead investor”, managing correspondence with the investee company, as well as activity conducted via the CA100+ initiative.

\*\*\*Strategy includes disclosures, opportunities in sustainable products, positive impact, and regulation.

Figure 4: Geographic distribution of engagement activity



These statistics provide an overview of the breadth of our 2025 engagement activity. The following sections explore this activity in greater depth. We first present two thematic insights, covering **China's energy transition** and **the challenge of plastic circularity**, before

highlighting a selection of company case studies, demonstrating how engagement can support improved disclosure, stronger target setting, better alignment in remuneration structures, and enhanced corporate governance over time.

Please note the figures in the graph do not sum to 100% due to rounding.

Figure 4 source: Guinness Global Investors; 31.12.2025

# Thematic Engagement: China's Energy Transition

**Green Electricity Certificates represent a step change for decarbonisation in China.**

## Background

China's centrality to the global energy transition is unquestionable. China is the world's largest emitter of greenhouse gases, the largest importer of fossil fuels, and simultaneously the world's largest renewable energy market. Recent forecasts by the International Energy Agency suggest China could account for half of the world's total renewable power capacity by 2030, up from around one-third in 2010. IRENA data for 2025 indicates its share already stands at approximately 44%. This rapid expansion supports China's "dual-carbon" goals (peak emissions before 2030 and carbon neutrality by 2060) and strengthens domestic energy security.

To date, much of China's transition has been characterised by supply-side scale. The country's dominance in solar and wind manufacturing and deployment is widely documented: China accounts for well over 80% of global production across the solar supply

chain (modules, cells, wafers, glass), and approximately 70% of the global wind turbine manufacturing (IEA). However, the next phase of transition is likely to be defined less by capacity build-out alone and more by how renewable energy is integrated, priced, and consumed. This shift towards market design and demand-side dynamics is increasingly visible in policy developments. There is growing emphasis on accelerating grid modernisation and ultra-high-voltage transmission, advancing the creation of a unified national power market to enable greater interprovincial electricity trading and system balancing, and scaling industrial demand for renewable power. In this context, the 15th Five-Year Plan (2026–2030) outlines ambitions to establish around 100 national-level zero-carbon industrial parks and develop over 10,000 kilometres of zero-carbon transport infrastructure, supporting the aim of increasing the share of non-fossil energy consumption to 25% by 2030.



# Thematic Engagement: China's Energy Transition

## The Green Electricity Certificate (GEC) Market

The recent expansion of China's GEC market marks a step in market design and demand-side evolution. A GEC represents proof that 1 MWh of electricity was generated from renewable sources (e.g., wind, solar, hydro) and serves as the country's official instrument for proving green power consumption, issued by the Chinese government. Initially introduced as a pilot scheme in 2017, the system was formalised in December 2023 when the National Energy Administration (NEA) became the central issuing authority. This centralisation replaced fragmented

pilots and international certificates with a single domestic framework aligned with global standards. Certificates can be traded independently (unbundled) or alongside renewable electricity (bundled).

Since centralisation, the market has scaled rapidly. Between 2017 and 2022, annual issuance averaged 10 TWh, before increasing to around 160 TWh in 2023 and over 4,700 TWh in 2024, with cumulative issuance approaching 8,000 TWh by 2025. Please see Figure 5.

Trading activity has followed a similar trajectory. Trading volumes have risen from negligible levels prior to 2021 to more than 930 TWh in 2025, signalling rapidly growing demand from companies seeking to decarbonise electricity consumption.

This expansion creates new opportunities for both energy producers and consumers. For renewable generators, GECs represent an additional, market-based revenue stream at a time when subsidies are being phased out, enabling the monetisation of environmental attributes separately from power generation. For example, China Longyuan, the world's largest listed wind power generator and a holding in the

Guinness Sustainable Energy strategy, is accelerating its participation in the GEC market. In 2025, the company traded 16.3 million GECs (up approximately 60% year-on-year), while its green electricity trading volumes reached 8.6 TWh, an increase of 28% year-on-year.

For firms operating in China, GECs also provide a scalable pathway to addressing Scope 2 emissions. Historically, there have been limited options for procuring renewable electricity directly. The GEC system addresses this constraint by enabling firms to purchase certificates and credibly claim renewable energy usage, aligning with international frameworks such as SBTi and RE100.

Figure 5: China Green Electricity Certificate Issuance and Trading (2017-2025)

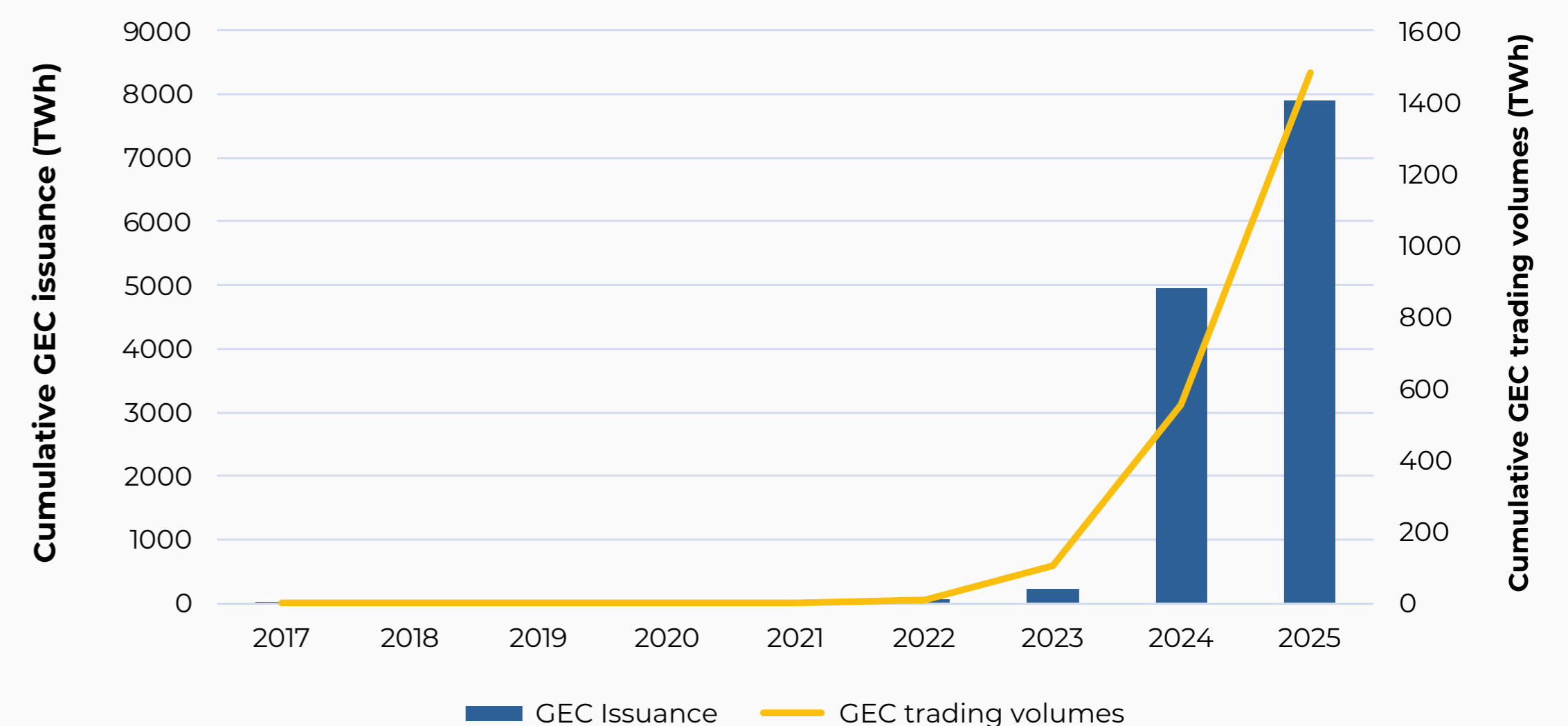


Figure 5 source: NEA; Guinness Global Investors. 31.12.25

# Thematic Engagement: China's Energy Transition

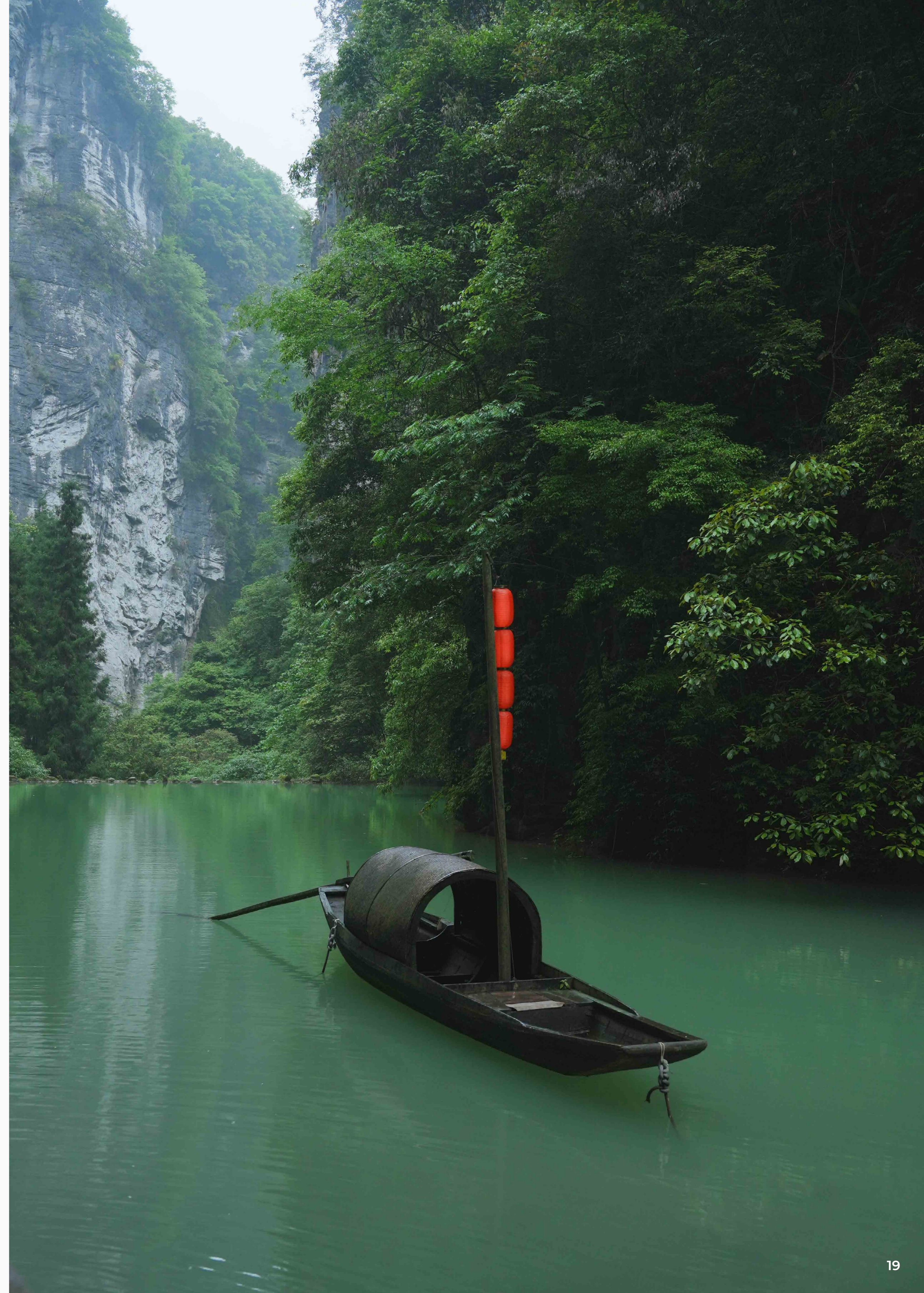
## Implications for engagement with Chinese companies

While growth has been rapid, the GEC market remains relatively nascent. Adoption is fragmented and to date has been concentrated in sectors subject to mandatory renewable consumption or energy intensity requirements.

Our recent engagements highlight how corporate behaviour is evolving as the market matures. In 2025, we discussed GEC adoption with property developer and investor **China Overseas Land & Investment (COLI)**. After meeting its 2030 emissions intensity reduction target (from a 2019 base year) ahead of schedule, COLI expressed openness to setting absolute reduction targets, and we encouraged the company to explore GECs to expand its 3% renewable energy consumption target for 2030. The company also highlighted a near-term focus on Scope 3 emissions inventory, with growing expectations from the Hong Kong Exchange (HKEX) on climate-related disclosures.

In prior engagements, companies such as **Shenzhen Inovance** had expressed hesitation around committing to SBTi targets during the pilot phase of the GEC market. Concerns centred on the credibility of renewable procurement mechanisms, the premium cost of renewable electricity relative to grid power, and the potential reputational risks associated with perceived greenwashing. As the GEC framework has matured and gained international recognition, confidence is likely to improve, supporting a greater willingness to adopt market-based approaches to Scope 2 decarbonisation.

China's decarbonisation story is entering a new phase. The renewable capacity build-out continues, but with a shifting focus towards how that energy is integrated, sold, and consumed. The GEC system sits at a unique position in this transition, linking generators, corporates and policymakers.



# Thematic Insight: The Problem With Plastic

## Background

Since plastic as we know it today was invented in 1907, it has become embedded in modern life. Plastic - or, since the word refers to several different substances, plastics - refers to the highly adaptable synthetic polymers which can become different materials with a wide range of properties including flexibility, durability, heat and chemical

resistance. This versatility, combined with the availability of low-cost fossil fuel feedstocks, has driven widespread adoption. Plastics are now widely used in consumer staples (in packaging), healthcare (disposable medical equipment), textiles (synthetic fibres) and transportation (lightweight vehicle components).

## Plastic use is still accelerating

The OECD expects global plastics use to continue rising as population growth and improving living standards drive higher consumption. Demand is likely to be strongest in emerging Asian and African economies as they close the consumption gap with higher-income countries.

In its 2022 Global Plastics Outlook, the OECD estimates plastic use will almost triple to 1,231 million tonnes (Mt) in 2060 (up from 460 Mt in 2019). Growth is expected to be driven primarily by packaging, construction and transport.

Figure 6: Global plastics use by application (2020)

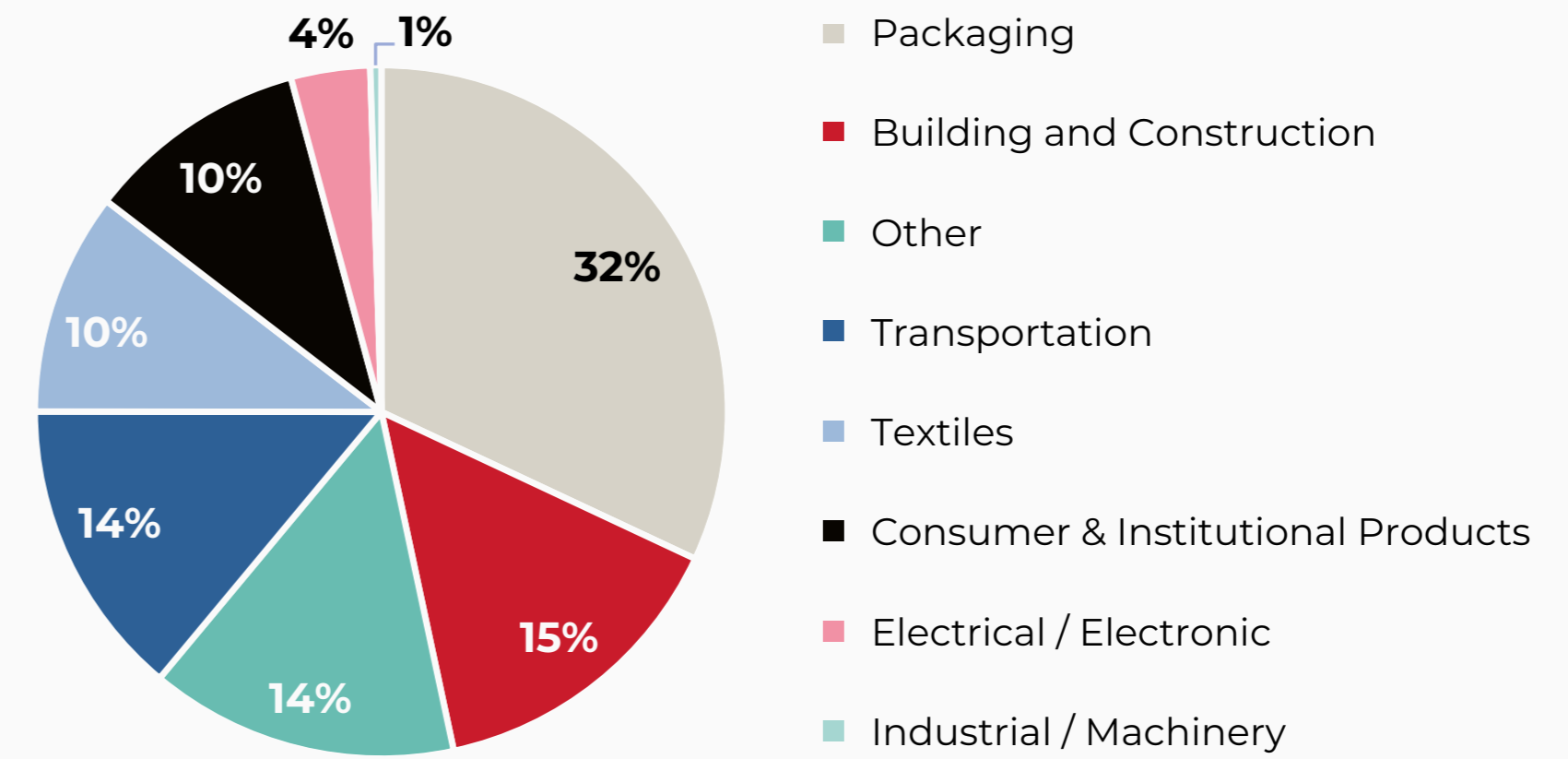
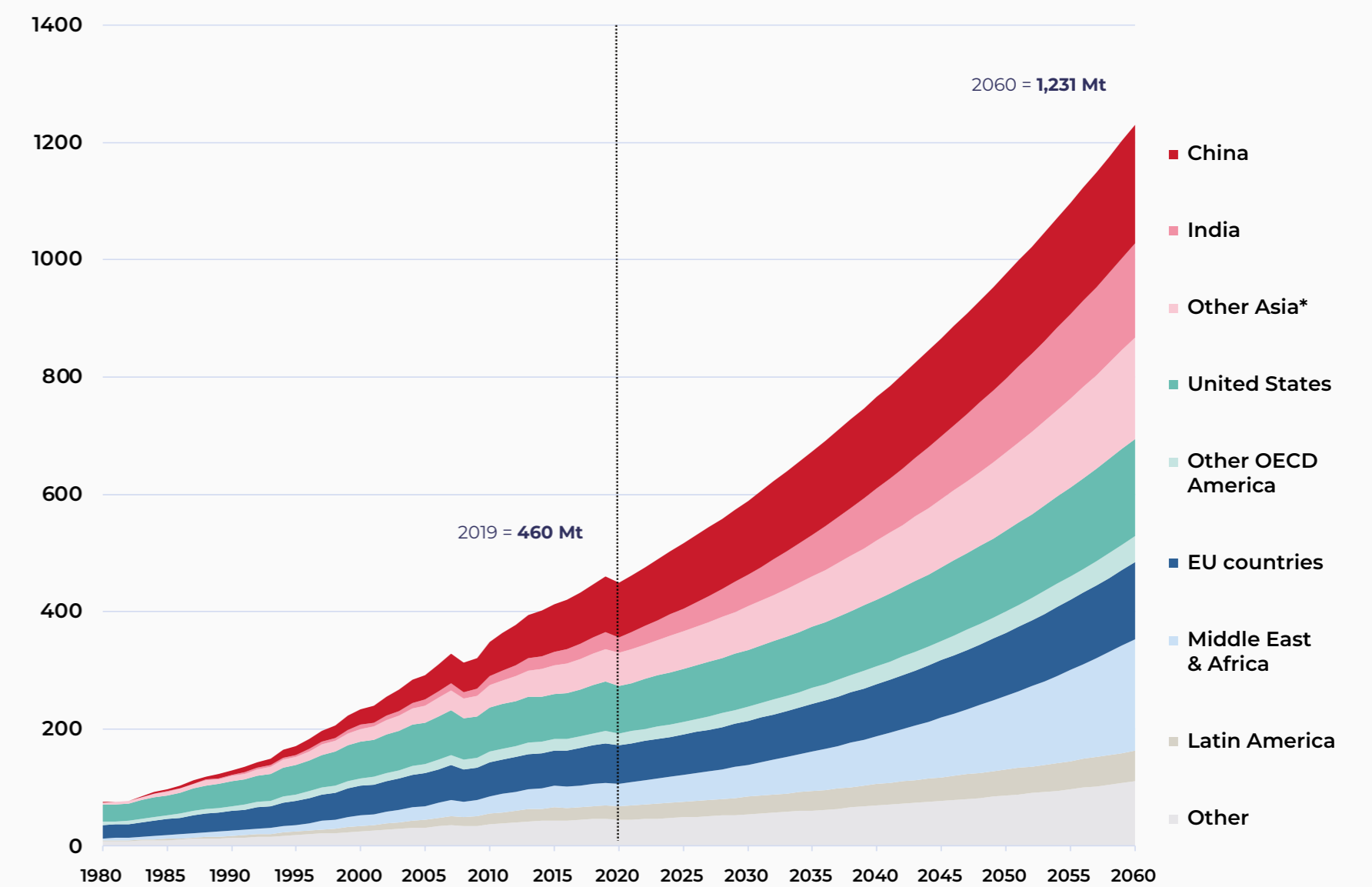


Figure 7: Plastic use in million tonnes (Mt), OECD Baseline Scenario



Figures 6 & 7 source: Guinness, [OECD](#), 2024

\*excluding the Middle East

# Thematic Insight: The Problem With Plastic

## Why is it hard to replace plastic packaging?

In consumer staples, plastics play a particularly important role in food and beverage packaging. Plastic packaging helps protect product quality by providing an effective barrier to air and moisture, withstands a wide range of temperatures and acidities, and extends shelf life. Plastics are also lighter than glass or metal, which can reduce transport-related greenhouse gas (GHG) emissions.

These functional benefits explain why plastics have become so widely used and why replacing them is often complex. The four most common packaging polymers – polyethylene terephthalate (PET), polypropylene (PP), high-density

polyethylene (HDPE) and (linear) low-density polyethylene (LDPE or LLDPE) – are each designed for specific performance requirements, safety standards and regulatory constraints. For example, while PET can deliver lightweight strength to a Coca-Cola bottle, HDPE can provide high chemical resistance and toughness to a Procter & Gamble (P&G) laundry detergent bottle.

By 2040, the OECD expects plastics packaging use to increase by around 70%, from 139 Mt in 2020 to 234 Mt, demonstrating the scale of the sustainability challenge.

Figure 8: Polymer types linked to packaging, OECD 2040 Scenario

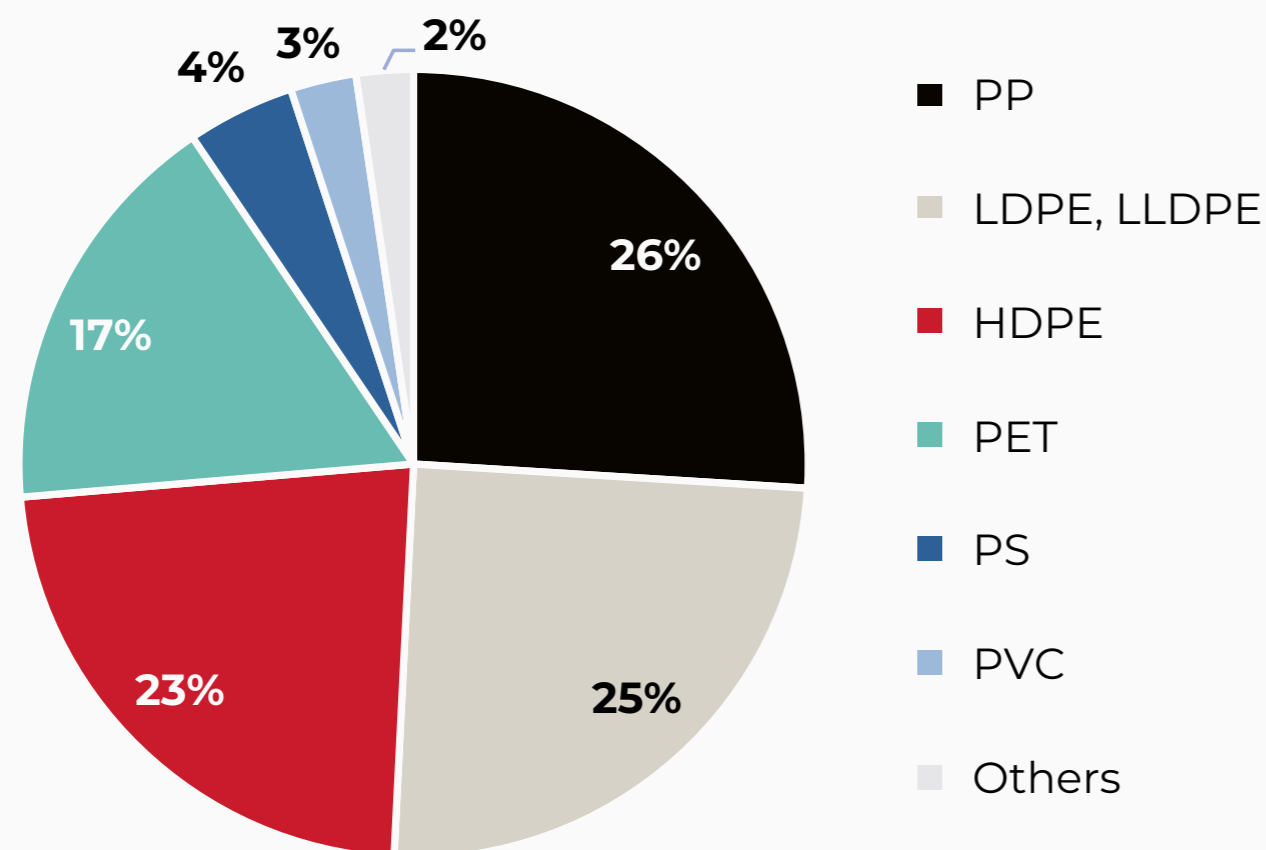


Figure 8 source: Guinness, [OECD](#), 2024

## The sustainability challenge with plastic

Rising plastic production will increase pressure on waste collection and treatment systems. Globally, only around 10% of plastic is recycled. While recycling volumes are expected to rise, inadequate collection systems, weak sorting infrastructure and low economic incentives for recovery mean that large volumes of recyclable plastic are instead incinerated or disposed of into landfill. Over time, plastics fragment into microplastics, which can leak into land and aquatic ecosystems.

Plastic pollution also raises important social and human rights considerations. Regions with less mature waste infrastructure are expected to see the fastest growth in plastic use and leakage.

The OECD expects annual plastics leakage across the Middle East and Africa to increase more than triple between 2019 and 2060, reaching 3.2 Mt, while leakage in the EU is expected to decline by around 35% over the same period.

In response, regulators are introducing measures such as bans on certain single-use plastics, recycled content requirements, and 'extended producer responsibility' schemes. For consumer staples companies, this evolving regulatory landscape presents both risk and opportunity. Exposure to fragmented and tightening regulation can increase costs and complexity, while also incentivising innovation and investment in circular solutions.

## Our engagement with consumer staples companies

Given the materiality of plastics to both environmental outcomes and business models, during 2025 we engaged with several consumer staples holdings including Coca-Cola, Danone, Mondelez, P&G, Unilever, and Yili Group.

Through our engagement we sought to understand how companies are navigating these challenges in practice, where progress is stalling, and why the transition towards plastic circularity is proving complex.

# Thematic Insight: The Problem With Plastic

## Fragmented regulatory landscape

A consistent theme across our engagements was the fragmented and occasionally inconsistent nature of plastic regulation. Companies highlighted differences in post-consumer recycled (PCR) requirements and recyclability definitions between regions and product categories.

Danone noted that polystyrene (PS), used for its yoghurt pots, is considered recyclable in France but not in the UK or Canada. In its water business, Danone mainly uses PET packaging (used in around 70% of all beverage packaging). While recycled PET (rPET) is widely permitted in food and beverage

packaging in the UK and Europe, where Danone is looking to transition its Evian and Volvic bottles to rPET, it is not yet approved for food and drink contact in [China](#). Elsewhere, rPET is prohibited in US pharmaceutical packaging due to hygiene concerns.

Operating in multiple jurisdictions requires companies to navigate a patchwork of rules, which increases costs and slows the adoption of scalable solutions. Some are therefore advocating clearer and more harmonised global standards that maintain safety while enabling scale.

## Infrastructure remains a significant constraint

Some companies highlighted to us that the recyclability of packaging often depends less on the material design and more on local collection and recycling infrastructure. While many plastics are technically recyclable, infrastructure has not kept pace with their usage in many regions. Better infrastructure could, in turn, support the availability of recycled plastic for companies to use in their production lines.

Extended producer responsibility (EPR) schemes can help address this challenge by placing greater responsibility on plastic producers and

distributors. While companies tend to agree with the premise, we heard a recurring concern over ensuring that EPR fees are transparently reinvested into infrastructure rather than simply functioning as an additional tax.

Where infrastructure is underdeveloped, some companies are investing directly in collection systems. For example, [Danone's](#) Aqua brand co-financed a PET collection project in Indonesia with Veolia, increasing the supply of PET feedstock at Veolia's local recycling facilities. The model is now being replicated across the Indonesian

archipelago, focusing on remote areas that face significant waste infrastructure challenges.

EPR schemes vary considerably. Seven American states are implementing

packaging EPR laws, with a further twelve considering legislation. Each state has differing timelines and producer requirements.

## Trade-offs between plastics, climate, and nature

Materials such as bioplastics (plastics derived from biomass sources), aluminium, glass, cardboard and paper are often seen as substitutes for plastic packaging. Each, however, has its own environmental footprint to consider. If deployed at scale, it is possible that these alternatives result in greater greenhouse gas emissions, land and water use, or pressure on natural resources than plastics overall.

To navigate these trade-offs, the companies we engaged with stressed the importance of evaluating packaging decisions through lifecycle analysis (LCA), to avoid shifting environmental burdens from plastic pollution to climate or nature impacts. LCAs consider environmental impacts over a product's full life cycle, from manufacturing and use to end-of-life, allowing companies to compare materials across multiple environmental metrics, applications and regions.

# Thematic Insight: The Problem With Plastic

## Plastic produces less emissions in the manufacturing stage when compared to alternatives

Plastics often perform favourably compared to alternatives at the manufacturing stage. A 2019 study by Imperial College London examined the production-phase emissions that would have been incurred if every 500ml PET bottle produced globally in 2016 had been made from alternative materials. As shown on Figure 9, plastics performed well in these terms against common alternatives.

The Imperial study then extended its analysis across 73 LCAs, covering a broad range of alternative materials. On average, the study found that replacing plastic packaging with alternatives would increase the weight of the packaging by 3.6 times, the energy use by 2.2 times, and the carbon dioxide emissions by 2.7%.

More recent research reinforces the complexity of these trade-offs. A [2024 review article](#) in the Journal for a Sustainable Circular Economy, analysing papers published between 2019 and

2023, found that plastics can have a lower environmental impact than glass and bioplastics and some paper-based alternatives. While metals can perform well for beverage packaging, research suggests they tend to underperform in food packaging. In addition, a 2025 Michigan State University study highlighted metals' higher impact on mineral resource use, something often overlooked in other assessments.

Findings are highly sensitive to underlying assumptions and methodologies. For example, when reviewing plastic bags, [Dolci et al. \(2024\)](#) found that plastic bags, whether reusable or disposable, can have a lower environmental impact than a cotton bag even when the latter is used 50 times. By contrast, an earlier report from the [Danish Environmental Agency](#) (Figure 10) estimated an organic cotton bag would need to be reused more than 2,375 times to have the same environmental impact as a single-use plastic bag.

Figure 9

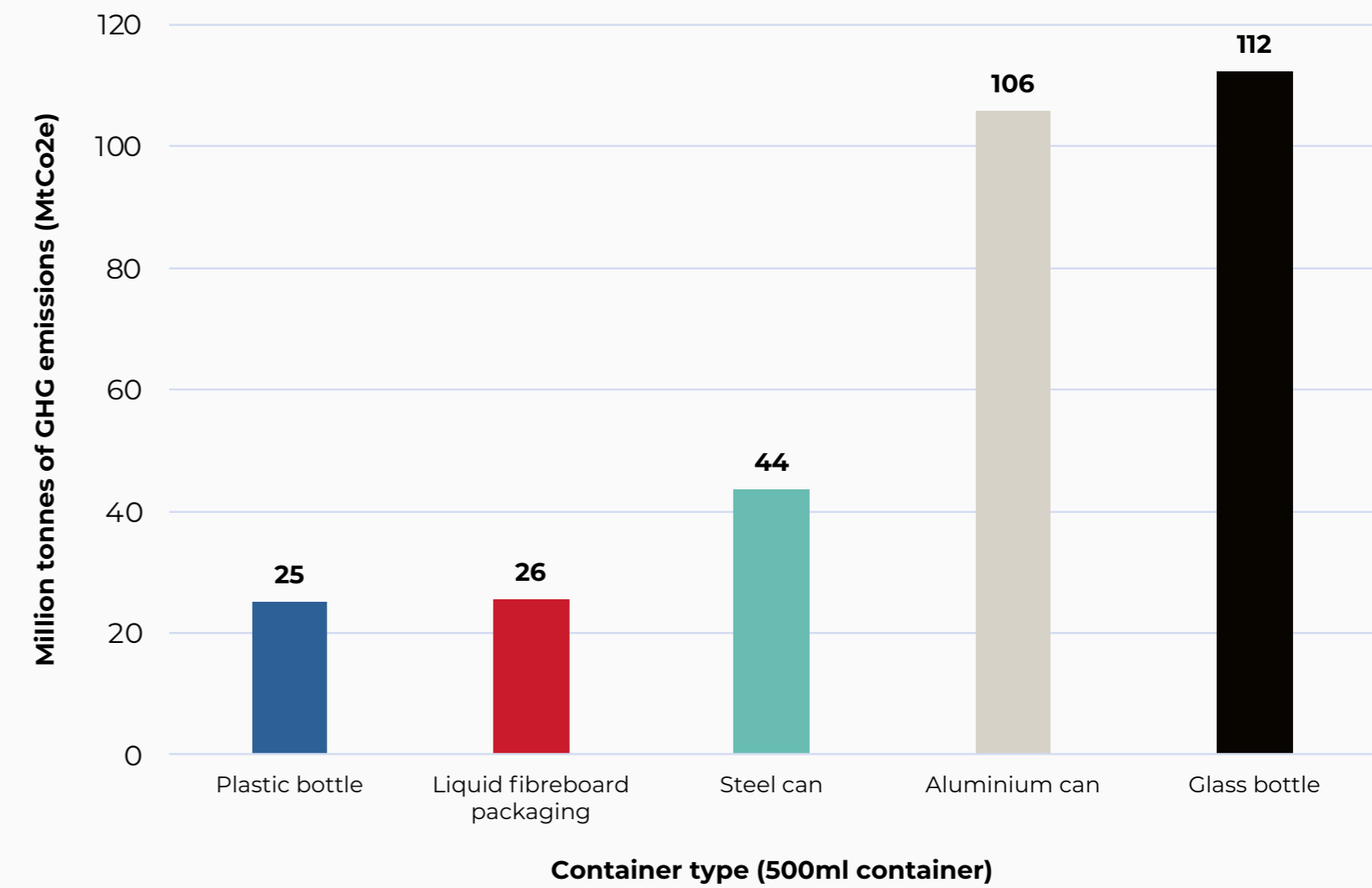


Figure 10

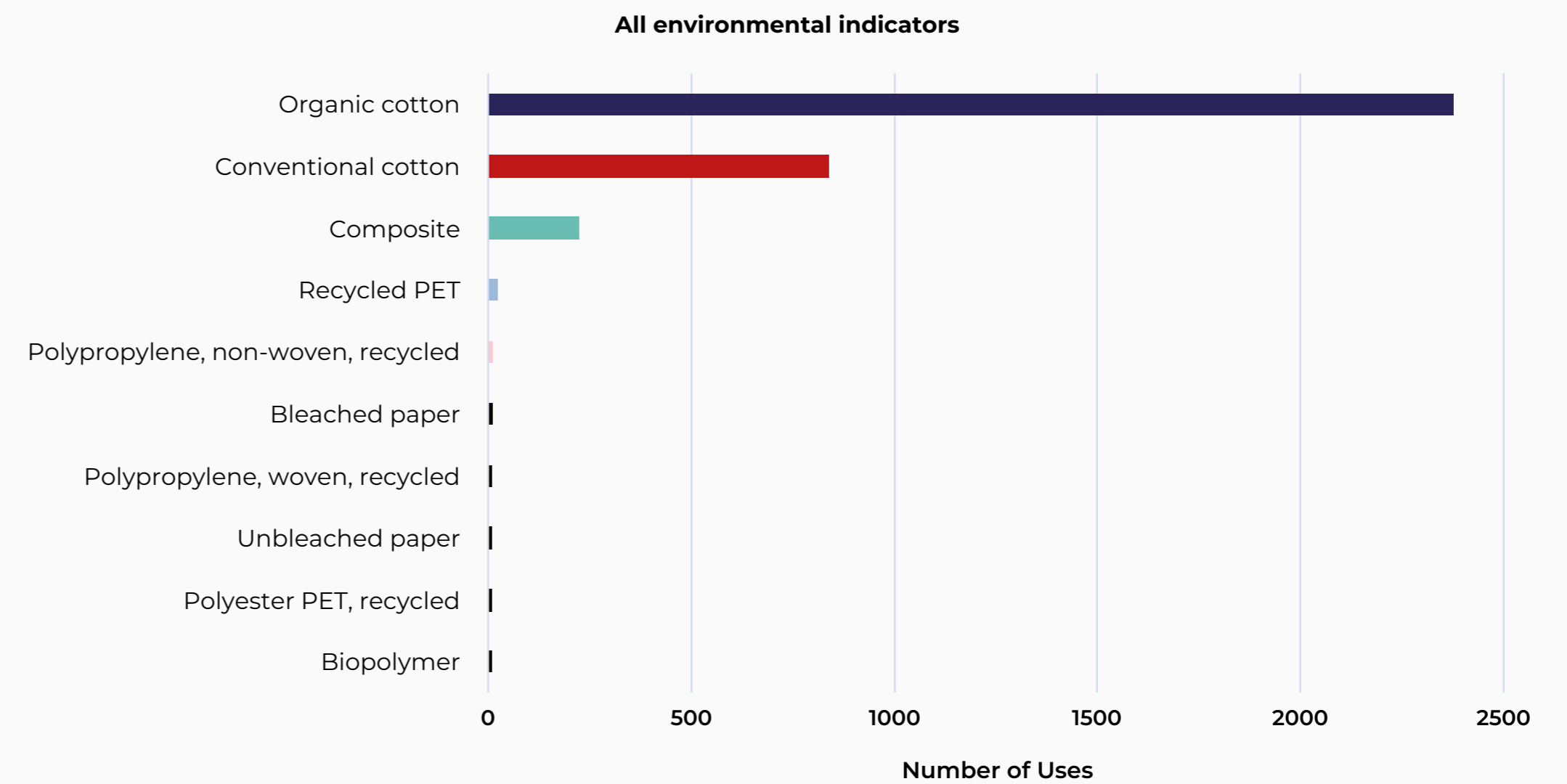


Figure 9 source: [Imperial College London \(2019\), "Examining material evidence: the carbon fingerprint"](#)

Figure 10 source: [Danish Environmental Protection Agency \(2018\), "Environmental impact of different types of grocery bags. Number of times a given grocery bag type would have to be reused to have an environmental impact as low as a standard single-use plastic bag."](#)

# Thematic Insight: The Problem With Plastic

## Historical policies are impacting what's prioritised

Policy priorities also influence which environmental metrics receive the greatest attention. Following the 2015 Paris Agreement, reducing CO2 emissions became the primary focus of climate policy, often drawing attention away from factors such as land use change, biodiversity, water use, and deforestation. In recent years, these nature-related impacts have been re-emphasised in policy discussions, for example through the 2022 Kunming-Montreal Global Biodiversity Framework. This evolution highlights the importance of harmonised policies that consider both climate and nature outcomes.

Moving away from plastics clearly introduces new trade-offs. Paper-based alternatives may increase water use and raise deforestation risks unless certified as deforestation-free. Procter & Gamble emphasised its use of LCAs to assess packaging choices against emissions, water, and land-use impacts, reinforcing the need for integrated decision-making rather than single-issue solutions. Danone also pointed to progress in reducing plastic content in bottles (by making bottles thinner) and, where LCAs indicate a lower environmental impact, shifting some sparkling water products to cans.

## How are companies overcoming this?

Despite the challenges, companies are investing heavily in R&D, advanced recycling technologies, improved packaging design and collaborative industry initiatives.

Procter & Gamble described how long-term R&D investment can enable higher recycled content while maintaining product safety. For some of its liquid products, recycled plastic is “sandwiched” between layers of virgin plastic, ensuring regulatory compliance while allowing increased use of recycled content.

The R&D challenge varies between plastics. Unilever noted that flexible plastics such as sachets present a significantly greater challenge than rigid packaging due to their low cost and functional performance. While the company is testing alternatives such as small bottles, refill models, and return schemes, progress remains highly location-specific and no scalable solution is yet available, reinforcing the need for crossindustry collaboration and innovation.

## What this means does this mean for our stewardship and investment approach at Guinness?

Our engagement programme shows that plastic exposure remains a material issue for consumer staples companies, but also that many of our portfolio holdings are actively working to reduce plastic use, improve recyclability and support circular outcomes.

A consistent message from companies was the call for clearer, more

harmonised regulation and for EPR frameworks that genuinely support infrastructure development. From an investor perspective, we see a critical role for stewardship in encouraging transparency, outcome-focused reporting and continued investment in solutions that balance plastics reduction with climate and nature goals.

## Looking ahead

Finding scalable alternatives to plastics will take time. Plastics remain widely used because they help companies meet strict product quality, safety and regulatory standards at low cost. However, the direction of travel is clear.

Through ongoing engagement, we will continue to monitor how companies translate ambition into measurable

progress, particularly through R&D, infrastructure investment and collaboration. We believe that companies able to navigate these complexities thoughtfully, recognising trade-offs, investing in innovation and engaging constructively with policymakers, will be better positioned for a future shaped by circularity, regulation and rising stakeholder expectations.

## A consistent message: companies are calling for clearer, harmonised regulation and EPR frameworks that genuinely support infrastructure investment.

# Stewardship: Engagement Case Studies

Many of the engagement case studies from the past year demonstrate that engagement is a two-way conversation, and that dialogue and progress often takes place over several years.



# Engaging on Climate-Related Disclosure

Many engagements over the period encouraged companies to improve or increase their climate-related disclosures.

Better disclosures can help companies and investors identify and address climate-related risks and opportunities.

## Suofeiya Home Collection

In 2021, we held our first ESG-related engagement with **Suofeiya Home Collection** (“Suofeiya”), a kitchen cabinet and cupboard manufacturer based in Guangzhou, China. At the time, we pushed the company to be more transparent in its disclosure of material ESG risks.

During our 2024 meeting at the company’s offices in China, we encouraged Suofeiya to enhance its climate reporting and begin disclosing its carbon emissions. The company acknowledged that it required third-party assistance to develop the required internal emissions reporting system for these disclosures.

In Suofeiya’s 2024 ESG Report, published in September 2025, we were pleased to

see the company disclose Scope 1 and Scope 2 emissions for its seven major Chinese production bases. We viewed this as an important first step towards building a more complete emissions inventory, particularly given increasing regulatory and stakeholder expectations for corporate climate disclosure in China.

Later in the year, we were appointed by CDP as the lead investor engaging with Suofeiya as part of its annual Non-Disclosure Campaign. This provided an opportunity to reinforce our previous messages and further support the company in its sustainability journey.

*Relevant strategies: Guinness China A Share, Guinness Greater China, Guinness Asian Equity Income, and Guinness Emerging Markets Equity Income.*

## Xinyi Solar

**Xinyi Solar** is the world’s largest manufacturer of solar glass, a key component in maintaining the integrity and performance of solar modules. Although the production of solar glass has highly energy intensiveness which is hard to abate, resulting in elevated Scope 1 and 2 emissions, we view the company as an important enabler of the low-carbon transition. Its products play a key role in climate change mitigation due to the critical role of solar glass in renewable energy, with a short carbon payback period.

We have engaged with Xinyi Solar on emissions disclosure and target-setting since 2019, encouraging longer-term and science-based commitments and Scope 3 disclosure.

In January 2025, the company confirmed it would include initial Scope 3 emissions disclosures in its 2024 Sustainability Report. The report subsequently disclosed emissions for three key categories, namely Category 1 (Purchased goods and services), Category 4 (Upstream transportation and distribution) and Category 9 (Downstream transportation and distribution). While formal science-based targets are still in development, we welcome this progress and will continue to support the company’s transition towards SBTi-aligned targets.

*Relevant strategy: Guinness Sustainable Energy.*



# Engaging on Climate-Related Disclosure

## Shanghai Putailai New Energy Technology



**Shanghai Putailai New Energy Technology** ("Putailai") is a Chinese materials and equipment company that supplies key components for lithium-ion batteries.

In 2025, we participated in the CDP Non-Disclosure Campaign, which offers investors the opportunity to engage with companies that have received the CDP disclosure request but have not yet provided a response. The objective of the annual campaign is to drive further corporate transparency around climate change, deforestation, and water security.

We were selected to act as lead signatory for Putailai, requesting the company submit to the latest CDP reporting cycle and emphasising the importance of transparency in climate-related disclosures. We were encouraged by our correspondence with the company and were pleased to see Putailai subsequently submit to the cycle, achieving a CDP score of "B". We look forward to continuing discussions with the company on enhancing environmental disclosures and accountability.

*Relevant strategy: Guinness China A Share.*

## Broadening Climate Disclosure: Scope 4 (Avoided) Emissions

While conventional climate reporting frameworks focus on Scope 1, 2 and 3 emissions, we believe that in some cases these metrics alone may provide an incomplete picture of a company's environmental impact. In particular, companies whose products or services enable decarbonisation may have a meaningful positive contribution that is not fully captured in traditional disclosures.

Scope 4 emissions, also referred to as avoided emissions, capture the reduction in greenhouse gas emissions that occur through the use of a company's products or services. Examples include the generation of low-carbon electricity from solar or wind, which displaces higher-carbon generation on the grid, or the production of insulation that improves the energy efficiency of offices and homes.

Where relevant, we encourage companies to consider disclosing avoided emissions alongside traditional metrics, to provide a more holistic view of their role in the low-carbon transition.

We have been evolving our approach to Scope 4 emissions over several years. We are now encouraging third-party data providers to begin reporting Scope 4 emissions figures where appropriate. The Guinness Sustainable Energy strategy

has an explicit decarbonisation objective and published its first Impact Report in 2020, based on impact delivered in 2019. Since then, the team has estimated the annualised carbon displaced per \$1M of portfolio assets invested.

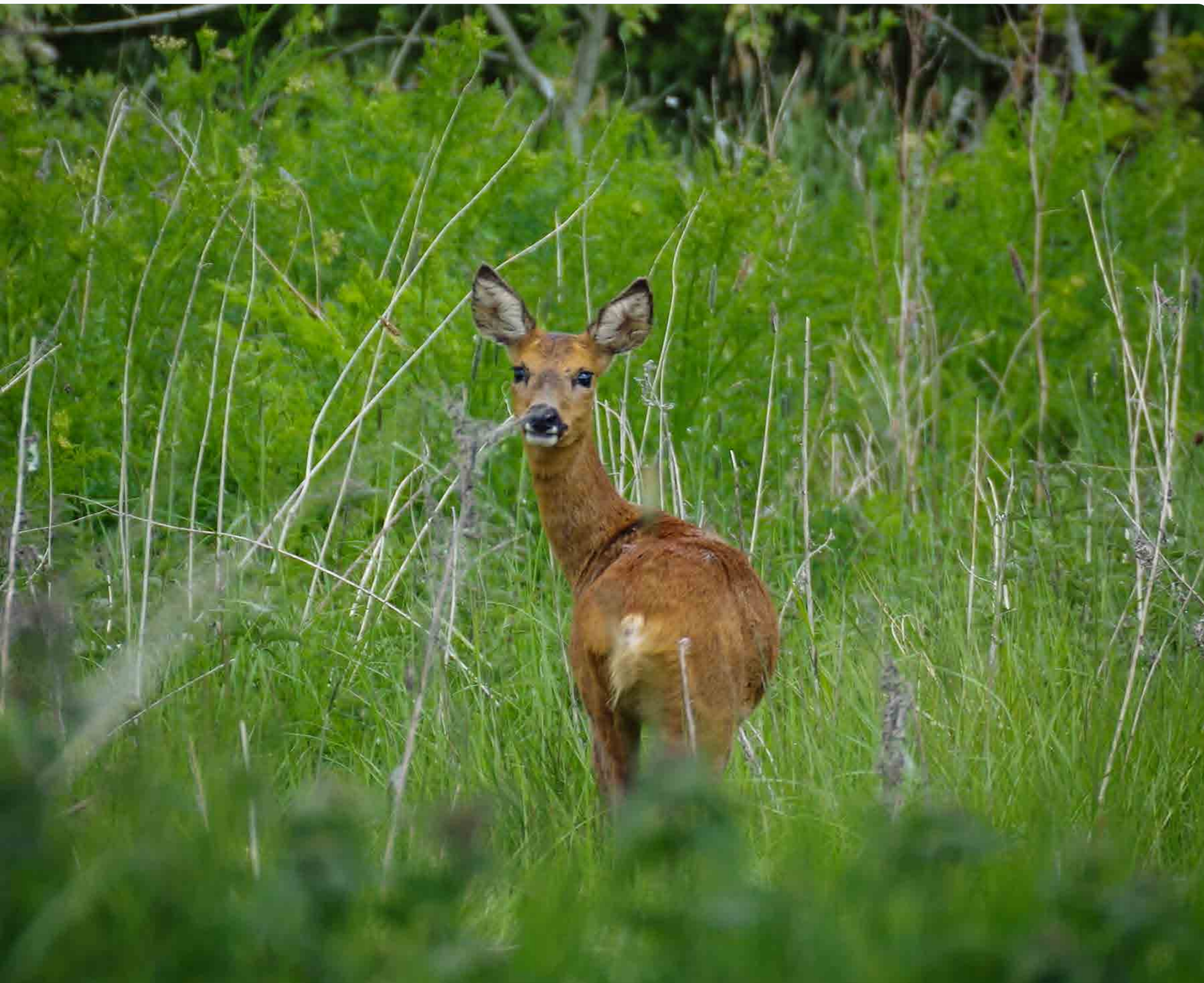
Where we believe companies are delivering meaningful decarbonisation outcomes, we actively engage with them on Scope 4 disclosure. For example, we first engaged with metering provider Itron in early 2021. While Itron initially disclosed individual case studies demonstrating positive impact, we encouraged the development of an aggregated, firm-wide metric. By mid-2022, Itron reported its first annual Scope 4 figure, estimating 3.5 million tonnes of Co2e avoided through consumer engagement and operational efficiency. In its most recent report, published in June 2025, this figure had increased to 7.5 million tonnes of Co2e avoided.

In the absence of clear regulatory guidance, we encourage companies to adopt a conservative and transparent approach when estimating avoided emissions. We view the metric as an important complement to existing reporting frameworks and support ongoing efforts to develop more standardised Scope 4 reporting frameworks.

# Engaging on Climate-Related Target Setting

We participated in the 2023-24 CDP Science-Based Targets (SBT) Campaign, engaging a pre-selected sample of over 2,000 high-impact companies on committing to or setting science-based targets. Although the formal campaign did not continue beyond 2023, we have maintained engagement with relevant portfolio companies on target-setting and alignment with credible

transition pathways where appropriate. In 2025, we followed up with one-to-one correspondence with relevant investee companies that featured in the engagement campaign, outlining our position and rationale for their submissions. These included **Eaton Corporation, Hong Kong Exchanges and Clearing, and Arista Networks.**



## Eaton

**Eaton** is a global power management company whose products help manage, monitor and optimise the flow of electricity, supporting efficiency and electrification across a range of end markets.

In 2023, we engaged with Eaton to encourage the strengthening of its climate commitments through the adoption of a comprehensive net zero target and alignment with the Science Based Targets Initiative (SBTi). At the time, the company had already established a validated near-term 2030 emissions reduction target, and we believed it was well positioned to extend its ambitions over the longer term.

In 2025, we were pleased to see Eaton set and subsequently receive validation of its new net zero target. Eaton increased its ambition from achieving carbon neutrality in its own operations by 2030 to targeting net zero emissions across

its full value chain, including Scope 3 emissions, by 2050.

This represents a meaningful step forward in the company's climate strategy, and we will continue to monitor progress against these targets, including interim milestones.

*Relevant strategies: Guinness Global Equity Income, Guinness Sustainable Energy.*

During 2025, Guinness Global Equity Income holding **Roche** received SBTi validation for its near-term and net-zero emission targets, while **Medtronic** received validation for its near-term target. As of December 2025, 26 out of the 35 companies held within the strategy had SBTi-approved emissions reduction targets. A further two companies had formally committed to setting targets within 24 months.

Figure 11: Proportion of companies held within the Global Equity Income strategy with SBTi targets and commitments (2020-2025)

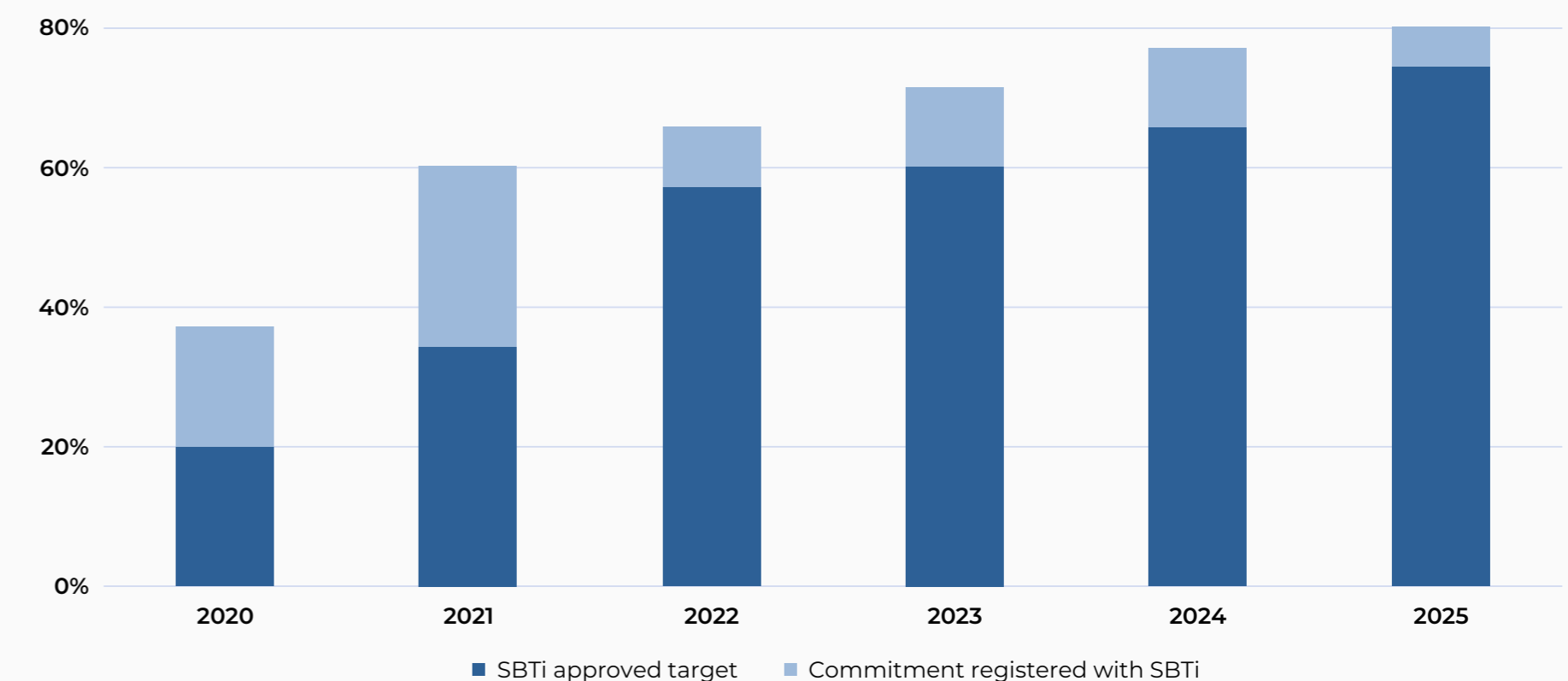


Figure 11 source: SBTi and company websites. 31.12.25

# Engaging on Climate-Related Target Setting

## Hong Kong Exchanges and Clearing



**Hong Kong Exchanges and Clearing (HKEX)** is a financial exchange and market infrastructure provider. As both a market operator and regulator, HKEX can facilitate the development of sustainable finance markets while also leading by example in its own climate transition.

In 2023, through our participation in the CDP Science Based Targets (SBT) Campaign, we encouraged HKEX to adopt science-based emissions targets. We followed up with a direct

engagement in 2024, outlining the benefits of SBTi verification and the importance of demonstrating climate leadership as a major global exchange.

In 2025, HKEX's validated targets were published on the SBTi website. The company committed to net zero emissions across its value chain by 2040, and had set an interim 55% reduction target across all scopes (1, 2 and 3) by 2033.

*Relevant strategy: Guinness Greater China.*

## Arista Networks



**Arista Networks** provides high-performance networking solutions that are critical for data centres and AI workloads.

In 2024, we engaged with the company to encourage submission of emissions reduction targets to the SBTi, following our participation in the 2023 CDP SBT Campaign. While the company had undertaken feasibility analysis, it had not yet decided whether to seek formal SBTi validation or to pursue independent alignment with the latest climate science. We communicated our preference for SBTi verification.

In 2025, we were pleased to see Arista Networks' receive SBTi validation for its near-term and net zero targets. The company has committed to a 2030 target to reduce absolute Scope 1, 2 and 3 emissions by 42% from a 2023 base year, and reach net zero greenhouse gas emissions across its value chain by 2050.

We look forward to monitoring progress as Arista Networks advances the implementation of its science-based targets.

*Relevant strategy: Guinness Global Quality Mid Cap.*



# Remuneration-Based Engagement

In this section, we provide examples of where we have attempted to ensure management are incentivised appropriately to deliver high long-term returns on capital. These engagements have three key pillars: transparency, design, and accountability and alignment, whereby we evaluate factors

such as disclosure quality, the use of performance metrics, and mechanisms ensuring alignment with company goals. More information is outlined in a paper produced by the Global Equities investment team, [Our Approach to Executive Remuneration](#).

## Infineon Technologies



**Infineon** is a global leader in automotive power semiconductors. In our 2021 ESG review, we identified concerns around the company's executive remuneration structure, noting that over 50% of its Long-Term Incentive Plan (LTIP) was linked to relative Total Shareholder Return (TSR). We view TSR as an ineffective incentive metric, being an outcome of operational performance rather than a direct measure of management action.

In 2022, we wrote to the company asking if TSR could be de-emphasised within the LTIP. While management held the view that TSR remained an appropriate indicator of performance, we continued to engage on the topic. Following the 2023 AGM, we held a call with management to explain our decision to vote against the Remuneration Policy, sharing an independent study that found a weak negative relationship between TSR-linked pay and TSR performance, and advocating for a greater emphasis on returns-based metrics.

Later that year, we reinforced these views, encouraging management to share our thoughts with the board. Ahead of the 2024 AGM, we wrote to the company to propose a revised structure with 40% returns-based metrics, 30-40% TSR, and 20-30% ESG targets, signalling that we may escalate our vote by withholding support for the Chair of the Remuneration Committee if our concerns were not addressed.

Ahead of the 2025 AGM, Infineon reached out to us ahead of the 2025 AGM to inform us that they were reducing the TSR weighting to 40%, allocating 40% to its Target Operating Model, and 20% to ESG targets. We welcomed this shift, which aligned closely with our recommendations, and were pleased to support the company's Remuneration Policy at the 2025 AGM.

*Relevant strategy: Guinness Sustainable Energy.*



# Remuneration-Based Engagement

## BlackRock **BlackRock**

**BlackRock** is a global investment management firm. We initially contacted the firm in November 2022 to express concerns about the degree of discretion applied within elements of its executive remuneration packages. In a follow-up call in February 2023, we were reassured that such discretionary adjustments are made by the Management Development & Compensation Committee to account for exogenous market fluctuations beyond management's control.

In 2024 and 2025, we re-engaged with the company to raise additional concerns, including the use of absolute performance conditions without

sufficient relative performance comparison and the non-formulaic determination of variable incentives.

Given the limited progress reflected in the remuneration structure presented at the 2025 AGM, we did not support the advisory vote on executive compensation, alongside 32% of shareholders. We remain committed to constructive dialogue with BlackRock and will continue to monitor developments in its executive remuneration practices.

*Relevant strategies: Guinness Global Equity Income, Guinness Global Money Managers.*

ICE



**Intercontinental Exchange (ICE)** is a market-leading provider of data, technology and market infrastructure.

We have engaged with ICE on executive remuneration since 2022, focusing primarily on the design of its Long-Term Incentive Plan (LTIP), which was mostly comprised of performance share units (PSUs) with a smaller allocation to stock options. At the time, PSU payouts were based on a 50-50 weighting of relative share price performance (relative TSR) and adjusted EBITDA. In our initial engagement, we raised several concerns, including:

- The significant weighting to Total Shareholder Return (TSR) within the LTIP;
- The use of a broad benchmark (S&P 500) for relative TSR performance comparison; and
- The short one-year performance period applied to the adjusted EBITDA component.

As outlined above, we view TSR as an imperfect incentive metric as it reflects the outcome of operational performance rather than direct measuring management actions. We also believe that a one-year performance period is typically insufficient duration to

encourage 'long-term' thinking within an LTIP framework.

We continued to reinforce these concerns through 2023 and 2024, writing to the company and voting against the executive compensation resolution at both AGMs.

In early 2025, we held a further call with management during which the company outlined a number of planned changes. These included reducing the overall weighting of TSR within the remuneration structure to 30% (37.5% of the LTIP PSUs) and transitioning from one-year to three-year EBITDA performance periods from the 2025 awards onwards. The company also provided additional context on its choice of benchmarking, noting that its scale, growth, and M&A activity supported the use of a broader peer group.

We welcomed these developments, which addressed several of our key concerns and represent a meaningful improvement in the alignment of executive incentives with long-term performance. As a result, we decided to support the executive compensation resolution at the 2025 AGM.

*Relevant strategy: Guinness Global Innovators.*

# Corporate Governance Engagement

Strong corporate governance is key to sustainable long-term value creation. We engage with companies to promote

transparency, accountability, and alignment between management, boards, and shareholders.

## Shenzhen Inovance Technology

### INOVANCE

**Shenzhen Inovance Technology** (“Inovance”) is a Chinese industrial automation manufacturer. We began engaging with the company in May 2023 following a meeting at its offices, where we raised concerns regarding governance oversight. In particular, we highlighted the importance of a fully independent Audit Committee and encouraged the establishment of separate Nomination and Remuneration Committees to strengthen board effectiveness.

We re-engaged with Inovance in December 2025 during a second in-person meeting and welcomed significant improvements in its governance framework. The company had established both a Nomination Committee and a Remuneration Committee, and the Audit Committee had become fully independent following the Board Secretary’s transition to the Remuneration Committee.

We consider these changes to represent meaningful progress towards stronger oversight and a more robust governance structure.

*Relevant strategies: Guinness Greater China, Guinness China A Share.*

At the 2024 AGM, we escalated these concerns by withholding support for the appointment of the Board Secretary, Zhu Xingming, to the Audit Committee on independence grounds, and by voting against the re-election of the Chair, reflecting the absence of key governance committees at the time.



# Corporate Governance Engagement

## CME CME Group

**CME Group** is a leading global derivatives marketplace that provides risk management and trading solutions across a range of asset classes.

In 2024, we wrote to the company highlighting governance concerns, particularly that the tenure of seven board members risked exceeding our independence thresholds. While the board remained majority independent overall, we also raised concerns regarding the appropriateness of the board size, which, at 23 directors, may dilute accountability, hinder effective decision-making, and increase the risk of groupthink.

In 2025, we engaged with CME's CEO, alongside senior representatives from remuneration and investor relations, to discuss governance-related matters. Key topics included board composition, director tenure, and share structure.

We reiterated our concerns regarding extended board tenure, noting that long-serving directors may impair perceived independence. CME emphasised that its business requires highly specialised derivatives expertise, which narrows the pool of qualified candidates and contributes to longer tenures.

The company noted that three longer-tenured directors were retiring at the 2025 AGM. Reflecting investor feedback, the Board's Nominating and Governance Committee intended to

submit a reduced board slate of no more than 20 directors, which was ultimately implemented. The company also noted that the Committee had engaged an executive search firm to support ongoing board refreshment.

We also raised CME's dual share class structure, in place since its IPO in 2002. Under this structure, Class B shareholders, who are members of the CME Exchange, are entitled to elect six directors to the board, regardless of their economic ownership in Class A shares. Management indicated a renewed ambition to eliminate this structure, subject to shareholder approval, noting that prior attempts had not secured sufficient support.

We note that ahead of the upcoming 2026 AGM, CME management has proposed four resolutions aimed at removing the right of Class B shareholders to elect six directors. We agree that simplifying the structure would enhance flexibility in board composition by enabling the company to consider directors holistically rather than within the constraints of separate share class representation. We appreciate the company's rationale and ambitions, and we will continue to monitor developments in CME's governance framework, particularly in relation to board composition and share structure.

*Relevant strategies: Guinness Global Equity Income.*

## Universal Music Group



In November 2025, we engaged with **Universal Music Group (UMG)** on a range of governance matters including board structure, overboarding, and succession planning.

We discussed the company's staggered board structure, with directors serving two-year terms. While we expressed a preference for annual elections to enhance shareholder accountability, UMG indicated that it remains comfortable with its current structure. The company noted that two-year terms strike a balance between accountability and allowing sufficient time for directors to contribute effectively, particularly given the complexity of the business. It also highlighted that directors are subject to a maximum tenure of 12 years.

On overboarding, we queried whether the company applies formal limits on the number of external directorships. UMG noted that most directors hold no more than three board positions and emphasised that the level of engagement is a more relevant measure than the number of roles held. The company specifically highlighted strong participation and commitment from its more externally engaged directors.

We further discussed succession planning and board refreshment. UMG outlined an annual evaluation process whereby the Chair of the Remuneration Committee meets individually with each director to assess performance, time commitment and future tenure. The company noted that this process has supported meaningful board turnover in recent years, with approximately half the board having changed over a relatively short period. UMG indicated that it is comfortable with the resulting size and composition of the board.

While we welcomed the progress made, particularly on board refreshment and independence, we will continue to monitor developments in UMG's governance framework, with a focus on strengthening independence at both board and committee level, enhancing shareholder rights through board structure, and ensuring robust succession planning is in place.

*Relevant strategies: Guinness European Equity Income, Guinness Pan-European Equity Income.*

# Voting

As responsible investors, we actively aim to exercise the rights and responsibilities associated with all our investments.



We view voting as an important element of investment management. Our voting philosophy reflects our values, our long-term perspective and our focus on sustainable returns. Our [Voting Policy](#) guides our portfolio managers in making voting decisions. All voting is undertaken by the investment team, with oversight from the Responsible Investment Committee.

We make voting decisions based on our own research, supported by proxy voting

research from Glass Lewis – but the final decision is made by the portfolio manager.

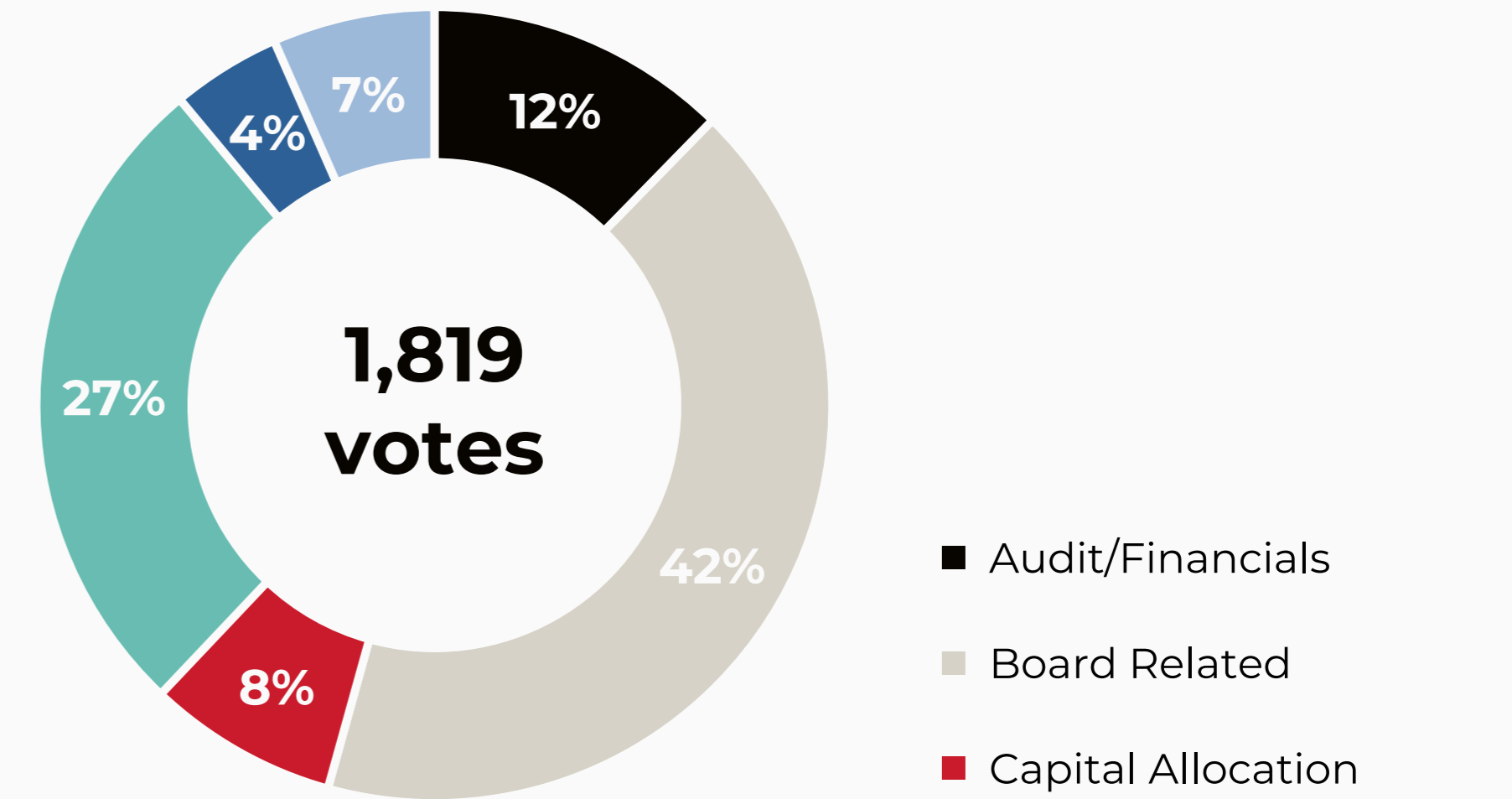
We intend to vote wherever possible. Occasionally, administrative arrangements may prevent votes from being cast, or it may not in the best interests of our clients to vote (due to restrictions on liquidity or ‘share blocking’).

Voting statistics source: Guinness Global Investors

\*Data includes all Ireland and UK-domiciled funds. Figures exclude instances where we do not vote, including in jurisdictions where share blocking is in effect or power of attorney requirements apply.

Figure 12: 2025 votes by topic

Voting results on decisions ‘against’ management by topic



Voting results on decisions ‘against’ Glass Lewis by topic

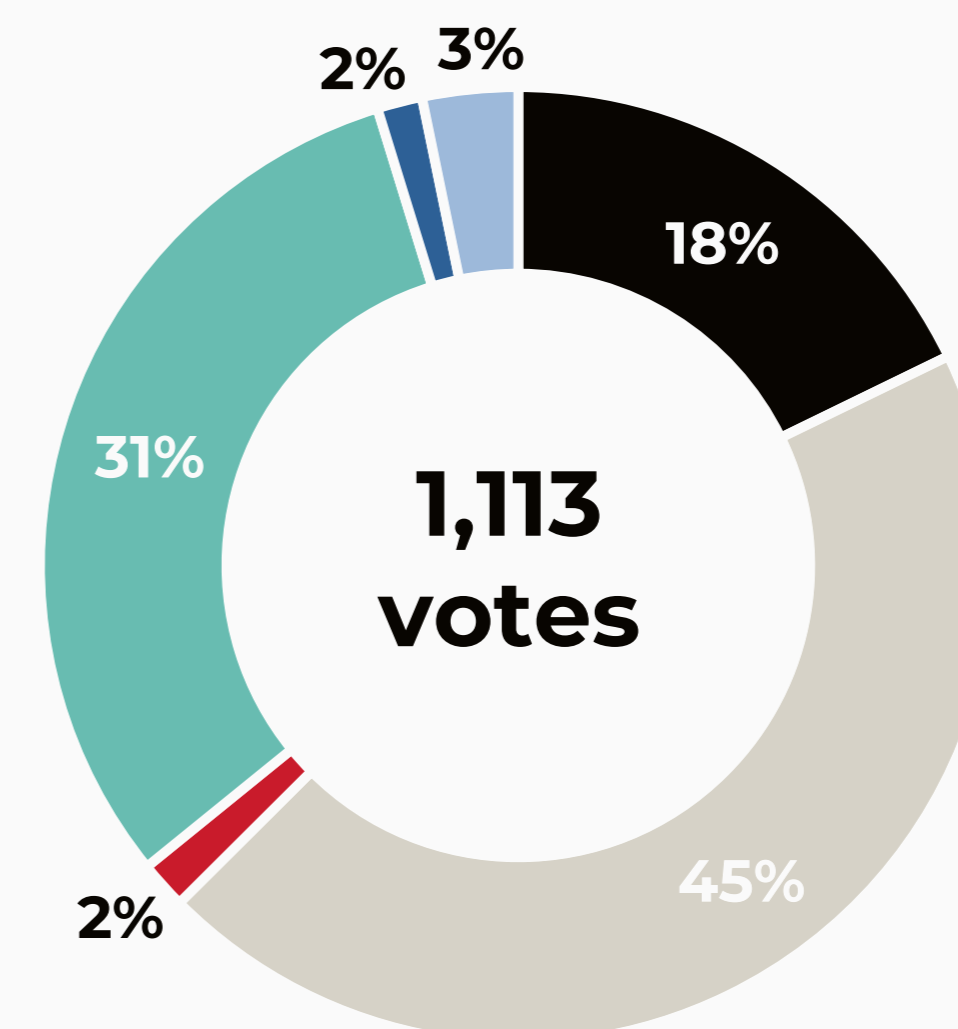


Figure 12 source: Glass Lewis; Guinness Global Investors. 31.12.25

# Stewardship: Voting Case Studies

The following case studies illustrate how we apply the principles of our voting policy in practice.



# Board Composition

The number of independent directors on a board should be sufficient to ensure their views carry weight in the board's decision-making processes and adequately represent the views of minority shareholders. Expectations for independent representation on Audit, Remuneration, and Nomination Committees differ across markets, and we expect companies to align with local market best practice with respect to committee independence.

Length of board tenure or previous experience inside a company may affect a director's independence. We assess boards for 'entrenchment', when long tenures are suspected as compromising a board's ability to act wholly in shareholder interests.

In 2025, we voted against the independent Board Chair and Chair of the Human Resources and Compensation Committee at semiconductor equipment manufacturer **Applied Materials**. We felt the director's 20-year tenure was stretched and would have preferred to see a less tenured director in both roles, where independence is particularly crucial to ensure minority shareholder views are represented.

Similarly, at Danish wind turbine manufacturer **Vestas Wind Systems**, we voted against the independent Board Chair and Chair of the Nomination & Compensation Committee. The Chair

formerly served as Group President and CEO until 2019. While Vestas noted during our engagement that he now fulfills all the criteria for independence in the Danish Recommendations on Corporate Governance, we were not comfortable with a former CEO leading discussion on remuneration, particularly given the short transition period between the insider CEO and external Board Chair roles.

The Audit Committee plays a critical role in overseeing financial reporting, internal controls, and the integrity of the audit process, making independence a key requirement for effective governance. In 2025, we voted against the election of insider directors to the Audit Committee at **NARI Technology, LG Chem, and Tata Consultancy Services**, reflecting our concerns that insufficient independence could undermine the Committee's ability to provide objective oversight.

We also identified broader entrenchment risks at **Apple**. While the company classified seven of its eight directors as independent (88% independence), and average non-executive tenure was approximately 10 years, adjusting for long-tenured directors (15 years or more) suggests effective independence was closer to 50%, with the independent Chair serving for 25 years. We therefore decided to vote against the re-election of the Chair of the Nomination Committee, consistent with our position at the 2024 AGM.

# Capital Management

We generally support equity issuances if we believe they enhance a company's long-term prospects and are not excessively dilutive. We also believe in pre-emption rights of ownership, whereby any new issue of equity should be offered first to existing shareholders before being made available more broadly.

We voted against management proposals at **China Medical System** and **Value Partners** to authorise issuance of up to 20% of share capital without pre-emption rights, as this exceeded our dilution threshold and was not supported by sufficient disclosure on pricing. While we would typically be more supportive of a lower 10% issuance

limit, we voted against similar proposals at **Anta Sports, Tencent** and **Shenzhou International** due to the absence of disclosure regarding the maximum discount at which new shares could be issued relative to the prevailing market price. Without this, shareholders face an increased risk of value dilution.

We also opposed resolutions at **Shanghai Putailai New Energy Technology, Sany Heavy Industry** and **Zhejiang Supor** relating to subsidiary guarantee authorisations. Management were requesting aggregate guarantees that exceeded the companies' net assets, which may expose shareholders to additional financial risks not in their best interests.

# Auditors

To safeguard independence, we believe companies should rotate their auditor over time. We also expect companies to disclose auditor remuneration and distinguish between audit and non-audit fees.

In 2025, we voted against the reappointment of auditors at **Emerson Electric**, **Eaton Corporation** and **The Coca-Cola Company**, citing concerns around excessively long auditor tenure,

at 87 years, 102 years and 104 years respectively.

At **Novo Nordisk**, we voted against the appointment of the auditor due to a significant proportion of auditor fees being compromised from non-audit services. We also voted against the approval of Accounts and Reports at Shell to signal dissatisfaction with the company's decision to cease disclosure to CDP.

# Shareholder Rights

We generally support resolutions which seek to improve director accountability (such as through annual re-elections) or increase minority shareholder rights and protections.

At **Alphabet's** 2025 AGM, we voted against all 10 director nominees to reflect our dissatisfaction with the company's multi-class share structure with unequal voting rights. The company has not provided a timescale for the sunseting of the share structure, which would be reflective of its maturity and development. At the 2025 AGM, co-founders Larry Page and Sergey Brin, together with other executive officers and directors, controlled over 51% of the total voting power while holding less than 13% of the economic interest. This misalignment may reduce accountability to minority shareholders. We also

supported a shareholder proposal calling for the elimination of the dual class structure which received 31% shareholder support.

We withheld our support for the election of certain directors at **Ameresco** and **Ares Management**, in part due to concerns around their multi-class share structures and unequal voting rights.

In addition, we voted against proposed amendments to certificates of incorporation to limit the liability of certain officers at several companies including **Chevron**, **Mastercard** and **Lam Research**. Officers should be held to the highest standard when carrying out their duties to shareholders, and many of the amendments sought essentially to remove liability for officers' breaches of duty of care.

# Remuneration

We usually vote in favour of well-structured compensation schemes with clear, specific, and challenging performance criteria and which are fully disclosed to shareholders. Remuneration practices involving high quantum (total level of remuneration), retention payments, or questionable discretion will be scrutinised closely.

## REMUNERATION STRUCTURE

We voted against advisory votes on executive compensation at **Eaton**, **Itron**, **Canadian Natural Resources**, **EOG Resources** and **Cenovus Energy**. In each case our concerns related in part or entirely to the structure of long-term incentive plans (LTIP) which were solely weighted to total shareholder return (TSR). In addition, the **EOG Resources** TSR metric was partially measured relative to the S&P 500 index, which we considered an inappropriately broad benchmark.

## REMUNERATION DISCLOSURE

At the 2025 AGM of Finnish insurance provider **Sampo**, we voted against the advisory vote on executive remuneration due to insufficient disclosure. The company did not provide targets, thresholds or maximums for either the STI or LTI, making it difficult to evaluate the robustness and alignment of the remuneration framework.

Ahead of the AGM at Danish wind turbine manufacturer **Vestas**, we engaged with the company regarding limited disclosure of performance metrics including thresholds, maximums, and actual performance outcomes. While the company noted

that its approach aligns with Danish market practice and committed to reviewing disclosures over time, it currently reports performance only in broad ranges (e.g., “below”, “at”, or “above” target) alongside overall payout outcomes. Given the lack of granularity, we abstained from voting on the remuneration proposal and encouraged the company to improve transparency.

At **Advanced Drainage Systems**, we did not support the remuneration proposal at the 2025 AGM and subsequently engaged with the company. We identified poor disclosure within the long-term incentive plan, particularly the absence of clearly defined performance goals. Without this information, shareholders are unable to assess how performance is measured and translated into executive pay outcomes.

We also withheld support for executive compensation proposals at **AXA**, **Danone** and **PepsiCo** due to insufficient disclosure within short-term or long-term incentive plans.

## REMUNERATION QUANTUM

We will typically vote against remuneration awards which we consider to be excessive, or where the remuneration committee departs from the stated remuneration policy without sufficient explanation.

At **Netflix**, we opposed executive remuneration due to pay quantum concerns. The company operates with two co-CEOs, each receiving total compensation in excess of \$60 million for performance in financial year 2024, including approximately \$44 million in equity awards each. Combined, this

results in effective CEO pay exceeding \$120 million, which we consider excessive. The company’s long-term incentive plan was entirely based on TSR relative to a broad S&P 500 benchmark, with a relatively low vesting threshold at the 25th percentile, allowing for payouts below median index performance.

At **Arista Networks**, we did not support the remuneration proposal due to a combination of poor disclosure and a significant one-time retention award granted to the company’s Chief Technology Officer (CTO). The award, in the form of Restricted Stock Units (RSUs), had a grant date fair value of approximately \$28 million and was justified by the company based on expanded responsibilities and exceptional contributions. However, we viewed the quantum as excessive; on an annualised basis over a five-year vesting period, the one-time award exceeded the CTO’s total compensation for fiscal 2023. As a purely time-vesting award, it has no performance conditions attached, which weakens alignment

with shareholder outcomes. We also had concerns regarding the absence of absolute performance metrics and relatively short performance periods in the long-term incentive plan, alongside limited disclosure in the short-term incentive plan.

At **onsemi**, our concerns centred on the scale of executive compensation, totalling \$31 million for the CEO, and were exacerbated by the introduction of significant one-time retention award for executives. This retention award, based solely on relative share price performance, had a target value for the CEO of \$8.4 million, the equivalent to an additional 50% of the CEO’s target long-term incentives. While the award is intended to support long-term retention and vests over five years, onsemi did not explain adequately why established incentive programs were insufficient to retain and incentivise executives. The use of large, one-off awards outside the regular remuneration framework raises concerns around pay discipline and alignment with shareholder interests.

# Corporate Responsibility

We believe it is important to apply the high standards we expect of our portfolio holdings to our own activities. Accordingly, we aim to be a good corporate citizen in the communities where we work and have clients.



# Our Emissions

In line with our desire for our companies to report emissions data, we believe it is consistent for us to record and publish our own emissions data, which we have recorded for the past decade. We announced our **2030 corporate net zero target** for Scope 1 and 2 operational emissions. We will prioritise reducing real-world emissions and may purchase high-quality carbon credits to offset any residual emissions.

In support of lowering our Scope 1 and 2 emissions, we have: (i) implemented a Carbon Usage Policy since 2015 (ii) maintained an ongoing dialogue with our landlord, encouraging a transition to a renewable energy provider, and (iii) entered discussions on acquiring high-quality UK-located carbon credits. Further details on this commitment and our transition plan developments are provided in our latest TCFD Report.

Our carbon usage summary is made on a best-efforts, unaudited basis, using internal estimates derived from the [Government's Greenhouse Gas Reporting](#): Conversion Factors. This activity is completed on an annual basis when data becomes available.

The estimates for Scope 1 and 2 are based on the utility bills provided by our landlord. Our Scope 2 emissions are reported using both location-based and market-based methodologies. The location-based approach uses the average emissions intensity of the UK electricity grid, whereas the market-based method uses specific purchase instruments or agreements with energy providers to calculate the associated emissions. We were pleased to see our Scope 1 and 2 emissions decline 25% and 22% year-on-year on a location-based and market-based basis, respectively.

The GHG protocol defines 15 categories of Scope 3 emissions. Figure 13 shows our estimates of our Scope 3 Category 6 (business travel) and Category 7 (employee commuting and teleworking) emissions.

We have several procedures in place to improve the environmental footprint of the company, including recycling initiatives, energy-efficient lighting, electrical vehicle leasing, and cycle to work schemes for employees. Further details can be found in our Carbon Policy.

Figure 13: Emissions associated with our operational activities

2025 Carbon Usage Summary		
Guinness Operational Activities	Location-based (tCO <sub>2</sub> e)	Market-based (tCO <sub>2</sub> e)
<b>Scope 1</b>		
Gas usage	11.7	11.7
<b>Total Scope 1 emissions</b>	<b>11.7</b>	<b>11.7</b>
<b>Scope 2</b>		
Electricity usage	7.3	5.5
<b>Total Scope 2 emissions</b>	<b>7.3</b>	<b>5.5</b>
<b>Scope 3</b>		
Business travel	162.6	162.6
Commuting	12.7	12.7
Working from home (teleworking)	21.8	21.8
<b>Total Scope 3 emissions</b>	<b>197.1</b>	<b>197.1</b>
<b>Total Estimated Carbon Usage (tCO<sub>2</sub>e)</b>	<b>216.0</b>	<b>214.3</b>
<b>Total Estimated Carbon Usage per employee (tCO<sub>2</sub>e)*</b>	<b>2.70</b>	<b>2.68</b>

\*Based on 80 employees

Please note Figure 13 shows Guinness Global Investors' operational footprint only, as of 31 December 2025, and does not depict scope 3 emissions associated with our investment portfolios.

Figure 13 source: Guinness Global Investors.

# Our People

Our aim is to cultivate a positive work environment where each employee feels respected, valued, and empowered to perform at their best. To support personal and professional growth, we provide sponsorship of professional qualifications and offer numerous benefits including coaching opportunities. Several members of the investment team have been awarded the CFA Sustainable Investing Certificate to date, and the opportunity to take this qualification is available to all employees. We provide firm-wide ESG training. This includes but is not limited to education on ESG,

the responsible investment activity we conduct, stewardship activity, and the consideration of ESG factors in the investment process. This allows us to ensure all employees in the firm are familiar with the responsible investment and ESG activity that is conducted across the firm.

We have a Diversity and Inclusion Policy in place, and a Diversity and Inclusion Committee which meets regularly to develop and implement initiatives that foster an inclusive and supportive workplace.



# Our Community

We continue to host insight days and internship programmes for sixth-form and university students. We also participate in community work. Since 2013, we have participated in the Grocers' Academy Awards, part of an innovative programme designed by City livery companies to stimulate business and entrepreneurial skills among sixth-form pupils, with a particular focus on schools from low-income and under-represented areas.

We are a proud Partner of Sinfonia Smith Square. Through its Fellowship, Sinfonia Smith Square provides a springboard for graduate musicians into their profession. Like Guinness Global Investors, Sinfonia Smith Square looks to a global horizon, with alumni in major orchestras worldwide, and shares an emphasis on the nurturing of talent. Further external partnerships include Gen Invest, an initiative supporting young investment professionals with networking and collaborative learning, to promote a sense of community within the industry.

We partner with GAIN (Girls Are Investors) to embolden young women into careers in finance by providing internships and work experience.

We have supported Intelligence Squared's Economic Outlook series of speaker events to promote thoughtful analysis of economic issues.

In addition to these external partnerships, we aim to foster a sense of community within Guinness Global Investors in which employees feel valued and supported. We hold developmental and social events which encourage team building and inter-team communication, foster good working relationships, and make sure both new and existing staff members feel part of the Guinness community. Developmental events include education sessions, informative talks and cultural experiences, while social occasions have taken the form of sporting competitions and gatherings open to employees and their families.



# Collaborative Initiatives

**We understand that participation in relevant industry initiatives is essential to the development of best practice in responsible investment. We participate in a range of industry groups in order to gain the opportunity to collaborate on, influence, and obtain enhanced knowledge of ESG issues and challenges within the industry.**

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.

**CFA UK**'s mission is to build a better investment profession serving the public interest by educating investment professionals and by promoting and enforcing ethical and professional standards. A member of staff at Guinness is part of the Sustainability Community Champions group.

**Climate Action 100+** is a collaborative engagement programme through which Guinness Global Investors engages with Imperial Oil, a \$34bn Canadian-listed oil & gas producer with operations mainly in Canada. The collaborative nature creates a programme of concentrated engagement with focus

companies, where the sum of the parts is significantly more effective than if each participant attempted to engage across the whole sector.

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.

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

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

We became signatories to the **UN PRI** in 2019, which provides external assurance on our stewardship approach broken down by activity. Our most recent scores, reflective of activity in 2023, are shown on page 5.

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 practices.

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



# Resources

## Policies

### RESPONSIBLE INVESTMENT POLICY

Describes how we approach responsible investing while managing our listed equity strategies.



### VOTING POLICY

Describes how we vote shares in companies held in our funds according to our philosophy.



### EXCLUSION POLICY

Lists our corporate-level weapons and thermal coal exclusions.



### ENGAGEMENT POLICY

Outlines our engagement process, the types of engagement we may undertake, and the oversight of our engagement activity.



## Reporting

### STEWARDSHIP CODE REPORT

Annual report that explains how we apply the principles of the UK Stewardship Code 2020.



### VOTING SUMMARY

Quarterly report of corporate voting data, including high-level proposal numbers and how votes were cast.



### TCFD ALIGNED CLIMATE REPORT

Outlines our approach to managing climate-related risks and opportunities.



## Strategy-Level Literature

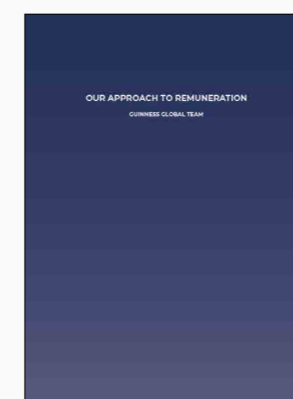
### RI & ESG INTEGRATION

Each investment team outlines how they approach Responsible Investment and ESG integration and tailor their processes according to geography and sectoral focus.



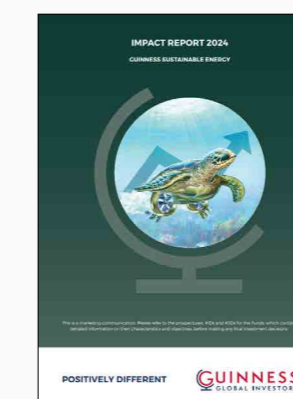
### OUR APPROACH TO REMUNERATION

Worked examples and case studies from the Guinness Global Equities Team.



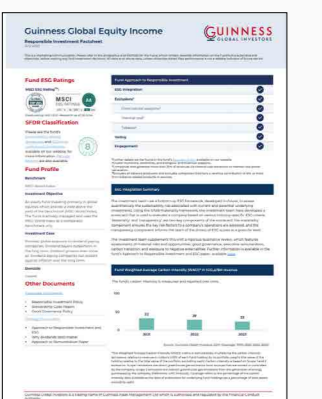
### IMPACT REPORT

Presents the impact of Sustainable Energy Strategy portfolio companies in facilitating global decarbonisation.



### RI FACTSHEETS

Overview of how each fund integrates ESG considerations, with stewardship data and case studies.



# Important Information

This document is provided for information only. All the information contained in it is believed to be reliable but may be inaccurate or incomplete; it should not be relied upon. It is not an invitation to make an investment, nor does it constitute an offer for sale.

References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities.

The documentation needed to make an investment, including the Prospectus, Supplement, the Key Investor Information Document (KIID) and the Application Form, is available from our website: [guinnessgi.com](https://guinnessgi.com).

The funds invest mainly in shares, and the value of these may fall or rise due to a number of factors, including the performance of the company and general stock market and exchange rate fluctuations. The value of your investment may rise or fall, and you could get back less than you invest. Past performance is not a guide to future performance. Further information about risks can be found in the Prospectus.

Issued by Guinness Global Investors, a trading name of Guinness Asset Management Ltd, which is authorised

and regulated by the Financial Conduct Authority and registered with the Securities and Exchange Commission ("SEC"). SEC registration does not imply a certain level of skill or training. No fund described in this document is available or offered in the U.S.A. or to U.S. Persons.

Guinness Asset Management Funds plc, the umbrella fund with the Guinness sub-funds, is domiciled in Ireland and is authorised and supervised by the Central Bank of Ireland as a UCITS fund. It is also recognised by the Financial Conduct Authority for distribution in the United Kingdom. The sub-funds may also be distributed in various other countries – please contact us for details.

WS Guinness Investment Funds, the umbrella fund with the WS Guinness sub-funds, is domiciled in the United Kingdom and is authorised and regulated by the Financial Conduct Authority as a UCITS fund.

The Guinness Sustainable Energy UCITS ETF is a sub-fund of HANetf ICAV, an Irish collective asset management vehicle domiciled in Ireland and is authorised and supervised by the Central Bank of Ireland

A glossary of investment terms is available at: [guinnessgi.com/glossary](https://guinnessgi.com/glossary).