

Responsible Investment Factsheet

31.12.2024

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.



The Sustainability Focus label indicates that a fund invests mainly in assets that focus on sustainability for people and/or the planet. March 25

Fund Profile

Benchmark

MSCI World

Investment Objective

An equity fund which invests in companies in the solar, wind, hydro, geothermal, biofuels, biomass and energy efficiency sectors.

The Fund is actively managed and uses the MSCI World Index as a comparator benchmark only.

Investment Case

The Fund invests at least 80% in companies involved in sustainable energy or energy technology sectors. We believe that over the next twenty years the sustainable energy sector will benefit from the combined effects of strong demand growth and improving economics of renewable energy supply. The sector is likely to benefit from both public and private support for low carbon technologies.

Domicile

United Kingdom

Risk

WS Guinness Sustainable Energy Fund is an equity fund. Investors should be willing and able to assume the risks of equity investing. The Fund invests at least 80% in companies involved in sustainable energy or energy technology sectors; it is therefore susceptible to the performance of those sectors, and can be volatile. The value of an investment and the income from it can fall as well as rise as a result of market and currency movement, you may not get back the amount originally invested. Details on the risk factors are included in the Fund's documentation, available on the website www.waystone.com. If you are in any doubt about the suitability of investing in this Fund, please consult your investment or other professional adviser.

Fund Approach to Responsible Investment

ESG Integration



Exclusions¹



Controversial weapons²



Thermal coal³



Fossil fuel extraction⁴



Norges Bank Exclusion List⁵



Voting



Engagement



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

²Cluster munitions, landmines, and biological and chemical weapons.

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

⁴The Fund excludes companies with over 5% revenue exposure to the exploration and production of oil or gas.

⁵The Fund adheres to the exclusion list of companies prepared by Norges Bank.

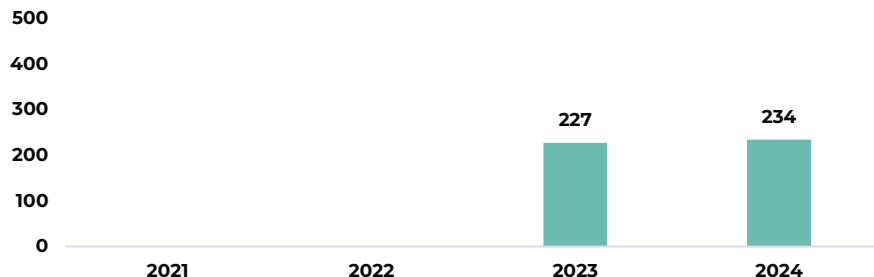
ESG Integration Summary

Company ESG analysis is carried out to monitor how the fund's constituents contribute to its sustainable investment objective. Reviews also consist of a good governance assessment and confirm that an investment does not cause significant harm to any environmental or social sustainable investment objective. Analysis considers what the company itself, the SASB materiality framework, and MSCI deem material, along with in-house knowledge of the company.

The investment team think of ESG factors through both 'top-down' and 'bottom-up' analysis. 'Top-down' ESG can be described as the various short and long-term trends associated with the global energy transition, and include issues such as government incentives and subsidies, urban pollution, energy security, and carbon taxation. 'Bottom-up' analysis is performed through qualitative reviews of material ESG risk factors, which use public sources of information and insights from ongoing company discussions. Further information is available in the fund's Approach to Responsible Investment and ESG paper, available [here](#).

Fund Weighted Average Carbon Intensity (WACI)* in tCO₂e/\$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	32
Number of available proposals	450
% voted	96%
% did not vote** (1 company)	4%
% votes in line with management	82%
% votes against management	18%



Votes against management by topic (%)		
	Audit/Financials	19%
	Board Related	35%
	Capital allocation	12%
	Compensation	29%
	Shareholder proposals	4%
	Other	1%

*1st January 2024 to 31st December 2024
Source: Glass Lewis; Guinness Global Investors 31.12.24

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

Voting Case Studies



Eaton is a global power management company that provides energy-efficient solutions. At the 2024 AGM, we did not support Eaton's Advisory Vote on Executive Compensation, along with 8% of other shareholders. Our decision was driven by concerns over the composition of the Long-Term Incentive Plan (LTIP), which relies 100% on Total Shareholder Return (TSR). We believe TSR is an ineffective incentive metric as it is a lagging indicator and fails to provide management with clear direction on what needs to be done. Moreover, since share price movement is influenced by market and industry forces, TSR is not a fair reflection of management performance. We have consistently communicated these concerns with the company. Additionally, we did not support the re-election of Lori Ryerkerk, Chair of the Remuneration Committee, due to our ongoing dissatisfaction with the Remuneration Plan, which we have opposed for three consecutive years.



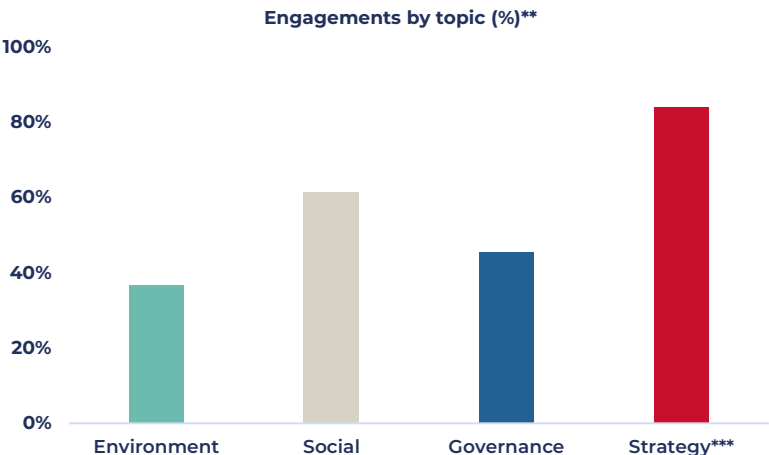
Trane Technologies provides sustainable solutions in energy-efficient heating, ventilation, and air conditioning (HVAC) systems. At the 2024 AGM, we voted against the re-election of CEO and Chair, Mr. David Regnery, alongside 9% of other shareholders. Our rationale for this vote was primarily driven by concerns over the tenure of Lead Independent Director (LID) Gary Forsee, who has been on the board for 17 years. We believe that long tenures of directors can undermine the independence and objectivity of the board, as they may develop close relationships with management and other directors. We also advocate for the separation of the Chair and CEO roles to reinforce checks and balances and avoid the concentration of decision-making power.

Engagement

The investment team focus their engagement efforts on seeking to ensure that the strategies of portfolio companies are aligned with delivering the low-carbon transition. Desired engagement outcomes including growing our companies' positive impacts, reducing their negative impacts, and shrinking their operational emissions. For more information, please see the team's latest Impact Report.

Engagement Overview*	
Number of company interactions	70
Number of engagements	57
Engagements by topic	
Environment	37%
Social	61%
Governance	46%
Strategy***	84%

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



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

Engagement Case Studies



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.



Nibe is a global leader in energy-efficient heating solutions, specialising in systems for residential and commercial use. In 2023, we engaged with Nibe regarding their corporate governance practices, specifically highlighting our concerns about their failure to establish a Nomination Committee, which deviates from best practices. In response to our feedback, the company informed us that, in connection with the 2024 Annual General Meeting, they planned to establish a formal Nomination Committee. We welcome this development and look forward to seeing the implementation of this change at their upcoming AGM, as we believe it will improve governance and align with best practices for board oversight and nomination processes.

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.

Other Documents

Corporate Documents

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

Strategy Documents

- Approach to Responsible Investment and ESG
- 2024 Impact Report
- 2023 Impact Report

Guinness Global Equity Income

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

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

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

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Waystone Management (UK) Limited is authorised and regulated by the Financial Conduct Authority.

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

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

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