

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

## Fund ESG Ratings

MSCI ESG Rating™:



Produced by MSCI ESG Research as of 23.01.25.

## Fund Profile

### Benchmark

MSCI World

### Investment Objective

An equity fund which invests in global equities. The companies invested in will have, in the manager's opinion, innovation at the core of their business. The Fund is actively managed and uses the MSCI World Index as a comparator benchmark only.

### Investment Case

Provides global exposure to companies benefiting from innovations in technology, communication, globalisation or innovative management strategies. Innovation can take many forms, not just disruptive tech-driven products. It is the intelligent application of ideas and is found in most industries and at different stages in company lifecycle.

### Domicile

Ireland

## Other Documents

### Corporate Documents

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

### Strategy Documents

- Approach to Responsible Investment and ESG
- Approach to Remuneration Paper

## Fund Approach to Responsible Investment

### ESG Integration



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



Controversial weapons<sup>2</sup>



Thermal coal<sup>3</sup>



Tobacco<sup>4</sup>



### Voting



### Engagement



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

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

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

<sup>4</sup>Excludes all tobacco producers and excludes companies that have a revenue contribution of 10% or more from tobacco-related products or services.

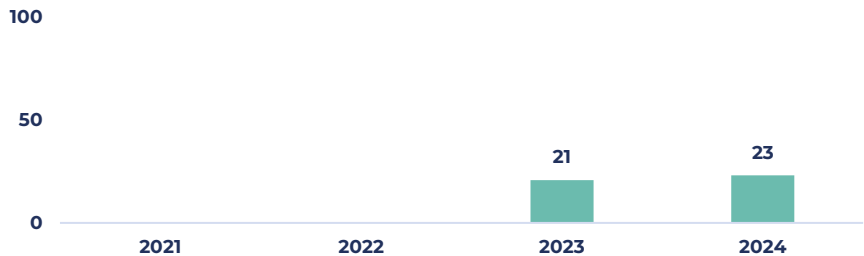
## ESG Integration Summary

The team use a bottom-up ESG framework, developed in-house, to assess quantitatively the sustainability risk associated with current and potential underlying investments. Using the SASB materiality framework, the team have developed a scorecard that is used to evaluate a company based on various industry-specific ESG criteria. 'Materiality' and 'transparency' are two key components of the scorecard: the materiality component ensures the key risk factors to a company's operations are assessed, and the transparency component informs the team of the drivers of ESG scores at a granular level.

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

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

The Fund's carbon intensity is measured and reported from 2023 onwards.



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

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

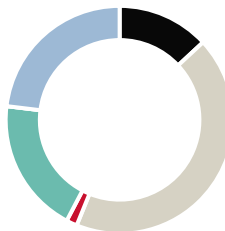
## Stewardship

Stewardship activities form part of the investment process applied by the team. We believe that resourcing our stewardship activities within the investment team itself, with dedicated assistance as required, is the best way to ensure effective stewardship. The investment team's ESG incorporation approach often informs their proxy voting and engagement activity. In a spirit of transparency, we disclose fund-level voting and engagement statistics and case studies for calendar year 2024 below.

## Voting

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

Voting Overview - UK*	
Number of companies available to vote	30
Number of available proposals	532
% voted	100%
% did not vote**	0%
% votes in line with management	76%
% votes against management	24%



Votes against management by topic (%)

Audit/Financials	13%
Board Related	43%
Capital allocation	2%
Compensation	19%
Shareholder proposals	23%

\*1st January 2024 to 31st December 2024

Source: Glass Lewis; Guinness Global Investors (31.01.25)

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

## Voting Case Studies



**Adobe** is a global software company specialising in digital media, creative solutions, and document management. To safeguard auditor independence, we believe companies should periodically rotate their designated auditor. Adobe has retained KPMG as its auditor for the past 41 years, raising concerns about long-term independence and objectivity. We have consistently voted against the reappointment of KPMG at Adobe's AGMs, advocating for a fresh perspective through auditor rotation. At the most recent AGM, this proposal received 7% shareholder dissent. We will continue to monitor this issue.



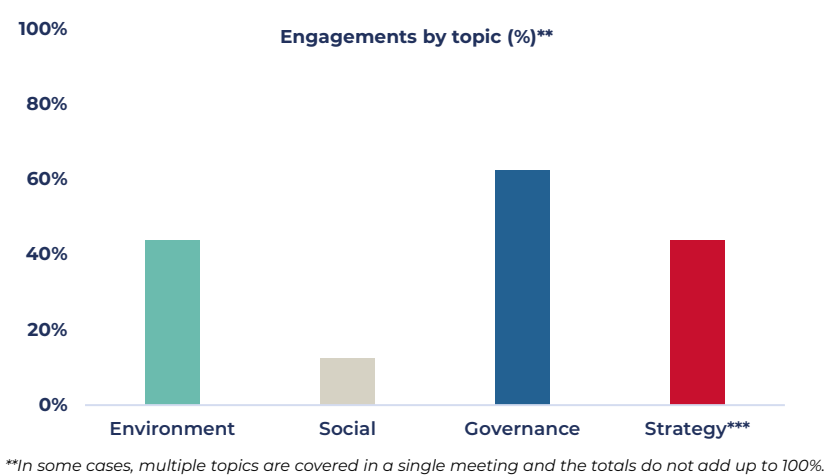
**Salesforce** is a leading global provider of cloud-based software, specialising in customer relationship management (CRM) solutions. In 2024, we voted against Salesforce's executive compensation plan. Our concerns centred around the Long-Term Incentive Plan (LTIP), which allocates 50% of its weighting to Total Shareholder Return (TSR). We believe overemphasising TSR is not optimal within a remuneration framework, as share price appreciation is more an outcome of strong operational performance rather than a direct target in itself. Furthermore, share price performance can be influenced by external factors, such as shifts in investor sentiment based on the economic cycle, which are beyond management's control. Senior executives are already aligned with shareholder interests through stock ownership and potential stock awards. Additionally, we viewed the LTIP's threshold performance level of 25% as too low, effectively rewarding underperformance. Beyond TSR, Salesforce lack full disclosure on the targets used to calculate performance-based remuneration. Transparency in these metrics is crucial for shareholders to assess whether executive pay aligns with company performance and ensures a fair balance between compensation and company results. Enhanced disclosure would also improve accountability and reinforce shareholder confidence in the company's remuneration structure. At the 2024 AGM, Salesforce's executive compensation plan received significant shareholder opposition, with 54% voting against. Following continued engagement with the company since 2022, we have reiterated our concerns and the rationale behind our voting decisions, advocating for a more balanced and transparent approach to executive pay.

## Engagement

The investment team focused their engagements in 2023 around executive remuneration, seeking to ensure management are incentivised appropriately to deliver high long-term returns on capital. For more information, please see the team's [Approach to Remuneration Paper](#).

Engagement Overview*	
Number of company interactions	27
Number of engagements	16
Engagements by topic	
Environment	44%
Social	13%
Governance	63%
Strategy	44%

\*1st January 2024 to 31st December 2024  
Source: Glass Lewis; Guinness Global Investors (31.01.25)



## Engagement Case Studies



**KLA** is a leading provider of equipment and services for the semiconductor industry. The company first announced its commitment to reducing Scope 1 and 2 GHG emissions by 50% by 2030 from a 2021 baseline, alongside a goal to source 100% renewable electricity across its global operations by 2030. Additionally, KLA began modelling efficiency metrics and product roadmaps to establish a Scope 3 emissions reduction target. Subsequently, the company committed to reducing Scope 3 emissions from the use of sold products by 52% per billion transistors inspected, measured, or processed by customers operating KLA equipment at their manufacturing sites, using a 2021 baseline.

We first engaged with KLA in 2023, encouraging the company to submit their emissions targets to the Science Based Targets initiative (SBTi). We also co-signed a letter sent to the company by CDP encouraging a SBTi submission and followed up by directly emailing Investor Relations to reinforce the merits of this commitment.

We were therefore pleased to see that, in August 2024, KLA received SBTi verification for its near-term science-based GHG emissions targets.



**Infineon (IFX)** is a semiconductor manufacturer. We first engaged with Infineon on remuneration in 2023, explaining our rationale for not supporting their Remuneration Policy at the AGM. At the time, 80% of their Long-Term Incentive Plan (LTIP) was tied to Total Shareholder Return (TSR), a weighting we believed should be reduced. We view TSR as an outcome of operational performance rather than a direct target and recommended a shift toward Return on Invested Capital (ROIC) as a more meaningful metric.

Following ongoing engagement, Infineon informed us that they would not propose a new Remuneration Policy at their 2024 AGM while reviewing their existing framework. In early 2025, ahead of their AGM, we were pleased to see that they had reduced the TSR weighting from 80% to 40%. The remaining allocation now consists of 40% linked to their Target Operating Model—including Free Cash Flow relative to revenue, Segment Result Margin, and revenue growth—and 20% tied to ESG metrics.

While we continue to advocate for ROIC as an alternative to TSR, we welcome this 40% reduction and the move toward more accountable performance metrics.

## Collaborative engagement



We are a member of **CDP**, which allows us access to environmental data for all companies that report to CDP. Through our membership, we participate in collaborative engagements, such as the **CDP Non-Disclosure Campaign (NDC)**. The NDC aims to drive further corporate transparency around climate change, deforestation and water security, by encouraging companies to respond to CDP's disclosure requests.

## Initiatives

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

### External company ratings

Signatory of:



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

In our latest Assessment Report, published in 2024, we received the following scores:



**Policy Governance and Strategy**



**Direct - Listed Equity - Active Fundamental**



**Confidence Building Measures**

## Industry Initiatives



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



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



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



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



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

# Guinness Global Equity Income

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

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

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**Structure & regulation** The Fund is a sub-fund of WS Guinness Investment Funds, an investment company with variable capital incorporated with limited liability and registered by the Financial Conduct Authority.