



PUBLIC TRANSPARENCY REPORT

2023

Martin Currie Investment Management

Generated 15-12-2023

About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The public Transparency Reports, which are produced using signatories' reported information, provide accountability and support signatories to have internal discussions about their practices and to discuss these with their clients, beneficiaries, and other stakeholders.

This public Transparency Report is an export of the signatory's responses to the PRI Reporting Framework during the 2023 reporting period. It includes the signatory's responses to core indicators, as well as responses to plus indicators that the signatory has agreed to make public.

In response to signatory feedback, the PRI has not summarised signatories' responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options selected by the signatory are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

Disclaimers

Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

Data accuracy

This document presents information reported directly by signatories in the 2023 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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SENIOR LEADERSHIP STATEMENT (SLS)

SENIOR LEADERSHIP STATEMENT

SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

Investing to create long-term, sustainable value is at the heart of our business strategy. Our belief is that, through our focus on concentrated long-term equity portfolios, we are in the best position to deliver on our client expectations. This also informs our approach to stewardship and sustainability activities, which we believe are most effective when investor-led. As investors, we believe financial returns and governance and sustainability factors are fundamentally intertwined. This investor-led analysis is fully embedded in our investment processes, allowing us to meaningfully improve our understanding of investee companies, their material risks and their opportunities to benefit our clients.

By looking beyond the numbers, we also gain a greater understanding of the real world contributions and impacts that companies we invest in have, beyond the financial returns. In doing so, we not only help fulfil the real-life ambitions of our clients but align with companies that over the long-term will contribute to a more sustainable economy, society and environment.

Governance and sustainability analysis is fully integrated into our investment process across all our strategies. Our sustainability research is led by the people who know the companies best – our investors, not a separate team.

It is fundamental to our understanding of the companies in which we invest and has been a standard component of our stock research since 2008. Our focus is on identifying material governance and sustainability risks and opportunities to inform our long-term investment approach prior to investment. Identified factors will continue to facilitate ongoing engagement during the holding period. These factors inform our voting activity during our holding period. Our preference is for using our investor-led judgement and insight from our investment teams, rather than an external data or service provider.

We believe this offers a clear sense of accountability and ownership for our stewardship activities and is the most effective way to reflect these in our portfolio management decisions.

Our guiding principles regarding responsible investment are set out in the publicly available policies on our website.

Martin Currie is a strong proponent of our proprietary research around governance and sustainability forming the basis of our engagement and stewardship activity.

Active ownership is key to our approach, engaging with investee companies, guiding them towards positive change, creating advocacy through proxy voting and driving improved outcomes for our clients. Although most of our engagement is private, we have participated in a wide range of collaborative efforts to address specific systemic issues that impact companies held in our clients' portfolios. Finding a coalition of like-minded shareholders is a good way of sharing knowledge and can generate more tangible results than acting alone specifically in relation to systemic issues. As a well-established and trusted source of guidance, we have taken the opportunity to work with broader investor groups such as PRI collaborative engagements, Climate Action 100+, Advance and the CDP Non-Disclosure Campaign.

A set of proprietary tools and frameworks has enabled us to develop a market leading approach. This includes assessing the product and service contributions of companies to the UN SDGs, focussing on activities that contribute to the underlying targets, as well as an extensive array of carbon analytics that provide insights into the potential risks and opportunities that climate change presents. As responsible investors we have made a number of commitments including our membership of the Net Zero Asset Managers Initiative (NZAMI), supporters of Taskforce on Climate-related Financial Disclosures (TCFD) and active participants in collaborative initiatives. We also play an active role in driving industry policy through our committee memberships with the Investment Association (IA) and the PRI.

We recognise that, as a business, we need to hold ourselves to the same standards that we expect of the companies that we invest in. As part of this: we have publicly announced our Initial Asset Commitment under NZAMI and have continued to work with our clients to expand this commitment; we offset 200% of our corporate emissions (Scope 1, 2 and Category 6 Scope 3) and we are continuing to develop our approach to reducing our own emissions intensity by 50% by 2030; and we have set out clear corporate diversity goals which include targets for greater gender balance in the investment team, executive and wider business. We believe transparency is important and these targets are set out and our progress against these disclosed in our stewardship annual report.

Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
 - refinement of ESG analysis and incorporation
 - stewardship activities with investees and/or with policymakers
 - collaborative engagements
 - attainment of responsible investment certifications and/or awards

In 2021 we evolved our governance and oversight structure with the establishment of the Martin Currie Stewardship & ESG Council (the Council). This was further enhanced in 2022 with the establishment of the ESG Oversight and Investment Risk Group. We have also evolved our Stewardship & ESG team with the establishment and expansion of our dedicated Stewardship, Sustainability & Impact (SSI) team during 2022. We added a highly experienced Portfolio Manager, Luran Halpin, to the team in November 2022. This not only expands our expertise with a specific focus on impact analysis and measurement but gives us a platform to expand our product range in response to client demand for products with a focus on intentional impact.

These enhancements have increased our capacity to deliver effective stewardship outcomes for our clients. To further expand our stewardship and sustainability activities we added a dedicated person to our UK team to help support the increasing volume and complexity of both regulation and client expectations. This investment, our dedicated Stewardship, Sustainability & Impact (SSI) team and the enhancements to our governance structure around stewardship and sustainability represent a continued evolution in our approach and brings both more resources and greater focus to our stewardship activities. This model has been effective in allowing us to expand our analytical toolkit in respect of our stewardship activities, respond to regulatory change and to meet and oversee client mandates which have specific stewardship requirements.

We have also continued to expand our client reporting of stewardship activities to include elements such as portfolio specific engagement reporting which we are rolling out across teams.

This continues the evolving client reporting journey we began in 2021 with the aim to make this more relevant and insightful in terms of our stewardship approach, with an increased focus on quantitative metrics alongside qualitative disclosures at an individual portfolio level. These enhancements reflect the work that we have done to understand what is important to our clients and their end beneficiaries. This signifies our desire to give clients greater transparency on the stewardship work that we undertake and takes into account areas of feedback where they want greater detail in relation to portfolio stewardship activities, as well as sustainability and impact analysis. Our focus from a systemic issue perspective has been on two areas.

Firstly on climate change, setting our initial commitments under the Net Zero Asset Managers Initiative (NZAMI) including both asset level – we have initially committed 18.9% of our firm assets and specific portfolio level targets aligned to net zero by 2050. As signatories to NZAMI we will continue to work with clients to identify the extent to which they want their assets to be part of those committed to the ambitions of the initiative. Secondly we have continued our focus on human rights, building on our own work on modern slavery analysis and private engagement on this topic by joining and becoming a lead investor in the PRI led collaborative engagement, 'Advance', that is focused on human rights with a particular emphasis on the mining industry. We have made a deliberate choice to increase the breadth of our collaborative engagement activity in 2022: joining two new collaborative engagement platforms as a lead investor – i) the CDP nondisclosure campaign encouraging companies to increase their environmental disclosure and ii) PRI 'Advance', focused on improving human rights practices in the mining industry.

This is in addition to our ongoing work as part of CA100+, where we are also a lead investor.

We have continued to deliver on our own diversity and environmental commitments during 2022. We have offset 200% of our corporate emissions during 2022 and we are continuing to develop our response in support of reducing our own emissions intensity by 50% by 2030. We have made further progress on our own corporate diversity goals which have been further supported by new partnerships with Black Professionals Scotland, Investment 20/20 and Salvesen Mindroom. We have expanded our own actions in supporting industry change by becoming an active participant in the Global Ethical Finance Initiative (GEFI).

Since establishing gender diversity targets in April 2021, we have seen continued progress in increasing representation across many areas of the business such as the investment floor with gender diversity rising from 16% to 26% and with increased female representation on the Executive Committee and Distribution Executive.

Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

Over the last decade, stewardship and sustainability have evolved rapidly, driven by a mixture of growing investor demand (asset owners), increased sophistication to manage risk and recognise opportunities (asset managers), improved reporting (companies) and enhanced regulation (policymakers). Over the coming years we expect further evolution in these areas with an increased focus on real-world impact. Impact investing has become significantly more prominent as investors focus on the intentionality of their investments and seek to generate positive impact alongside financial returns.

Impact can be achieved through different means – the activity and actions of companies, or the commitment of capital to these investments coupled with stewardship activities of investors. Historically this has focused on private capital provision to drive impact and has ignored the systemic role of supporting solutions-focussed investing in public equity markets and the role of structured investor stewardship.

We believe that the market is beginning to recognise the important role that stewardship can play in achieving and accelerating impact, and we expect that investors will look at the role of public equities in generating impact as a key focus in coming years.

In this context we are very excited to establish our Stewardship, Sustainability and Impact (SSI) team. The SSI team of four is led by David Sheasby, who serves in dual roles as Martin Currie's Head of Stewardship, Sustainability & Impact and Franklin Templeton's Stewardship and Sustainability Council Co-Chair. The team also includes Head of Impact Equities Luran Halpin, who joins the team from Franklin Templeton. With more than 16 years of investment experience, Luran Halpin will lead the team's new impact portfolio management capabilities.

These will include responsibility for managing a dedicated impact-driven investment strategy, focused on social impact in listed equities. Climate remains a key issue with an increased sense of urgency for action, as the window for limiting climate change rapidly closes and remains a focus of our engagement. Biodiversity is a related, but separate, issue supported by the emergence of new reporting frameworks (such as the Task-Force on Nature-related Financial Disclosures (TNFD)), and we expect to see progress in this area over the course of the next year. In support of this we have been developing a proprietary analytical framework and are expanding the range of data sources to support this work. Human rights, social issues and inequality have also increased in prominence as stewardship topics, and we are also seeing the emergence of regulation in this space.

In December 2022, the PRI launched a collaborative engagement on human rights and social issues called Advance. We have joined this key collaborative engagement and are leading the engagement for one of the companies on this issue.

Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Jennifer Mair

Position

Chief Operating Officer

Organisation's Name

Martin Currie Investment Management

● A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

○ B

ORGANISATIONAL OVERVIEW (OO)

ORGANISATIONAL INFORMATION

REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2022

SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- ☐ (A) Yes
- ☒ (B) No

ASSETS UNDER MANAGEMENT

ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries, and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 20,847,470,565.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 0.00

ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PUBLIC	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	>75%	0%
(B) Fixed income	0%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	0%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	0%	0%
(J) Off-balance sheet	0%	0%

ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PUBLIC	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

(A) Passive equity 0%

(B) Active – quantitative 0%

(C) Active – fundamental >75%

(D) Other strategies 0%

GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

How much of your AUM in each asset class is invested in emerging markets and developing economies?

AUM in Emerging Markets and Developing Economies

(A) Listed equity (5) >30 to 40%

STEWARDSHIP

STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?

(1) Listed equity - active

(A) Yes, through internal staff	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?

Percentage of your listed equity holdings over which you have the discretion to vote

(A) Listed equity – active	(11) >90 to <100%
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ESG INCORPORATION

INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1

For each internally managed asset class, does your organisation incorporate ESG factors into your investment decisions?

(1) Yes, we incorporate ESG factors into our investment decisions

(2) No, we do not incorporate ESG factors into our investment decisions

(C) Listed equity - active - fundamental



ESG STRATEGIES

LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PUBLIC	Listed equity	1

Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	>10-50%
(D) Screening and integration	>50-75%
(E) Thematic and integration	0%
(F) Screening and thematic	0%
(G) All three approaches combined	0%
(H) None	0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PUBLIC	Listed equity	1

What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?

Percentage coverage out of your total listed equity assets where a screening approach is applied

(A) Positive/best-in-class screening only 0%

(B) Negative screening only 0%

(C) A combination of screening approaches >75%

ESG/SUSTAINABILITY FUNDS AND PRODUCTS

LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PUBLIC	Labelling and marketing	1

Do you explicitly market any of your products and/or funds as ESG and/or sustainable?

☒ (A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of AUM that your ESG and/or sustainability-marketed products or funds represent:

>0-10%

- ☐ (B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable
- ☐ (C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?

● **(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications**

Provide the percentage of AUM that your labelled and/or certified products and/or funds represent:

>0-10%

- (B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.2	CORE	OO 18.1	N/A	PUBLIC	Labelling and marketing	1

Which ESG/RI certifications or labels do you hold?

- ☐ (A) Commodity type label (e.g. BCI)
- ☐ (B) GRESB
- ☐ (C) Austrian Ecolabel (UZ49)
- ☐ (D) B Corporation
- ☐ (E) BREEAM
- ☐ (F) CBI Climate Bonds Standard
- ☐ (G) DDV-Nachhaltigkeitskodex-ESG-Strategie
- ☐ (H) DDV-Nachhaltigkeitskodex-ESG-Impact
- ☐ (I) EU Ecolabel
- ☐ (J) EU Green Bond Standard
- ☒ **(K) Febelfin label (Belgium)**
- ☐ (L) Finansol
- ☐ (M) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- ☐ (N) Greenfin label (France)
- ☐ (O) Grüner Pfandbrief
- ☐ (P) ICMA Green Bond Principles
- ☐ (Q) ICMA Social Bonds Principles
- ☐ (R) ICMA Sustainability Bonds Principles
- ☐ (S) ICMA Sustainability-linked Bonds Principles
- ☐ (T) Kein Verstoß gegen Atomwaffensperrvertrag
- ☐ (U) Le label ISR (French government SRI label)
- ☐ (V) Luxflag Climate Finance
- ☐ (W) Luxflag Environment
- ☐ (X) Luxflag ESG
- ☐ (Y) Luxflag Green Bond
- ☐ (Z) Luxflag Microfinance
- ☐ (AA) Luxflag Sustainable Insurance Products
- ☒ **(AB) National stewardship code**

Specify:

UK Stewardship Code Signatory
Japanese Stewardship Code Signatory
Korean Stewardship Code Signatory

- ☐ (AC) Nordic Swan Ecolabel
- ☐ (AD) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic)
- ☐ (AE) People's Bank of China green bond guidelines
- ☐ (AF) RIAA (Australia)
- ☒ (AG) Towards Sustainability label (Belgium)
- ☐ (AH) Other

SUMMARY OF REPORTING REQUIREMENTS

SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

SUBMISSION INFORMATION

REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?

- ☐ (A) Publish as absolute numbers
- ☒ (B) Publish as ranges

POLICY, GOVERNANCE AND STRATEGY (PGS)

POLICY

RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- ☒ (A) Overall approach to responsible investment
- ☒ (B) Guidelines on environmental factors
- ☒ (C) Guidelines on social factors
- ☒ (D) Guidelines on governance factors
- ☒ (E) Guidelines on sustainability outcomes
- ☒ (F) Guidelines tailored to the specific asset class(es) we hold
- ☒ (G) Guidelines on exclusions
- ☒ (H) Guidelines on managing conflicts of interest related to responsible investment
- ☒ (I) Stewardship: Guidelines on engagement with investees
- ☒ (J) Stewardship: Guidelines on overall political engagement
- ☒ (K) Stewardship: Guidelines on engagement with other key stakeholders
- ☒ (L) Stewardship: Guidelines on (proxy) voting
- ☐ (M) Other responsible investment elements not listed here
- ☐ (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- ☒ (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- ☒ (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- ☒ (C) Specific guidelines on other systematic sustainability issues

Specify:

We have specific guidelines on pollution, biodiversity and water risk in our responsible investment policy as well as specific climate related guidance in our climate engagement and escalation policy.

- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

Which elements of your formal responsible investment policy(ies) are publicly available?

- ☒ (A) Overall approach to responsible investment

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0022/3388/Responsible-Investment-Policy-Aug2023.pdf

- ☒ (B) Guidelines on environmental factors

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0023/19085/Climate-Engagement-and-Escalation-Policy.pdf

- ☒ (C) Guidelines on social factors

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0022/3388/Responsible-Investment-Policy-Aug2023.pdf

- ☒ (D) Guidelines on governance factors

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0018/3375/GlobalCorporateGovernancePrinciples.pdf

- ☒ (E) Guidelines on sustainability outcomes

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0022/3388/Responsible-Investment-Policy-Aug2023.pdf

- ☒ (F) Specific guidelines on climate change (may be part of guidelines on environmental factors)

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0023/19085/Climate-Engagement-and-Escalation-Policy.pdf

☒ **(G) Specific guidelines on human rights (may be part of guidelines on social factors)**

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0020/35237/Human-Rights-Policy-Aug2023.pdf

☒ **(H) Specific guidelines on other systematic sustainability issues**

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0022/3388/Responsible-Investment-Policy-Aug2023.pdf

☒ **(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0022/3388/Responsible-Investment-Policy-Aug2023.pdf

☒ **(J) Guidelines on exclusions**

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0022/3388/Responsible-Investment-Policy-Aug2023.pdf

☒ **(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0022/3388/Responsible-Investment-Policy-Aug2023.pdf

☒ **(L) Stewardship: Guidelines on engagement with investees**

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0023/3389/StewardshipandEngagementPolicy-2023.pdf

☐ **(M) Stewardship: Guidelines on overall political engagement**

☒ **(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0023/3389/StewardshipandEngagementPolicy-2023.pdf

☒ **(O) Stewardship: Guidelines on (proxy) voting**

Add link:

https://www.martincurrie.com/__data/assets/pdf_file/0021/3387/Proxy-Voting-Policy-Jan-2023.pdf

- ☐ (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?

- ☒ **(A) Yes**

Elaborate:

Our formal responsible investment policy and other related policies identify a link between our responsible investment activities and our fiduciary duty. We recognise that we have clear responsibilities as stewards of our clients' capital. Principal among these is to protect and enhance their capital over the long term. We believe that sustainability and environmental, social and governance (ESG) factors create risks and opportunities for investors. We believe it is in the interests of our clients to consider these factors when making an investment in a company, and for the companies themselves to manage them appropriately.

We believe the sustainability of a company's business model is critical to maintaining its competitive advantage and strong capital returns.

Incorporating sustainability analysis alongside traditional financial analysis provides valuable insight into the companies we invest in and the quality of the management in those companies. We believe that companies exhibiting strong governance and that are well managed are more likely to be successful, long-term investments. We believe our integrated approach helps identify strong management teams, understand their motivation and determine whether their interests and actions are aligned with minority investors.

As long-term investors, engagement and active ownership are key elements to our overall approach to stewardship. Our focus is on issues that may impact the ability of investee companies to generate long term sustainable returns.

Sustainability risk is an important consideration and means an environmental, social, or governance event or condition, that, if it occurs, could potentially cause a material negative impact on the value of an investment.

Sustainability risks can either represent a threat of their own or have an impact on others and may contribute significantly to market operational, liquidity or counterparty risks. Sustainability risks can manifest themselves in different ways, such as, but not limited to:

- Failure to comply with environmental, social or governance standards resulting in reputational damage, causing fall in demand for products and services, or loss of business opportunities for a company or industry group.
- Changes in laws, regulations or industry norms giving rise to possible fines, sanctions or change in consumer behaviour affecting a company or an entire industry's prospects for growth and development.
- Changes in laws or regulations that may generate higher demand for, and thus undue increase in prices of securities of companies perceived as meeting higher sustainability standards. Prices of such securities may become more volatile if perception from market participants about companies' adherence to sustainability standards changes, and
- Changes in laws or regulations may incentivise companies to provide misleading information about their environmental, social or governance standards or activities.

Sustainability analysis can also identify potential opportunities, for example, those created by the transition to more sustainable economic growth or those companies whose products and services can help meet the ambitions of the UN Sustainable Development Goals (SDGs).

○ (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?

- ☒ (A) Overall stewardship objectives
- ☒ (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- ☒ (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- ☒ (D) How different stewardship tools and activities are used across the organisation
- ☒ (E) Approach to escalation in stewardship
- ☒ (F) Approach to collaboration in stewardship
- ☒ (G) Conflicts of interest related to stewardship

- ☐ (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- ☐ (I) Other
- ☐ (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?

- ☒ (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- ☒ (B) Yes, it includes voting principles and/or guidelines on specific social factors
- ☒ (C) Yes, it includes voting principles and/or guidelines on specific governance factors
- ☐ (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?

- ☐ (A) We have a publicly available policy to address (proxy) voting in our securities lending programme
- ☐ (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- ☐ (C) We rely on the policy of our external service provider(s)
- ☐ (D) We do not have a policy to address (proxy) voting in our securities lending programme
- ☒ (E) Not applicable; we do not have a securities lending programme

RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?

Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment
 (B) Guidelines on environmental factors
 (C) Guidelines on social factors
 (D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?

AUM coverage

(A) Specific guidelines on climate change
 (1) for all of our AUM

(B) Specific guidelines on human rights
 (1) for all of our AUM

(C) Specific guidelines on other systematic sustainability issues
 (1) for all of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?

☒ (A) Listed equity

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?

☒ (A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

GOVERNANCE

ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?

- ☐ (A) Board members, trustees, or equivalent
☒ **(B) Senior executive-level staff, or equivalent**
 Specify:

Overseeing stewardship and sustainability at the firm is the Stewardship & ESG Council. It was created to have a dedicated high-level forum specifically related to stewardship and sustainability overseeing our corporate approach to sustainability, to ensure that we are fulfilling our stewardship responsibilities and to provide a channel for assurance, feedback, evolution and improvement of our stewardship activities. It has delegated authority from the Executive for these matters.

- ☐ (C) Investment committee, or equivalent
☐ (D) Head of department, or equivalent
☐ (E) None of the above bodies and roles have oversight over and accountability for responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?

(2) Senior executive-level staff, investment committee, head of department, or equivalent

(A) Overall approach to responsible investment



(B) Guidelines on environmental, social and/or governance factors



(C) Guidelines on sustainability outcomes	<input checked="" type="checkbox"/>
(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)	<input checked="" type="checkbox"/>
(E) Specific guidelines on human rights (may be part of guidelines on social factors)	<input checked="" type="checkbox"/>
(F) Specific guidelines on other systematic sustainability issues	<input checked="" type="checkbox"/>
(G) Guidelines tailored to the specific asset class(es) we hold	<input checked="" type="checkbox"/>
(H) Guidelines on exclusions	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input checked="" type="checkbox"/>
(K) Stewardship: Guidelines on overall political engagement	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?

☒ (A) Yes

Describe how you do this:

We carefully choose the memberships and affiliations that we take up with regards to Responsible Investment. We look to ensure that the affiliations that we support or the organisations that we join do not advocate positions that are materially conflicted with our approach to Responsible Investment. We will also look to play an active role in these groups. Our approach to membership and affiliations is overseen by our senior oversight group the Stewardship & ESG Council which includes executive members of the Martin Currie management. We publicly disclose all memberships and affiliations on our website and as part of our Stewardship Annual Report.

- (B) No
- (C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?

☒ (A) Internal role(s)

Specify:

Since we started more than a decade ago, our approach has always been that in order to fully integrate this analysis, responsibility should reside with the individual research specialists and portfolio managers. David Sheasby, Head of Stewardship, Sustainability and Impact, has specific responsibility for overseeing this aspect of our research process. This is augmented by our investor-led forum the ESG Working Group which aims to develop and implement best practice for responsible investment.

- ☐ (B) External investment managers, service providers, or other external partners or suppliers
- (C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?

● **(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

● **(1) KPIs are linked to compensation**

- (2) KPIs are not linked to compensation as these roles do not have variable compensation
- (3) KPIs are not linked to compensation even though these roles have variable compensation

Describe: (Voluntary)

There are a number of principles and regulatory obligations which apply to Martin Currie, which ensure that our Remuneration Policy and practices are consistent with, and promote sound and effective, risk management in line with the business strategy, objectives and long-term interests of the firm. This includes consideration of the firm's risk appetite and strategy, including environment, social and governance risk factors and the firm's culture and values.

Across all of the bonus schemes above, an element of the individual outcome will be determined based on risk and compliance behaviours and living our Martin Currie values. The management of sustainability risks and other ESG factors is an integrated aspect of the firm's investment process and is considered in the performance measurement of each member of our investment teams.

Compliance with the firm's ESG policies, which govern the monitoring and management of sustainability risks, is among the nonfinancial metrics which determine compensation outcomes. The Remuneration Committee may exercise judgment to apply a risk-based adjustment to team or individual bonus based on the assessment of risk, compliance or values performance. The bonus schemes operated by Martin Currie provide a sufficient level of flexibility within the process to take account of both individual and company performance and for external events beyond the company's control. This includes the ability not to pay any variable remuneration.

In considering our approach to responsible investment we also take account of how we run our own business.

As an example of this, there is a direct link between executive remuneration and diversity targets.

As an example, Martin Currie's diversity targets are set by our Executive Committee, and we measure our progress annually. We have put in place two key performance indicators (KPIs) related to Diversity and Inclusion (D&I) change management. Given our available talent pool, we believe that gender mix should be the key priority for our business going forward and our KPIs reflect this. These aim for 50:50 by 2030 across the whole business and at least 40% female investment professionals by 2030.

- (B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?

(2) Senior executive-level staff, investment committee, head of department or equivalent

(A) Specific competence in climate change mitigation and adaptation	<input checked="" type="checkbox"/>
(B) Specific competence in investors' responsibility to respect human rights	<input checked="" type="checkbox"/>
(C) Specific competence in other systematic sustainability issues	<input checked="" type="checkbox"/>
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies	<input type="radio"/>

EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?

- ☒ (A) Any changes in policies related to responsible investment
- ☒ (B) Any changes in governance or oversight related to responsible investment
- ☒ (C) Stewardship-related commitments
- ☒ (D) Progress towards stewardship-related commitments
- ☒ (E) Climate-related commitments
- ☒ (F) Progress towards climate-related commitments
- ☒ (G) Human rights-related commitments
- ☐ (H) Progress towards human rights-related commitments
- ☒ (I) Commitments to other systematic sustainability issues
- ☐ (J) Progress towards commitments on other systematic sustainability issues

- (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?

- ☒ (A) Yes, including all governance-related recommended disclosures
- ☒ (B) Yes, including all strategy-related recommended disclosures
- ☒ (C) Yes, including all risk management-related recommended disclosures
- ☐ (D) Yes, including all applicable metrics and targets-related recommended disclosures
- (E) None of the above

Add link(s):

https://www.martincurrie.com/__data/assets/pdf_file/0023/19085/Climate-Engagement-and-Escalation-Policy.pdf
https://www.martincurrie.com/__data/assets/pdf_file/0017/12833/TCFD-Statement-April-2023.pdf
https://www.martincurrie.com/__data/assets/pdf_file/0014/35240/Meeting-MAS-Environmental-Guideline-Requirements-Aug-2023.pdf

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?

- ☒ (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)

Link to example of public disclosures

https://franklintempletonprod.widen.net/s/c2vxrswbjb/disclosuresfdr-leggmasonmartincurrieglobalong-termunconstrainedfund-91469-en-gb?_gl=1*orpzs1*_ga*MTU0NDM3NTMwMy4xNjg2MzA3MjA1*_ga_15V8ZZDP8Z*MTY4OTc2MzQ3My4xLjEuMTY4OTc2MzQ3OS4wLjAuMA..

- ☐ (B) Disclosures against the European Union's Taxonomy
- ☐ (C) Disclosures against the CFA's ESG Disclosures Standard
- ☒ (D) Disclosures against other international standards, frameworks or regulations

Specify:

UK Stewardship Code

Link to example of public disclosures

https://www.martincurrie.com/__data/assets/pdf_file/0014/31127/StewardshipAnnualReport2023.pdf

☒ **(E) Disclosures against other international standards, frameworks or regulations**

Specify:

TCFD - high level

Link to example of public disclosures

https://www.martincurrie.com/__data/assets/pdf_file/0017/12833/TCFD-Statement-April-2023.pdf

☒ **(F) Disclosures against other international standards, frameworks or regulations**

Specify:

MAS Environmental Disclosures

Link to example of public disclosures

https://www.martincurrie.com/__data/assets/pdf_file/0014/35240/Meeting-MAS-Environmental-Guideline-Requirements-Aug-2023.pdf

☐ **(G) Disclosures against other international standards, frameworks or regulations**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?

☒ **(A) Yes, we publicly disclosed our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement**

Add link(s):

https://www.martincurrie.com/__data/assets/pdf_file/0014/31127/StewardshipAnnualReport2023.pdf

- ☐ (B) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- ☐ (C) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

STRATEGY

CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

Which elements do your organisation-level exclusions cover?

- ☐ (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
 - ☐ (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
 - ☐ (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
 - ☐ (D) Exclusions based on our organisation's climate change commitments
 - ☒ (E) Other elements
- Specify:

For all portfolios where we have full discretion (not guided by a specific client IMA) we exclude companies with any tie to controversial weapons.

- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

How does your responsible investment approach influence your strategic asset allocation process?

- ☐ (A) We incorporate ESG factors into our assessment of expected asset class risks and returns
- ☐ (B) We incorporate climate change–related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (C) We incorporate human rights–related risks and opportunities into our assessment of expected asset class risks and returns
- ☐ (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- ☒ (F) Not applicable; we do not have a strategic asset allocation process

STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?

(1) Listed equity

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.



Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?

Engagement is a key element of our stewardship approach, how we manage our client's assets and how we deliver long-term value for them. What we engage on is informed by our analysis of the material governance and sustainability risks that each company faces, how they are managing and mitigating these and the disclosures that they make in this regard.

Our engagement is also informed by the broader systemic issues that have the potential to impact many companies and different parts of the financial ecosystem – the most pertinent example being climate change. Our engagement is not just with companies but also with regulators and policy makers to support the evolution of a sustainable financial system.

We have extensive interactions with the companies that we invest in and in many cases will be seeking information on, or monitoring the evolution of, their business, strategy and long-term value creation. Engagement for change focuses on addressing particular issues and we place a particular emphasis on governance, strategy and capital allocation, as well as material sustainability (environmental and social) issues where these may impact the company concerned or where the company's impact is material.

Where we are engaging on a particular issue we set out a clear objective (what we are trying to achieve) and then work with the company to aim for that outcome. We also monitor the progress of the engagement against this objective, recognising that engagement takes time and often requires patience and persistence.

Engagement may include a combination of writing emails or letters to set out concerns, face-to-face meetings with management or other key personnel or meetings with board members.

Our engagements are led by the investment teams– they have the strongest long-term relationships with the companies that we invest in – and are supported as necessary by the Stewardship, Sustainability & Impact team.

Where there is limited progress on an engagement or where it relates to an issue which may impact the investability of a company we may escalate the issue through other stewardship activities such as voting, collaboration or ultimately divestment. Much as our analysis informs our approach to engagement, the progress and outcomes of engagement also inform our ongoing analysis and understanding of the companies concerned:.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2
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Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?

- ☒ (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- ☐ (B) We collaborate on a case-by-case basis
- ☐ (C) Other
- ☐ (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
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PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2
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Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.

We recognise the value of collective action in relation to systemic risks. Systemic risks by their nature are caused by factors beyond the control of a specific company and cannot be diversified away by holding a large number of securities. Climate change is an obvious example of this kind of systemic risk. Although most of our engagement is private, where an issue is systemic and therefore likely to impact a broad range of companies and stakeholders, we believe that this requires (and starts with) a more collaborative approach to engagement. We participate in a number of collaborative efforts to address specific issues that impact at companies held in our portfolios.

Finding a coalition of like-minded shareholders is a good way of sharing knowledge and can generate more tangible results than acting alone. The following are a few examples of activities we are, or have been, involved in as lead investors:

CDP's Non-Disclosure Campaign (NDC)

The NDC is a collaborative initiative for CDP Capital Markets signatories to directly engage with companies that have failed to respond to either the climate change, forests and/or water security questionnaire. The Non-Disclosure Campaign runs alongside the main CDP disclosure request and targets those companies that have failed to respond to at least one previous request to disclose from CDP.

This 'opt-in' campaign allows CDP signatories to directly engage with companies on disclosure with the backing of a group of other financial institutions. The aim of the campaign is to allow financial institutions to use their influence and position to achieve higher rates of companies responding to CDP's disclosure request. We have seen year on year that companies failing to disclose are more likely to complete the questionnaire for the first time after being directly engaged by financial institutions rather than just CDP requesting on their behalf. In 2022 we led this effort on five companies and supported for an additional 19 leveraging our strong existing relationships. We are continuing this in 2023.

Advance

Advance is a stewardship initiative that was launched at the end of 2022 where institutional investors work together to take action on human rights and social issues.

Investors use their collective influence with companies and other decision makers to drive positive outcomes for workers, communities and society. At a high-level, three key expectations have been set for the focus companies:

- Implement the United Nations Guiding Principles on Business and Human Rights (UNGPs) the guardrail of corporate conduct on human rights.
- Align their political engagement with their responsibility to respect human rights.
- Deepen progress on the most severe human rights issues in their operations and across their value chains.

Martin Currie is leading this collaborative engagement with Antofagasta, one of the target companies.

Climate Action 100+

CA100+ is an investor-led initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

It is the largest collaborative engagement to date with more than 700 asset owners and asset managers signed up, representing more than US\$68 trillion of AUM. In early 2020, as the engagement expanded the number of targeted companies to the current 167, there was an opportunity for us to join this collaborative engagement as the lead investor on an Indian company which we have been long-term holders of, and already have a strong relationship with.

Climate change is an important issue for our clients and for us as investors, and is routinely factored into our analysis of companies that we invest in. In signing up to this initiative we further our commitment to engaging with companies on climate change and it has therefore been exciting to join this engagement with the opportunity to drive change in this important area. This represents one of a number of ways in which we are engaging on climate change alongside our obligations under the NZAMI and private engagement with underlying portfolio holding companies.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

Rank the channels that are most important for your organisation in achieving its stewardship objectives.

☒ **(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**

Select from the list:

- ☒ 1
- ☐ 5

☐ (B) External investment managers, third-party operators and/or external property managers, if applicable

☒ **(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**

Select from the list:

- ☒ 4
- ☐ 5

☒ **(D) Informal or unstructured collaborations with investors or other entities**

Select from the list:

- ☒ 3
- ☐ 5

☒ **(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**

Select from the list:

- ☒ 2
- ☐ 5

☐ (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 27	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

How are your organisation's stewardship activities linked to your investment decision making, and vice versa?

Our aim when conducting our proprietary governance and sustainability analysis is to provide fundamental insight into material issues that can influence long-term returns for companies and to highlight potential areas for engagement. In addition, it allows us to assess where the companies in which we invest may have a material impact on key common issues such as climate change, human rights, cyber security and workers' rights. This is relevant because as an equity-only manager, the level of analysis and engagement prior to investment varies depending on region, sector and, critically, the materiality of the issues in question. The overarching aim is to assess the extent to which the identified factors will contribute to, or detract from, insights into the potential long-term value creation of a firm.

We use a variety of resources to identify potentially material governance and sustainability issues including third-party data along with other publicly available information from a company's sustainability or integrated reporting which we use to inform our proprietary governance and sustainability risk ratings. We use third-party data as an input rather than an output of our process. We believe it is important to have our own view on material governance and sustainability issues as this allows us to have a better-informed approach in relation to escalation and engagement as well as providing a source of insight for producing better risk adjusted returns.

Our governance and sustainability analysis is investor-led and fully integrated into our investment process. We explicitly model some of these impacts. For factors that are not as explicit, such as regulatory change, this can be stressed via a cost of capital sensitivity and can influence valuation and portfolio management decisions during acquisition and when holding investments. Since we started more than a decade ago, our approach has always been that in order to fully integrate this analysis, responsibility resides with the individual research specialists and portfolio managers rather than a siloed and separate team in order to increase its relevance and connection to investment decision making. Our Stewardship & ESG Council has specific oversight controls alongside a focus on continuous improvement and sharing best practice driven by the ESG Working Group.

At Martin Currie we focus on those factors that are relevant and material to the investment case. This applies equally to fundamental factors as to governance and sustainability factors.

The rationale for our stewardship and sustainability approach is best summarised as follows:

Our approach helps us to understand:

Potential risks and opportunities faced by the company, the quality and motivations of company leadership, how management approach and deal with issues

This means we can:

- Make informed decisions
- Identify issues that we want to engage on
- Monitor these issues through the holding period
- Strengthen our conviction in the business model
- Assess the extent to which sustainability factors are incorporated into their strategic planning

And our clients understand:

- The quality and motivations of company leadership
- How management approach and deal with issues and
- Have assurance that we are investing in line with their mandates and delivering the outcomes they desire.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 28	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

If relevant, provide any further details on your organisation's overall stewardship strategy.

In order to achieve our purpose of Investing to Improve lives, we have a commitment to:
 Integrating ESG analysis into the investment process with a focus on materiality and identification of risks, opportunities, and wider societal impact.
 Using engagement, the most powerful tool we have at our disposal, to influence companies to make positive change.
 Promoting a wider focus on stewardship through our proxy voting activities.
 Actively participate in industry initiatives to promote a more sustainable financial system.
 As such our purpose informs our overall approach to stewardship. Through our actions as investors, we can enable positive change for the many stakeholders in the world around us while delivering positive financial outcome for our clients.

We integrate ESG into our investment process first and foremost to protect and grow our clients' capital. However, we also recognise the impact that both corporates and investors can have to build a healthier and more sustainable economic and financial system that benefits us all. Across all our investment teams at Martin Currie, our wider purpose of Investing to Improve Lives is embedded deeply into our analysis and decision making, and it truly guides our actions as active owners.

As long-term investors, engagement and voting are two important tools we can use to make the biggest difference and discharge our stewardship duties on behalf of our clients.

Engagement allows us to further improve our understanding of the opportunities, demands and challenges companies face, as well as how these are being monitored and managed. It also provides us with the opportunity to promote and influence best practice and to actively push for change on ESG issues where necessary. Proxy voting is a key component of our active ownership and also plays a crucial role in our overall approach to engagement. When voting on behalf of our clients, we will always seek to vote in their best interests considering the long-term impact of these voting decisions. Our approach is framed by our global corporate governance principles, our proxy voting policy and, for some clients, their bespoke policy.

We commit to voting all proxies as far as possible. There are, however, other votes where following consideration and engagement, we will use voting as an 'escalation' tool and vote against management recommendations on more significant matters. We take an active and transparent approach to our voting activities with both the companies in which we invest and our clients. Where we are considering a vote against management, we aim to engage with them in advance by setting out our rationale clearly. We provide a full and public record of our voting activity each quarter on our website and review key themes around our voting and engagement activity as part of our ongoing client reporting and through our regular publications.

STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?

☒ **(A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes**

Select from the below list:

- ☒ **(1) in all cases**
- ☐ (2) in a majority of cases
- ☐ (3) in a minority of cases

☒ **(B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear**

Select from the below list:

- ☒ **(1) in all cases**
- ☐ (2) in a majority of cases
- ☐ (3) in a minority of cases
- ☐ (D) We do not review external service providers' voting recommendations
- ☐ (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How is voting addressed in your securities lending programme?

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other
- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?

- ☐ (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- ☐ (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- ☒ (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM
- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?

● (A) Yes, for all (proxy) votes

Add link(s):

https://www.martincurrie.com/__data/assets/pdf_file/0023/32936/2023-03-MCA-Voting-Disclosure-Report.pdf

https://www.martincurrie.com/__data/assets/pdf_file/0019/34354/Q1-2023.pdf

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?

	(1) In cases where we abstained or voted against management recommendations	(2) In cases where we voted against an ESG-related shareholder resolution
(A) Yes, we publicly disclosed the rationale		
(B) Yes, we privately communicated the rationale to the company	(2) for a majority of votes	(3) for a minority of votes
(C) We did not publicly or privately communicate the rationale, or we did not track this information	○	○
(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year	○	○

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?

We work with our proxy provider to look at vote confirmation.

ISS has a number of controls in place designed to ensure the highest levels of accuracy, quality and timeliness in the voting process. A dedicated internal Control and Audit team provides an objective and independent assessment on the processes and procedures across ISS business units. The Control and Audit team partners with internal departments to ensure appropriate levels of control are in place and assesses risk within the business units. The team has implemented numerous monitoring and oversight processes and controls designed to ensure the timeliness, accuracy and security of data used and/or transmitted in ISS' day-to-day business.

Although the mechanism for sending confirmations was made possible as result of SRD II, vote confirmations are not yet being received by voting investors/beneficial owners from the issuer/tabulator.

Consequently, ISS is able to verify the following:

- The proxy delivery agent has delivered ballots that match its clients' reported holdings
- The proxy delivery agent has received the voting instructions sent by ISS on behalf of its clients
- The proxy delivery agent has delivered the votes (in aggregate) to the tabulator

Once receipt of voting instructions has been acknowledged by the proxy delivery agent, ballot statuses on ProxyExchange update to "Sent." Upon confirmation the delivery agent has actioned the votes, ballot statuses on ProxyExchange update to "Confirmed."

A Vote Confirmation report is available on ProxyExchange for meetings and ballots and can be delivered to the client as needed.

For securities subject to SRD II, ISS will proactively request vote confirmation when sending client vote instructions through the intermediary chain. If the information is passed through the intermediary chain to ISS, ISS will provide confirmation via ProxyExchange or SWIFT that the vote instruction was lodged at the shareholder meeting.

STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

(1) Listed equity

(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input checked="" type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>

(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director

☒

(F) Divesting

☒

(G) Litigation

☐

(H) Other

☐

(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings

☐

STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?

- ☒ (A) Yes, we engaged with policy makers directly
- ☒ (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- ☒ (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- ☐ (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?

- ☒ (A) We participated in 'sign-on' letters
- ☒ (B) We responded to policy consultations
- ☒ (C) We provided technical input via government- or regulator-backed working groups

Describe:

One aspect we consider is how we can work with other stakeholders to promote continued improvement to the functioning of financial markets. There were a number of regulatory consultations in 2022 but the key development was the FCA consultation on Sustainability Disclosure Requirements (SDR) which was published in the Autumn. This will be pivotal in shaping the evolution of sustainable investment and stewardship in the UK market. The consultation process involved meetings with the FCA, bilateral meetings with the IA and membership of a small focus group established to review and provide feedback on the consultation. The result was a substantial and detailed feedback document produced by the IA and submitted to the regulator for consideration. We also submitted our own written response where we outlined the key strengths but also a number of challenges we identified in the proposed regime. Through our membership of the PRI Stewardship Advisory Committee we also contributed to the development of a guidance document to filing shareholder proposals. The paper guides investors as to how they can use shareholder proposals to drive improvements at investee companies on matters related to ESG issues. Practically, it offers suggestions to ensure that proposals are effective and impactful. Alongside this, eight country-specific factsheets were developed to provide an overview of the key legal and technical processes related to filing a shareholder proposal in key markets: Australia, Canada, France, Germany, Japan, South Africa, the UK and the US.

☒ **(D) We engaged policy makers on our own initiative**

Describe:

The FCA consultation on SDR which was published in the Autumn will be pivotal in shaping the evolution of sustainable investment and stewardship in the UK market. As such, alongside the contributions we made through the work with small focus group at the IA we also engaged directly with the FCA on this consultation. We submitted our own written response where we outlined the key strengths but also a number of challenges we identified in the proposed regime.

☐ (E) Other methods

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?

☒ **(A) We publicly disclosed all our policy positions**

Add link(s):

https://www.martincurrie.com/__data/assets/pdf_file/0023/19085/Climate-Engagement-and-Escalation-Policy.pdf

☒ **(B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

https://www.martincurrie.com/__data/assets/pdf_file/0014/31127/StewardshipAnnualReport2023.pdf

○ (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.

(A) Example 1:

Title of stewardship activity:

Governance -Achieve a majority independent board, as defined by global best practice standards.

(1) Led by

- ☒ (1) Internally led
 - ☐ (2) External service provider led
 - ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☐ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Asian Paints - India

Reason for engagement: As part of our governance analysis we identified the suboptimal board independence as an area of potential risk. Our governance risk rating of 2 indicates that we reflect positively on the business leadership, capital allocation and disclosure practices as part of our investment thesis. In contrast, we have highlighted the suboptimal approach to board independence as an area of potential risk, While the company definition does conform to Securities and Exchange Board of India (SEBI) rules, the classification of directors with more than 20 years tenure on the board is below global best practice.

Scope and process: Building upon our previous dialogue, we met with management and relayed our view that although we don't see any specific issues with either individual, we seek a majority independent board.

In line with previous communications, we outlined that although Asian Paints exceeds the Indian regulatory requirement for independent directors, we view Asian Paints as one of the leading companies in our investment universe and therefore we also seek the governance standards to be best in global class.

Outcome and next steps: Having escalated our engagement into our voting decisions due to the continued lack of a majority independent board, we had a further engagement with the company to discuss progress. During this, the company acknowledged it falls short of best practice but emphasised the ongoing journey of improvement it is on, with the audit committee now completely independent.

The company also outlined next steps towards improvement. The chairman (who we do not currently deem as independent due to his long tenure status) is retiring next year, and they will seek an independent replacement. The company is also seeking an additional independent director to appoint next year.

The company is aware of their investor expectations around board structure, and we continue to communicate with them regarding their progress towards an independent board.

(B) Example 2:

Title of stewardship activity:

Environmental - Encourage the company to set sciencebased Net Zero targets.

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☐ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Amcor - Australia

Reason for Engagement: Sustainability

Our analysis showed that in terms of net zero pathway, upstream scope 3 emissions are a key challenge for the

packaging sector and an ongoing area of focus. Encouragingly, important upstream suppliers have announced sizeable investments in recycled resin capacity in recent times, and we are increasingly optimistic around the mid-term prospects for chemical recycling which will be a key enabler of upstream scope 3 emission reductions for Amcor.

As part of our ongoing discussion with company management on broader sustainability topics, we had engaged regarding their decarbonisation strategy and lack of commitment to Net Zero targets.

The company had flagged as one of the few Australia Securities Exchange (ASX) 100 companies with more than 1m tonnes of Scope 1, 2 and 3 emissions but no 'Net Zero' commitment.

Scope & Process of Engagement: In late 2021, the company's response was that this was on the agenda for consideration, however they were grappling with the reality of setting targets for future management teams in the context of an uncertain pathway. They responded that the feedback was appreciated, especially their standing out on the above-mentioned screen of ASX 100 companies with high emissions. On the back of our engagement, we were pleased to see the company announce in early 2022 that it had further increased in its sustainability efforts by committing to Net Zero science-based targets. We recently met again with the Head of Sustainability and Investor Relations (IR) to discuss the commitment.

Amcor believe that Science Based Targets initiative (SBTi) is becoming industry standard and therefore it makes sense to have consistency in targets and disclosures with customers and others in the industry. Amcor have so far completed internal due diligence around reduction pathways for scope 1 and 2, and what assumptions would be required for scope 3, but have not yet set the actual targets. Given 80% of Amcor's emissions are scope 3, raw materials and the company's supply chain are critical to reaching Net Zero.

Engagement Outcome & Next Steps: Subsequent to our most recent engagement, Amcor announced in early 2022 their commitment to setting a science-based target under the SBTi process. Under the SBTi process Amcor has 24 months to submit its targets from date of commitment and we continue to engage with Amcor around its near term emission reduction efforts and longer term strategies. We will continue to engage with the company on this matter as they formulate their in-depth strategies to meet these targets and also on how they communicate these with investors.

(C) Example 3:

Title of stewardship activity:

CDP non-disclosure campaign - To encourage companies that are currently not disclosing to CDP on climate to start doing so.

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☒ (1) Environmental factors
- ☐ (2) Social factors
- ☒ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Climate change is a systemic risk and in order to be able to effectively assess the risks and the opportunities that this presents investors need companies to disclose in a consistent and accessible way. The CDP framework is widely accepted as benchmark for climate disclosures and is aligned with the TCFD framework.

Scope & Process: The Non-Disclosure Campaign (NDC) runs alongside the main CDP disclosure request and targets those companies that have failed to respond to at least one previous request to disclose from CDP.

At the start of the year we were given the opportunity to sign up to the campaign and select which companies held we wanted to engage with. We chose to lead the ongoing climate engagement on five companies and co-sign on an additional 19. In leading the engagement, we were responsible for directly liaising with companies and encouraging them to disclose.

For those where we were a co-signatory our name was added in support of the engagement. The initial contact to the companies is in the form of a disclosure request letter, sent by the lead and with the support of co-signers, clearly outlining their wish for the company to start disclosing.

Engagement Outcome: The success of the overall campaign is based on comparing disclosure rates of companies targeted through the NDC to the disclosure rates of a control group of companies. This reflects that there may be several factors influencing whether a company responds to CDP as well as the direct engagement that we and other financial institutions have. On this basis the CDP found that companies engaged through the NDC were 2 - 3 times more likely to disclose following direct engagement. Of the 24 companies that we engaged on the issue 10 submitted the CDP climate change questionnaire.

(D) Example 4:

Title of stewardship activity:

Advance - commencement of collaborative initiative

(1) Led by

- ☒ (1) Internally led
- ☐ (2) External service provider led
- ☐ (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- ☐ (1) Environmental factors
- ☒ (2) Social factors
- ☐ (3) Governance factors

(3) Asset class(es)

- ☒ (1) Listed equity
- ☐ (2) Fixed income
- ☐ (3) Private equity
- ☐ (4) Real estate
- ☐ (5) Infrastructure
- ☐ (6) Hedge funds
- ☐ (7) Forestry
- ☐ (8) Farmland
- ☐ (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Advance is a stewardship initiative that was launched at the end of 2022 where institutional investors work together to take action on human rights and social issues. Investors use their collective influence with companies and other decision makers to drive positive outcomes for workers, communities and society.

At a high-level, three key expectations have been set for the focus companies:

- Implement the United Nations Guiding Principles on Business and Human Rights (UNGPs) the guardrail of corporate conduct on human rights.
- Align their political engagement with their responsibility to respect human rights.
- Deepen progress on the most severe human rights issues in their operations and across their value chains.

Martin Currie is leading this collaborative engagement

with Antofagasta, one of the target companies. The engagement has recently commenced

(E) Example 5:

Title of stewardship activity:

Governance - Increase the proportion of Chairman/CEO total compensation that is variable and based on longer-term performance metrics.

- (1) Led by
- **(1) Internally led**
 - (2) External service provider led
 - (3) Led by an external investment manager, real assets third-party operator and/or external property manager
- (2) Primary focus of stewardship activity
- ☐ (1) Environmental factors
 - ☐ (2) Social factors
 - ☒ **(3) Governance factors**
- (3) Asset class(es)
- ☒ **(1) Listed equity**
 - ☐ (2) Fixed income
 - ☐ (3) Private equity
 - ☐ (4) Real estate
 - ☐ (5) Infrastructure
 - ☐ (6) Hedge funds
 - ☐ (7) Forestry
 - ☐ (8) Farmland
 - ☐ (9) Other
- (4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

HeroMotocorp - India

Our governance analysis raised concerns over the structure of the Chairman/CEO's compensation package, with our primary reservation being that his total compensation has been short-term driven and essentially fixed. We believe it is in the interests of shareholders that a greater proportion of senior leadership compensation should be driven by performance against long-term metrics and have a much higher variable component. We therefore incorporated this into our proprietary risk ratings. We note however that overall corporate governance at the company is strong.

Scope & Process of Engagement: We have engaged extensively with the company on this before, and previously escalated our feelings through voting on behalf of clients against the Chairman/CEO's compensation package.

we have continued our productive relationship with the company, and in Q1 of 2022 we met with Hero Motocorp, using this opportunity to reiterate our points previously expressed. We also recommended that there should be a fully independent Board-level remuneration and nominations committee, in line with our Global Corporate Governance Principles.

Engagement Outcome & Next Steps: There was some progress after our engagement. The company reported there will be a cap on the level of fixed compensation paid to the Chairman/CEO with a planned 40% variable component.

The latter will be based on a set of key performance indicators.

Additionally, there will be greater transparency going forward in relation to executive compensation. We would still encourage a greater component of variable pay, however this was a positive step forward.

CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

Has your organisation identified climate-related risks and opportunities affecting your investments?

☒ (A) Yes, within our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

For our research a typical investment time horizon is 5-7 years which typically aligns with company medium term targets in relation to climate change for 2030. As an equity only manager our approach is focused on this asset class Climate change analysis is integrated as standard as part of our approach. Responsibility for this sits with the portfolio managers.

Specific Financial Risks:

We have developed a proprietary Carbon Cost Analysis model, which, alongside carbon footprinting, external data and tools such as the Transition Pathway Initiative help us identify specific financial risks.

Stranded Asset Risk:

Our proprietary Carbon Cost Analysis model, which, alongside carbon footprinting, external data and tools such as the Transition Pathway Initiative also help us identify specific sectors or assets that are at risk of being stranded.

Direct Physical Risk:

Our analysis considers both transition and physical risk.

Exposure to direct physical risk is most evident in, for example (listed) infrastructure / real assets. We have access to external data and tools that also help in this analysis and help us identify assets that are exposed to direct physical risk.

Indirect Physical Risk:

We also recognise that for some companies the physical risk sits within their supply chain. Supply chain analysis is part of our overall analysis however we note that disclosure around this is very variable. There are some useful tools which can aid in this analysis but this remains work in progress.

Opportunities:

We know that the addressing climate change will require a significant change to the current economic model.

The transition to a lower carbon economy will create opportunities for innovative companies that are able to develop products or services that will benefit from this transition alongside companies that are already in a position to benefit from likely shifts in demand. Our climate and related analysis looks to understand these trends and identify potential beneficiaries under different scenarios. The combination of longevity of our ESG focus, the integration and the fact that investors are the ones doing the work means we are always focused on the opportunities as much as the risks.

Engagement:

As an asset manager we also recognise the role that we play in supporting the evolution of a sustainable financial system and in addressing climate change.

As an equity manager there is a clear role and opportunity for engagement in helping drive this change. Engagement around climate change is one area of focus for us.

☒ (B) Yes, beyond our standard planning horizon

Specify the risks and opportunities identified and your relevant standard planning horizon:

In addition to our reference framework highlighted above we recognise that climate change risks will evolve and develop over time. In terms of specific financial risks beyond our usual time horizon these relate in particular to unanticipated policy direction and an unanticipated escalation in the physical effects of climate change. We have written a number for research papers to help frame some of these risks - these can be found on our website.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?

● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Overall accountability for Stewardship and Sustainability as well as the overall approach climate change lies with the Board of Martin Currie. The Martin Currie Investment Management Limited (MCIM) Board is responsible for implementing the business strategy of the firm and owns and approves the risk appetite statements. They have delegated oversight and implementation of Stewardship and Sustainability to the Executive Committee. Martin Currie has established a Stewardship and ESG Council ("the Council") whose purpose is to provide a dedicated high-level decision making and oversight body in relation to Stewardship & Sustainability. The Council reports to the Executive Committee.

The Stewardship and ESG Council's purpose is to set and oversee the strategic and aspirational ESG related business targets and to oversee our overall approach to Stewardship and ESG. It is co-chaired by Michael Browne (Chief Investment Officer) and David Sheasby (Head of Stewardship, Sustainability and Impact). The members of the Council include senior managers from our investment teams. The Council reports to the Executive Committee.

The Board of Martin Currie is ultimately responsible for our operational risk management framework and for reviewing its effectiveness.

Martin Currie is committed to maintaining a strong framework of internal controls and, to achieve this, the risk management framework is based on a 'three lines of defence' model.

First line - Stewardship and Sustainability are integral elements of our investment process and are led by our portfolio managers and analysts who know the companies best and have day-to-day responsibility for investment decisions. Key ESG factors and proprietary assessments are incorporated into all investment decisions. An internal ESG Working Group has been established to continue to drive excellence in Stewardship and Sustainability across our investment teams.

Second line – Compliance are responsible for mandate compliance monitoring. The ESG Risk Oversight group is responsible for overseeing that process and mandate commitments are being observed. This includes but is not limited to – oversight of the proprietary governance and sustainability risk ratings, compliance with fund specific restrictions (both sector and norms based) and risk rating thresholds as well as monitoring, oversight and challenge on ESG risk data and controversies.

Third line - internal audit is a co-sourced arrangement between Deloitte and the Franklin Templeton Internal Audit function.

- (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 42	PLUS	N/A	N/A	PUBLIC	Climate change	General

Which sectors are covered by your organisation's strategy addressing high-emitting sectors?

☒ (A) Coal

Describe your strategy:

We recognise thermal coal as a particularly concerning and substitutable source of carbon emissions. We advocate that across all of our assets, consistent with the ambitions of the Paris Agreement, companies transition away from thermal coal mining and thermal coal power generation as fast as technically, economically and socially practical. A key aim is to have an actionable plan to exit thermal coal (defined as <5% revenue or generation) by 2030 in developed economies and 2040 in emerging economies.

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5-degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ (B) Gas

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities and recognises that frameworks for a 1.5 degree pathway for this industry remain under development. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ (C) Oil

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities and recognises that frameworks for a 1.5 degree pathway for this industry remain under development. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ (D) Utilities

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ (E) Cement

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions. Our work in this area is also informed by the work we are doing through CA100+ where we are leading the engagement with Ultratech, an Indian cement company

☒ **(F) Steel**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(G) Aviation**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(H) Heavy duty road**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(I) Light duty road**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(J) Shipping**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(K) Aluminium**

Describe your strategy

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(L) Agriculture, forestry, fishery**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(M) Chemicals**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(N) Construction and buildings**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(O) Textile and leather**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(P) Water**

Describe your strategy:

Engagement is our key focus and is framed by our expectations that companies work towards setting an actionable science-based plan in line with credible 1.5 degree pathways. We acknowledge that factors such as individual country starting points, clean energy development constraints, technology settings and end markets differ materially across companies. Our engagement and escalation activities will consider these complexities. Companies should ensure that their direct and indirect lobbying activities do not run counter to these ambitions.

☒ **(Q) Other**

Specify:

Net Zero Asset Managers Initiative commitment

Describe your strategy:

Martin Currie became a signatory to the Net Zero Asset Managers Initiative (NZAMI) in July 2021. Becoming a signatory involves a series of commitments to work towards achieving global Net Zero emissions by 2050 or sooner. We think that the best approach to drive reductions in real world emissions is to encourage companies to set and deliver credible science-based targets. By design, science-based targets are highly ambitious and require aggressive reductions within a relatively short timeframe (5 to 15 years). However, given that this window may exceed the (remaining) tenure of many board members, it may not be possible to have linkage of senior management compensation. We will be encouraging at least some element of incentive compensation to be linked to interim targets of decarbonisation strategies. We do understand this is a difficult commitment for some sectors, and one in which we, our clients and investee companies must all go on a journey to achieve. In some circumstances there may be a disconnect between setting targets that are consistent with 1.5°C climate science and the practicality of those targets, in terms of whether they are technologically viable.

- (R) We do not have a strategy addressing high-emitting sectors

Provide a link(s) to your strategy(ies), if available

https://www.martincurrie.com/__data/assets/pdf_file/0023/19085/Climate-Engagement-and-Escalation-Policy.pdf

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?

- ☐ (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- ☐ (B) Yes, using the One Earth Climate Model scenario
- ☒ (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- ☒ (D) Yes, using other scenarios

Specify:

We also use the REMIND model to look at portfolio sensitivities. This is built into one of our data providers to help support this analysis. REMIND (REgional Model of Investment and Development) is a numerical model that represents the future evolution of the world economies with a special focus on the development of the energy sector and the implications for our world climate. The goal of REMIND is to find the optimal mix of investments in the economy and the energy sectors of each model region given a set of population, technology, policy and climate constraints. It also accounts for regional trade characteristics on goods, energy fuels, and emissions allowances. All greenhouse gas emissions due to human activities are represented in the model. REMIND aims to help policy and other decision makers to plan ahead by understanding the roles, synergies and trade-offs between various factors, including population, resources, technologies, policies and the environment. Using REMIND, research and policy-relevant questions related to sustainability can be explored: Which technologies should we use in the future? What is the impact of policy proposals that are meant to prevent (mitigate) climate change? What are the consequences on economic development, air pollution, and land use?

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?

☒ **(A) Yes, we have a process to identify and assess climate-related risks**

(1) Describe your process

For our research a typical investment time horizon is 5-7 years which typically aligns with company medium term targets in relation to climate change for 2030. As an equity only manager our approach is focused on this asset class Climate change analysis is integrated as standard as part of our approach and is specifically captured in our Sustainability analysis. This includes the identification and assessment of climate-related risks. Responsibility for this sits with the portfolio managers. We identify and assess a range of climate-related risks.

Specific Financial Risks:

We have developed a proprietary Carbon Cost Analysis model, which, alongside carbon footprinting, external data and tools such as the Transition Pathway Initiative help us identify specific financial risks.

Stranded Asset Risk:

Our proprietary Carbon Cost Analysis model, which, alongside carbon footprinting, external data and tools such as the Transition Pathway Initiative also help us identify specific sectors or assets that are at risk of being stranded.

Direct Physical Risk:

Our analysis considers both transition and physical risk.

Exposure to direct physical risk is most evident in, for example (listed) infrastructure / real assets. We have access to external data and tools that also help in this analysis and help us identify assets that are exposed to direct physical risk.

Indirect Physical Risk:

We also recognise that for some companies the physical risk sits within their supply chain. Supply chain analysis is part of our overall analysis however we note that disclosure around this is very variable. There are some useful tools which can aid in this analysis but this remains work in progress.

Engagement: As an asset manager we also recognise the role that we play in supporting the evolution of a sustainable financial system and in addressing climate change.

As an equity manager there is a clear role and opportunity for engagement in helping drive this change. Engagement around climate change is one area of focus for us. Again, this is led by the portfolio managers.

(2) Describe how this process is integrated into your overall risk management

ESG and specifically climate change is incorporated into our standard investment risk management framework. This framework includes: regular risk reporting, regular risk conversations and meetings held between Investment Risk and the Investment teams (this includes quarterly review meetings that include ESG risks and limits), and monitoring thresholds/limits. For the regular risk reporting we produce a carbon footprint and climate report to outline the main potential risks and opportunities, and these can be monitored over time. To help manage material climate related risks and opportunities, we continue to deepen our fundamental research on each stock that we cover through enhancement in our assessment of carbon intensity. For example, in one of our strategies we can use we can use our proprietary geographic database, which estimates geographic exposures of revenues and profits to deploy our firmwide Carbon Cost Analysis on a more granular basis based on different country/regional approaches to carbon costs. Our framework permits us to flex our assumptions and approximate to different scenarios as we are mindful that carbon costs will differ by geography, depending on each region's momentum and appetite to increase carbon costs and incentivise companies to make more rapid progress towards reducing their carbon footprint.

☒ **(B) Yes, we have a process to manage climate-related risks**

(1) Describe your process

To help manage material climate related risks and opportunities, we continue to deepen our fundamental research on each stock that we cover through enhancement in our assessment of carbon intensity and overall management of climate-related risks focuses on engagement. As an active manager of long-term concentrated portfolios, we place a significant emphasis on stewardship. Engagement is a key element of this. We build strong relationships with investee companies and engage in a constructive manner. Our engagement is led by our investment analysts and portfolio managers and our focus will always be on issues that are most material, including ESG issues where applicable. Our approach to engagement and how we approach Stewardship more broadly is set out in our Stewardship and Engagement Policy.

Our analysis and engagement also frame our approach to how we vote the proxies on behalf of our clients. Our approach is set out in our Proxy Voting Policy with all our voting decisions made in-house and undertaken in accordance with our Global Corporate Governance Principles and in line with our clients' best interests.

(2) Describe how this process is integrated into your overall risk management

As outlines in (A) ESG and specifically climate change is incorporated into our standard investment risk management framework. This framework includes: regular risk reporting, regular risk conversations and meetings held between Investment Risk and the Investment teams (this includes quarterly review meetings that include ESG risks and limits), and monitoring thresholds/limits. For the regular risk reporting we produce a carbon footprint and climate report to outline the main potential risks and opportunities, and these can be monitored over time. To help manage material climate related risks and opportunities, we continue to deepen our fundamental research on each stock that we cover through enhancement in our assessment of carbon intensity. As an active owner engagement is one of the main tools that can be used to manage climate-related risks. The monitoring and oversight for this sits within our overall oversight structure of which risk management and ESG Risk Oversight are key parts

- (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and disclose?

☒ **(A) Exposure to physical risk**

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - **(1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- ☑ **(B) Exposure to transition risk**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - **(1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- ☑ **(C) Internal carbon price**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - **(1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- ☑ **(D) Total carbon emissions**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
- <https://www.franklintempleton.co.uk/resources-and-literature/literature/regulatory-templates>
- ☑ **(E) Weighted average carbon intensity**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
 - (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable
- <https://www.franklintempleton.co.uk/resources-and-literature/literature/regulatory-templates>
- ☐ (F) Avoided emissions
- ☐ (G) Implied Temperature Rise (ITR)
- ☐ (H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals
- ☑ **(I) Proportion of assets or other business activities aligned with climate-related opportunities**
 - (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - **(1) Metric or variable used**
 - (2) Metric or variable used and disclosed
 - (3) Metric or variable used and disclosed, including methodology
- ☑ **(J) Other metrics or variables**

Specify:

Climate engagement - engagements focused on climate and progress against these. These are all published in our stewardship annual report (https://www.martincurrie.com/_data/assets/pdf_file/0014/31127/StewardshipAnnualReport2023.pdf).

Client specific reports - we produce client reports each quarter that disclose a range of climate metrics (including the methodology) - carbon intensity (per \$mIn invested, per \$mIn sales and WACI), carbon emissions targets, impact solutions, exposure to fossil fuel reserves, potential emissions from fossil fuel reserves, portfolio alignment to net zero and climate engagement.

NZAMI targets and committed assets - as a signatory to NZAMI we disclose the percentage of assets committed to net zero and the targeted percentage of assets over time

We also disclose our operational emissions and targets associated with running our business

- (1) Indicate whether this metric or variable was used and disclosed, including the methodology
 - (1) Metric or variable used
 - (2) Metric or variable used and disclosed
 - **(3) Metric or variable used and disclosed, including methodology**
- (2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

https://www.martincurrie.com/__data/assets/pdf_file/0014/31127/StewardshipAnnualReport2023.pdf

- (K) Our organisation did not use or disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

During the reporting year, did your organisation disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?

☒ **(A) Scope 1 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - **(2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

https://www.martincurrie.com/__data/assets/pdf_file/0014/31127/StewardshipAnnualReport2023.pdf

☒ **(B) Scope 2 emissions**

- (1) Indicate whether this metric was disclosed, including the methodology
 - (1) Metric disclosed
 - **(2) Metric and methodology disclosed**
- (2) Provide links to the disclosed metric and methodology, as applicable

https://www.martincurrie.com/__data/assets/pdf_file/0014/31127/StewardshipAnnualReport2023.pdf

☐ **(C) Scope 3 emissions (including financed emissions)**

- (D) Our organisation did not disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) The UN Sustainable Development Goals (SDGs) and targets
- ☒ (B) The UNFCCC Paris Agreement
- ☒ (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- ☒ (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (E) The EU Taxonomy
- ☐ (F) Other relevant taxonomies
- ☐ (G) The International Bill of Human Rights
- ☒ (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☒ (I) The Convention on Biological Diversity
- ☐ (J) Other international framework(s)
- ☐ (K) Other regional framework(s)
- ☐ (L) Other sectoral/issue-specific framework(s)
- ☐ (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?

- ☒ (A) Identify sustainability outcomes that are closely linked to our core investment activities
- ☒ (B) Consult with key clients and/or beneficiaries to align with their priorities
- ☒ (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- ☒ (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- ☐ (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- ☐ (F) Understand the geographical relevance of specific sustainability outcome objectives
- ☐ (G) Other method
- ☐ (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities
- ☐ (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?

- ☒ (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- ☐ (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- ☒ (C) We have been requested to do so by our clients and/or beneficiaries
- ☒ (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- ☒ (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- ☐ (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- ☐ (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- ☐ (H) Other

HUMAN RIGHTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49	PLUS	PGS 47	PGS 49.1	PUBLIC	Human rights	1, 2

During the reporting year, what steps did your organisation take to identify and take action on the actual and potentially negative outcomes for people connected to your investment activities?

☒ (A) We assessed the human rights context of our potential and/or existing investments and projected how this could connect our organisation to negative human rights outcomes

Explain how these activities were conducted:

Our Responsible Investment Policy sets out our overall approach and specifically how we approach assessing risks associated with modern slavery and human rights. While acknowledging the heightened risk of particular sectors and geographies, as with any illegal activity, data and disclosure around modern slavery and exploitation is incomplete and non-specific, we believe that triangulating key risk factors in our proprietary investment analysis helps us identify those companies with the greatest exposure to this risk. We engage with companies to improve disclosure and encourage best practice.

The risk of modern slavery practices are examined in conjunction with labour and human rights risks. We expect companies to comply with the Guiding Principles on Business and Human Rights (UNGPs) and observe the OECD Guidelines for Multinational Enterprises. We also expect companies to comply with and report on any relevant regulatory obligations that apply in markets in which they are listed or operate. We believe companies should engage with supply chains, employees, customers and other stakeholders to avoid contributing to human rights impacts. Factors to consider for modern slavery include; vulnerable workers, complex business models, high risk product/service categories, high risk geographies.

We assess human rights risks alongside other risk exposures at the company level. Our corporate engagement typically focuses on the most material risks facing each company that, depending on circumstances, may relate to human rights.

We apply social screening to identify where there are potential risk of modern slavery or human rights issues. Where our analysis points to high exposure to human rights risks (based on geographic, industry or business model) or inadequate management of such risks at the company level the investment team will record this in their investment findings and engage with company management to better understand their position on managing human rights risk.

If the team becomes aware of an incident at one of the companies in the investment portfolio, involving harm to people or breaching human rights, they will follow up with the company in pursuit of improved practice.

Social characteristics are additionally analysed through various lenses, for example the lens of alignment with the UN Sustainable Development Goals to help build an understanding of the business and the lens of compliance with the UN Global Compact

As an asset manager based in the UK, we operate our business in accordance with the Modern Slavery Act 2015.

This act derives its principles from the European Convention on Human Rights. S54 of this act requires organisations with a total turnover greater than £36 million to prepare a slavery and human trafficking statement. This statement is publicly available on our website and sets out the steps we take to ensure our business and supply chains are free of slavery.

☐ (B) We assessed whether individuals at risk or already affected might be at heightened risk of harm

☐ (C) We consulted with individuals and groups who were at risk or already affected, their representatives and/or other relevant stakeholders such as human rights experts

☐ (D) We took other steps to assess and manage the actual and potentially negative outcomes for people connected to our investment activities

☐ (E) We did not identify and take action on the actual and potentially negative outcomes for people connected to any of our investment activities during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.1	PLUS	PGS 49	N/A	PUBLIC	Human rights	1, 2

During the reporting year, which stakeholder groups did your organisation include when identifying and taking action on the actual and potentially negative outcomes for people connected to your investment activities?

☒ **(A) Workers**

Sector(s) for which each stakeholder group was included

- ☒ **(1) Energy**
- ☒ **(2) Materials**
- ☒ **(3) Industrials**
- ☒ **(4) Consumer discretionary**
- ☒ **(5) Consumer staples**
- ☒ **(6) Healthcare**
- ☒ **(7) Finance**
- ☒ **(8) Information technology**
- ☒ **(9) Communication services**
- ☒ **(10) Utilities**
- ☒ **(11) Real estate**

☒ **(B) Communities**

Sector(s) for which each stakeholder group was included

- ☒ **(1) Energy**
- ☒ **(2) Materials**
- ☒ **(3) Industrials**
- ☒ **(4) Consumer discretionary**
- ☐ (5) Consumer staples
- ☐ (6) Healthcare
- ☐ (7) Finance
- ☐ (8) Information technology
- ☐ (9) Communication services
- ☒ **(10) Utilities**
- ☒ **(11) Real estate**

☒ **(C) Customers and end-users**

Sector(s) for which each stakeholder group was included

- ☐ (1) Energy
- ☐ (2) Materials
- ☐ (3) Industrials
- ☐ (4) Consumer discretionary
- ☒ **(5) Consumer staples**
- ☒ **(6) Healthcare**
- ☒ **(7) Finance**
- ☒ **(8) Information technology**
- ☒ **(9) Communication services**
- ☐ (10) Utilities
- ☐ (11) Real estate

☐ **(D) Other stakeholder groups**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 49.2	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, what information sources did your organisation use to identify the actual and potentially negative outcomes for people connected to its investment activities?

☒ **(A) Corporate disclosures**

Provide further detail on how your organisation used these information sources:

We use corporate disclosures as a primary source of information focussing on disclosures within financial and annual reports as well as specific sustainability disclosures. We use this information as a basis for engagement, in assessing relevant and material risks and opportunities and for tracking progress on company specific initiatives.

☒ **(B) Media reports**

Provide further detail on how your organisation used these information sources:

We monitor newsflow and incidents to help identify actual or potential negative outcomes connected to companies that we are invested in.

☒ **(C) Reports and other information from NGOs and human rights institutions**

Provide further detail on how your organisation used these information sources:

Organisations such as the World Benchmarking Alliance have a robust analytical framework and report on how companies benchmark against their criteria that are based on the UNGPs. In addition, Walkfree.org produces the Global Slavery Index that provides national estimates of modern slavery across 160 countries.

☐ **(D) Country reports, for example, by multilateral institutions, e.g. OECD, World Bank**

☒ **(E) Data provider scores or benchmarks**

Provide further detail on how your organisation used these information sources:

MSCI ESG research – covers most of the MSCI ACWI constituents and produces industry research, focusing on: key material Environmental, Social and Governance risks and opportunities by industry, with a focus on financial implications; and company reports, based on how individual companies are performing against these risks and opportunities, and ranking them relative to peers. In addition, they provide carbon emissions data, carbon intensity and historic time-series of these for each company. NGOs such as the WBA or the Walkfree.org Global Slavery Indices also benchmark companies and countries.

☒ **(F) Human rights violation alerts**

Provide further detail on how your organisation used these information sources:

MSCI ESG research also produce an assessment of corporate performance against internationally accepted normative standards of behaviour, with the UN Global Compact supporting effective benchmarking.

☒ **(G) Sell-side research**

Provide further detail on how your organisation used these information sources:

Some of the leading brokerage houses produce ESG-themed research as part of their general research offering and incorporate relevant and material ESG factors into their stock research. This research can help frame the risks and opportunities both in broad terms and at a company level.

☐ **(H) Investor networks or other investors**

☐ **(I) Information provided directly by affected stakeholders or their representatives**

☐ **(J) Social media analysis**

☐ **(K) Other**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 50	PLUS	PGS 47	N/A	PUBLIC	Human rights	1, 2

During the reporting year, did your organisation, directly or through influence over investees, enable access to remedy for people affected by negative human rights outcomes connected to your investment activities?

☐ (A) Yes, we enabled access to remedy directly for people affected by negative human rights outcomes we caused or contributed to through our investment activities

☒ **(B) Yes, we used our influence to ensure that our investees provided access to remedies for people affected by negative human rights outcomes we were linked to through our investment activities**

Describe:

We have been working with an investee company where the operations have had a material negative impact on local communities. The group is seeking to divest these operations but in doing so is also seeking to put in place appropriate safeguards and remediation for the communities impacted.

☐ (C) No, we did not enable access to remedy directly, or through the use of influence over investees, for people affected by negative human rights outcomes connected to our investment activities during the reporting year

LISTED EQUITY (LE)

OVERALL APPROACH

MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?

(3) Active - fundamental

(A) Yes, our investment process incorporates material governance factors

(1) for all of our AUM

(B) Yes, our investment process incorporates material environmental and social factors

(1) for all of our AUM

(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period

(1) for all of our AUM

(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion

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(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

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MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?

(3) Active - fundamental

(A) Yes, we have a formal process that includes scenario analyses

(1) for all of our AUM

(B) Yes, we have a formal process, but it does not include scenario analyses

(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion

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(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies

o

(A) Yes, we have a formal process that includes scenario analysis - Specify: (Voluntary)

A central tenet to our approach to stewardship and sustainability is that responsibility for carrying out analysis and stewardship sits with the investment teams. This creates clear accountability and, in our view, provides the best method for authentically integrating this into investment decisions. Overall accountability lies with the Board of Martin Currie. They have delegated oversight and implementation of stewardship and sustainability to the Executive. Overseeing stewardship and sustainability strategy at the firm is the Stewardship & ESG Council (the Council).

This body was created in 2021 to have a dedicated high-level forum specifically related to stewardship and sustainability at Martin Currie, to oversee the corporate approach to sustainability, to ensure that we are fulfilling our stewardship responsibilities and to provide a channel for assurance, feedback, evolution and improvement of our stewardship activities.

There are also three structured forums which help monitor and review changes and implications of these for our investment strategies namely our ESG Working Group which is focused on the work of our investment teams, our Regulatory Working Group which reviews upcoming regulation and our ESG Oversight and Investment Risk Group which is responsible for overseeing process and mandate compliance and the risk profiles of portfolios. All of these forums allow us to monitor and review upcoming changes or emerging trends and allow us to build an understanding of the implications that they may have. There is regular formal reporting up to the Council and an Investment Governance Committee to ensure Executive awareness of any implications from potential changing ESG trends.

PRE-INVESTMENT

ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?

(2) Active - fundamental

(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process

(1) in all cases

(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process

(1) in all cases

(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?

(3) Active - fundamental

(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors	(1) in all cases
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(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors	(1) in all cases
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(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability	(1) in all cases
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(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors	
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(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process	o
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ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

AGL Energy (AGL)

Australian energy company

The CEO's sudden resignation in April 2021 during a critical time of the de-merger proposal, being a split into two business - carbon neutral, 'AGL Australia', and carbon intensive, 'Accel Energy'. AGL has seen significant change in senior management in recent years, with this departure showing the CEO's lack of long-term commitment, and given the Chairman became CEO, this indicates a lack of succession planning. There was difficulty in finding a new CEO that could commit to five years in the position. To us this was not a great outcome and resulted in the downgrading of our Management rating from 3 to 4.

We also downgraded our Governance rating from 2 to 3. The overall Quality rating was subsequently downgraded from 3 to 4.

Reason for Engagement: Governance and Sustainability

We had concerns that the de-merger would result in significant costs, dis-synergies and risks from less vertical integration. We also saw merit in the Mike Cannon Brookes' proposition that the AGL Board has not handled this balance well for shareholders and the energy transition.

Objective:

Following fully assessing the pros and cons of the demerger move our objective was to stop the demerger on its proposed terms and engage with the company to find alternative solutions.

Scope & Process of Engagement:

We engaged extensively with AGL and other stakeholders such as Cannon Brooks (Grok), environmental groups, energy groups and proxy advisors.

We were looking to formulate ways to reduce the cons under each scenario to best position AGL for future shareholder returns, based on an assumption of the need for an orderly

Net Zero transition. We believe in the long-term the economics and transition credentials of AGL will be better kept together rather than the parts left in demerger. The combined entity is best positioned to develop a stronger Paris-aligned transition plan, lower its cost of capital, as well as better manage increasingly volatile energy markets.

Engagement Outcome & Next Steps:

AGL Energy had been proposing to split into two businesses, AGL Australia (to house their non-coal assets) and Accel Energy (carbon intensive assets), with a shareholder vote on the subject to take place in June 2022.

We advised the AGL board that we were not supportive of the proposed split, hoping that the company would not proceed with the demerger. The proposal was subsequently withdrawn. Going forward, we will be engaging with AGL to ensure the board has good governance, and the required expertise and vision, particularly experience with the energy transition. In terms of our engagement next steps a much stronger Paris-aligned strategy is very important in unlocking the true value of AGL and we will be engaging for the company to establish this.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?

(3) Active - fundamental

(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process

(1) for all of our AUM

(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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POST-INVESTMENT

ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?

- ☒ (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- ☒ (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- ☒ (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- ☐ (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?

(2) Active - fundamental

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings



(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents



(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities



(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents



(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion



(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.

Our Improving Society strategy has established a position in Valmont Industries. Valmont's accelerated growth ambitions (essentially growing above market) in identified markets and (M-HSD% in total) over the medium term are driven by their focus on key areas of demand in relation to sustainability in two key areas (water conservation and use in agriculture) and climate adaptation and resilience within their infrastructure division. We have incorporated assumptions around the opportunities for growth identified through our sustainability and impact analysis directly in our assumptions around the sales growth of the business over the next 5 years forming a significant part of both our relative multiples-based valuation. In addition to the direct impact on the sales line of sustainability related growth opportunities we have also reduced the cost of equity used in our DCF to account for the lack of substitutability, significant new market opportunities and significant impact opportunity internationally which is likely to continue to be supportive of financial returns over the longer term and should be incorporated into valuation. This has resulted in a high impact and investment conviction rating for the stock which has a direct influence on portfolio weighting. Our high level of conviction has allowed us to look through temporary, cyclical headwinds for the agricultural division in making our assessment of the value of the business.

DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- ☒ (A) We share a list of ESG screens
- ☒ (B) We share any changes in ESG screens
- ☒ (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- ☐ (D) We do not share the above information for all our listed equity assets subject to ESG screens

SUSTAINABILITY OUTCOMES (SO)

SETTING TARGETS AND TRACKING PROGRESS

SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

☒ **(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☐ (1) The UN Sustainable Development Goals (SDGs) and targets

☒ **(2) The UNFCCC Paris Agreement**

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors

☐ (5) The EU Taxonomy

☐ (6) Other relevant taxonomies

☐ (7) The International Bill of Human Rights

☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions

☐ (9) The Convention on Biological Diversity

☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

☒ **(1) Environmental**

☐ (2) Social

☒ **(3) Governance-related**

☐ (4) Other

(3) Sustainability outcome name

As a member of NZAMI working with portfolio companies to disclose their emissions, align with the ambitions of the Paris Agreement and establish governance structures to oversee this and set science-based targets

(4) Number of targets set for this outcome

☐ (1) No target

☒ **(2) One target**

☐ (3) Two or more targets

☒ **(B) Sustainability outcome #2**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

☐ (1) The UN Sustainable Development Goals (SDGs) and targets

☐ (2) The UNFCCC Paris Agreement

☐ (3) The UN Guiding Principles on Business and Human Rights (UNGPs)

- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☒ **(9) The Convention on Biological Diversity**
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☒ **(1) Environmental**
- ☐ (2) Social
- ☒ **(3) Governance-related**
- ☐ (4) Other

(3) Sustainability outcome name

Working with portfolio companies to understand impact and dependency on biodiversity and elevate policies and disclosures in this regard and establish governance structures to oversee this.

(4) Number of targets set for this outcome

- ☐ (1) No target
- ☒ **(2) One target**
- ☐ (3) Two or more targets

☒ **(C) Sustainability outcome #3**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☒ **(1) The UN Sustainable Development Goals (SDGs) and targets**
- ☐ (2) The UNFCCC Paris Agreement
- ☒ **(3) The UN Guiding Principles on Business and Human Rights (UNGPs)**
- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- ☐ (1) Environmental
- ☒ **(2) Social**
- ☒ **(3) Governance-related**
- ☐ (4) Other

(3) Sustainability outcome name

Addressing human inequity

(4) Number of targets set for this outcome

- ☒ **(1) No target**
- ☐ (2) One target
- ☐ (3) Two or more targets

☒ **(D) Sustainability outcome #4**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- ☐ (1) The UN Sustainable Development Goals (SDGs) and targets
- ☐ (2) The UNFCCC Paris Agreement
- ☒ **(3) The UN Guiding Principles on Business and Human Rights (UNGPs)**

- ☐ (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- ☐ (5) The EU Taxonomy
- ☐ (6) Other relevant taxonomies
- ☐ (7) The International Bill of Human Rights
- ☐ (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- ☐ (9) The Convention on Biological Diversity
- ☐ (10) Other international, regional, sector-based or issue-specific framework(s)
- (2) Classification of sustainability outcome
 - ☐ (1) Environmental
 - ☒ (2) **Social**
 - ☐ (3) Governance-related
 - ☐ (4) Other
- (3) Sustainability outcome name

Advance collaborative engagement - start of the process with role as lead investor on Antofagasta

- (4) Number of targets set for this outcome

- ☒ (1) **No target**
- ☐ (2) One target
- ☐ (3) Two or more targets

- ☐ (E) Sustainability outcome #5
- ☐ (F) Sustainability outcome #6
- ☐ (G) Sustainability outcome #7
- ☐ (H) Sustainability outcome #8
- ☐ (I) Sustainability outcome #9
- ☐ (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your nearest-term targets.

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	As a member of NZAMI working with portfolio companies to disclose their emissions, align with the ambitions of the Paris Agreement and establish governance structures to oversee this and set science-based targets
(1) Target name	Science-based targets set
(2) Baseline year	2020

(3) Target to be met by	2030
(4) Methodology	Identify whether companies have committed to or have set science-based targets consistent with a 1.5°C pathway and aggregate these to a portfolio level percentage
(5) Metric used (if relevant)	Percentage of companies within portfolios which have set science-based targets consistent with a 1.5°C pathway
(6) Absolute or intensity-based (if relevant)	
(7) Baseline level or amount (if relevant):	Varies by portfolio but is established as a 2020 baseline, based on the proportion of the portfolio invested in companies with science-based targets at the time
(8) Target level or amount (if relevant)	Coverage by 2030 based on a linear progression between the baseline date and 100% as at 2040
(9) Percentage of total AUM covered in your baseline year for target setting	18%
(10) Do you also have a longer-term target for this?	(1) Yes

(B1) Sustainability Outcome #2: Target details

(B1) Sustainability Outcome #2:	Working with portfolio companies to understand impact and dependency on biodiversity and elevate policies and disclosures in this regard and establish governance structures to oversee this.
(1) Target name	Biodiversity policy in place
(2) Baseline year	2021
(3) Target to be met by	
(4) Methodology	Surveyed ASX200 companies on their approach biodiversity notably whether they identified biodiversity as a material risk, whether they had a biodiversity policy in place and the oversight of this. This information provides a foundation for engagement and how to get companies to factor biodiversity risk into their overall strategy and approach

(5) Metric used (if relevant)	Percentage with biodiversity policy	
(6) Absolute or intensity-based (if relevant)		(1) Absolute
(7) Baseline level or amount (if relevant):	46% (by number) of companies responded - of these 20% have a stand-alone biodiversity policy or have it as part of a broader policy.	
(8) Target level or amount (if relevant)	50%	
(9) Percentage of total AUM covered in your baseline year for target setting	20%	
(10) Do you also have a longer-term target for this?		(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

For each sustainability outcome, provide details of up to two of your long-term targets.

	(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)
(A1) Sustainability Outcome #1: As a member of NZAMI working with portfolio companies to disclose their emissions, align with the ambitions of the Paris Agreement and establish governance structures to oversee this and set science-based targets	Science-based targets set	2040	100% coverage by 2040 with an interim target established for 2030 based on a linear progression between the baseline date and 2040
(B1) Sustainability Outcome #2: Working with portfolio companies to understand impact and dependency on biodiversity and elevate policies and disclosures in this regard and establish governance structures to oversee this.	Biodiversity policy in place		100% of companies have biodiversity policy in place

FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.

- ☒ (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- ☐ (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- ☒ (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
 - ☐ (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
 - ☐ (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
NZAM 1	PLUS	NZAM, SO 3	SO 3.1, SO 3.2	PUBLIC	Focus: Setting net-zero targets	General

Select the relevant asset class breakdown for your organisation to report on your net-zero targets.

- (A) PRI's standard asset class breakdown
 - (B) Asset class breakdown as per the NZAOA's Target Setting Protocol

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.1	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

Provide details of your nearest-term net-zero targets per asset class.

(A) PRI asset class breakdown

☒ Listed equity

Target details

(A) PRI asset class breakdown: Listed equity

(1) Baseline year 2020

(2) Target to be met by 2030

(3) Emissions included in target

(1) Scope 1
(2) Scope 2
(3) Scope 3

(4) Methodology

Our target is that by 2030 a minimum percentage of every committed portfolio's NAV will be in companies with a Science-Based Target (or other equivalent independently verified target), consistent with a linear increase from the portfolio's 2020 baseline value to 100% by 2040. Because of the significant variation in starting points across portfolios we believe a portfolio specific rather than a firm-wide target is most appropriate. A specific target is set for each committed portfolio and we use the same process of evaluating a linear increase from the relevant portfolio's baseline value to establish this.

Scope 1,2 and 3 are covered using the SBTi-Fi approach. For the SBT Portfolio Coverage approach, Scope 3 is implicitly included as SBTi validation requires Scope 3 inclusion where Scope 3 emissions represent 40% or more of the company's overall footprint.

For the SBT Portfolio Coverage glidepath, the underlying targets being set are consistent with science-based pathways. SBTi scenarios primarily use scenarios from the Integrated Assessment Modelling Consortium (IAMC) and International Energy Agency (IEA).

These targets can be derived using the sectoral decarbonisation approach (SDA) where industry-specific guidance is available, which has a pathway for 1.5°C. The absolute contraction approach (4% in absolute terms or 7% in intensity terms) is also sufficiently rigorous to be consistent with science-based pathways.

(5) Metric used

(9) Other

(6) Baseline amount

The 2020 baseline amount is set out per portfolio for each portfolio included in the initial committed assets.

(7) Current amount (if different from baseline amount)

(8) Targeted reduction with respect to baseline

(9) Percentage of total AUM covered in your baseline year for target setting

18%

(10) If coverage is below 100% for this asset class, explain why

As a member of NZAMI we will be working with clients to increase the committed assets to 100% by 2050

- ☐ Fixed income
- ☐ Private equity
- ☐ Real estate
- ☐ Infrastructure
- ☐ Hedge funds
- ☐ Forestry
- ☐ Farmland
- ☐ Other

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.3	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

Provide details of your net-zero targets for specific mandates or funds.

☒ **(A) Fund or mandate #1**

(1) Name of mandate or fund

Global Emerging Markets Mandate

(2) Target details

Target is that by 2030 a minimum percentage of the portfolio's NAV will be in companies with a verified target, based on science, consistent with a linear increase from the portfolio's 2020 baseline value to 100% by 2040.
For this Global Emerging Markets mandate this 2030 target is 51%

☒ **(B) Fund or mandate #2**

(1) Name of mandate or fund

Global Equity mandate

(2) Target details

Target is that by 2030 a minimum percentage of the portfolio's NAV will be in companies with a verified target, based on science, consistent with a linear increase from the portfolio's 2020 baseline value to 100% by 2040.
For this Global Equity mandate this 2030 target is 59%

☐ (C) Fund or mandate #3

☐ (D) Fund or mandate #4

☐ (E) Fund or mandate #5

☐ (F) Fund or mandate #6

☐ (G) Fund or mandate #7

☐ (H) Fund or mandate #8

☐ (I) Fund or mandate #9

☐ (J) Fund or mandate #10

TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

(A1) Sustainability outcome #1:

(A1) Sustainability outcome #1:

As a member of NZAMI working with portfolio companies to disclose their emissions, align with the ambitions of the Paris Agreement and establish governance structures to oversee this and set science-based targets

Target name:

Science-based targets set

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

(B1) Sustainability outcome #2:

(B1) Sustainability outcome #2:

Working with portfolio companies to understand impact and dependency on biodiversity and elevate policies and disclosures in this regard and establish governance structures to oversee this.

Target name:

Biodiversity policy in place

Does your organisation track progress against your nearest-term sustainability outcome targets?

(2) No
Explain why not:
We will be monitoring progress against this but this process has only just started. We are trialling biodiversity data vendors to assess which is most appropriate for our purposes.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?

(A1) Sustainability Outcome #1: Target details

(A1) Sustainability Outcome #1:	As a member of NZAMI working with portfolio companies to disclose their emissions, align with the ambitions of the Paris Agreement and establish governance structures to oversee this and set science-based targets
(1) Target name	Science-based targets set
(2) Target to be met by	2030
(3) Metric used (if relevant)	Percentage of companies within portfolios which have set science-based targets consistent with a 1.5°C pathway
(4) Current level or amount (if relevant)	The progress is measured for each particular portfolio and reported to the respective clients on a quarterly basis. Note also that we report on committed assets with a target of 100% of clients committed by 2050. At the end of 2022 we had 18.9% of AUM committed.
(5) Other qualitative or quantitative progress	
(6) Methodology for tracking progress	<p>The Science Based Targets for Financial Institutions (SBTi-Fi) using the portfolio coverage approach is being used as the framework and for tracking progress. We therefore monitor the percentage of the portfolio's NAV in companies with a verified target, based on science. We also monitor and report on the percentage of NAV: Committed: Committed means that a company has committed to setting a science-based target.</p> <p>This process in the Science Based Targets initiative (SBTi) takes up to 24 months from making an initial commitment to having a target verified.</p> <p>Targets Set: Those with targets set have gone through a process of having their submission validated against science-based criteria.</p>

These criteria can be set using either the absolute contraction approach or the sectoral decarbonisation approach for hard to abate sectors.

Not yet committed: Those companies who have not yet either committed to or set a verified target based in science. For these companies we will use active engagement to encourage them on this journey starting with the disclosure of carbon emissions and leading in the long-term for an expectation that they will set science-based targets.

INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

- ☒ (A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets
 Select from drop down list:
☒ (1) Individually
☒ (2) With other investors or stakeholders
- ☐ (B) Stewardship: engagement with external investment managers
- ☐ (C) Stewardship: engagement with policy makers
- ☐ (D) Stewardship: engagement with other key stakeholders
- ☐ (E) Capital allocation
- ☐ (F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year

STEWARDSHIP WITH INVESTEEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Across all sustainability outcomes

(1) Describe your approach

Our approach to use of stewardship to take action on sustainability outcomes is built on our overall approach to stewardship.

Engagement is a key element of our stewardship approach, how we manage our client's assets and how we deliver long-term value for them. What we engage on is informed by our analysis of the material governance and sustainability risks that each company faces, how they are managing and mitigating these and the disclosures that they make in this regard. Our engagement is also informed by the broader systemic issues that have the potential to impact many companies and different parts of the financial ecosystem – the most pertinent example being climate change. Our engagement is not just with companies but also with regulators and policy makers to support the evolution of a sustainable financial system. As long-term investors, engagement and voting can make a meaningful difference. To achieve the greatest impact, engagement and voting is done by those carrying out sustainability analysis and making investment decisions: our investment teams.

To ensure our engagement efforts lead to better informed investment decisions, we apply a systematic approach centred on materiality and outcomes. By focusing primarily on positive change, we ensure better relationships with the companies we engage with.

Identifying material sustainability issues

Our portfolio managers and research specialists use a variety of proprietary and third-party research to identify potentially material stewardship and sustainability issues. We use third party data as an input rather than an output of our process. We believe it is important to have our own view on material governance and sustainability issues, as this gives us a better-informed approach to engagement, voting and escalation, as well as providing a source of insight for addressing sustainability outcomes and producing better risk-adjusted returns.

Analysing and setting objectives

Our fundamental sustainability analysis concentrates on understanding how these factors may influence the ability of the company to generate long-term sustainable returns.

The investment team express these views in our Governance and Sustainability risk ratings. These proprietary risk ratings assess each measure of Governance and Sustainability from 1 (low risk) to 5 (high risk) representing our analysis of material issues for each investment.

The rating framework is set out in a series of consistent areas that allows us to leverage our knowledge and the context of the underlying companies. The analytical framework helps to identify risks, opportunities and areas for engagement. Where the frameworks have identified an issue requiring change or greater clarity, the portfolio manager/analyst will set the sustainability engagement objectives and monitor the outcomes.

Constructive and systematic engagement

Recognising that engagement often takes considerable time depending on the nature of the issue, we systematically track, record and report on progress, again using a scale of 1 to 5, with '1' representing initial contact with the company, and '5' recording the company has successfully addressed the issue.

We recognise the value of collective action in relation to systemic risks. Systemic risks by their nature are caused by factors beyond the control of a specific company and cannot be diversified away by holding a large number of securities. Climate change is an obvious example of this kind of systemic risk. Although most of our engagement is private, where an issue is systemic and therefore likely to impact a broad range of companies and stakeholders, we believe that this requires (and starts with) a more collaborative approach to engagement. We participate in a number of collaborative efforts to address specific issues that impact at companies held in our portfolios. Finding a coalition of like-minded shareholders is a good way of sharing knowledge and can generate more tangible results than acting alone.

Proxy voting plays a crucial role in our overall approach to engagement. While we always seek a constructive dialogue with company management, there are occasions where we will use voting as an 'escalation' tool. This can include voting against management recommendations on significant matters or voting against director elections. We will always try to advise company management of our voting intentions in good time ahead of the vote to encourage further dialogue.

(2) Stewardship tools or activities used

(1) Engagement
(2) (Proxy) voting at shareholder meetings

(3) Example

Amcor - Australia

Reason for Engagement: Sustainability

Our analysis showed that in terms of net zero pathway, upstream scope 3 emissions are a key challenge for the packaging sector and an ongoing area of focus.

Encouragingly, important upstream suppliers have announced sizeable investments in recycled resin capacity in recent times, and we are increasingly optimistic around the mid-term prospects for chemical recycling which will be a key enabler of upstream scope 3 emission reductions for Amcor.

As part of our ongoing discussion with company management on broader sustainability topics, we had engaged regarding their decarbonisation strategy and lack of commitment to Net Zero targets. The company had flagged as one of the few ASX 100 companies with more than 1m tonnes of Scope 1, 2 and 3 emissions but no 'Net Zero' commitment.

Scope & Process of Engagement: In late 2021, the company's response was that this was on the agenda for consideration, however they were grappling with the reality of setting targets for future management teams in the context of an uncertain pathway.

They responded that the feedback was appreciated, especially their standing out on the above-mentioned screen of ASX 100 companies with high emissions. On the back of our engagement, we were pleased to see the company announce in early 2022 that it had further increased in its sustainability efforts by committing to Net Zero science-based targets.

We recently met again with the Head of Sustainability and Investor Relations (IR) to discuss the commitment.

Amcor believe that Science Based Targets initiative (SBTi) is becoming industry standard and therefore it makes sense to have consistency in targets and disclosures with customers and others in the industry. Amcor have so far completed internal due diligence around reduction pathways for scope 1 and 2, and what assumptions would be required for scope 3, but have not yet set the actual targets.

Given 80% of Amcor's emissions are scope 3, raw materials and the company's supply chain are critical to reaching Net Zero.

Engagement Outcome & Next Steps: Subsequent to our most recent engagement, Amcor announced in early 2022 their commitment to setting a science-based target under the SBTi process. Under the SBTi process Amcor has 24 months to submit its targets from date of commitment and we continue to engage with Amcor around its near-term emission reduction efforts and longer term strategies. We will continue to engage with the company on this matter as they formulate their in-depth strategies to meet these targets and also on how they communicate these with investors.

(B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

As a member of NZAMI working with portfolio companies to disclose their emissions, align with the ambitions of the Paris Agreement and establish governance structures to oversee this and set science-based targets

(1) Describe your approach

Engagement is at the heart of how we plan to achieve our Net Zero ambitions. We have recognised that to be effective, a detailed framework and approach needs to be in place.

We have captured our specific Net Zero engagement approach in a new Climate Engagement & Escalation policy. Our engagement work will focus on the three key stages of what we refer to as our 'expectations ladder'. The ambition in each of these steps is to provide a roadmap for corporates to set their own climate ambitions, report transparently to our clients on our progress, and hold ourselves to account in helping meet these targets.

1. Disclosure:

It is often said “You can’t manage what you don’t measure”. Almost half of global companies still do not report on their emissions and this needs to change rapidly.

Through engagement, we are

encouraging companies to disclose their emissions as the first stage in being able to manage them effectively. This is a key reason we have become a lead investor in industry-wide collaborative engagements such as the CDP’s 2022 Non-Disclosure Campaign to take collective action to influence change and best practice.

2. Taking initial action on climate:

Our next step will include high level engagement with corporates who have not yet set science-based targets. We refer to companies in this phase as taking ‘Initial climate action’, and through engagement, we will look to support them to take even more decisive action over time. We do understand that science-based targets are not currently an option in some industries, especially those

where there remain technological barriers or industry specific frameworks have yet to be set. We also recognise that individual country starting points, current government policies and end markets

differ materially, and our engagement and escalation activities will reflect this.

We believe strongly that companies should take what action they can in reducing emissions even when targets aligned to the Paris Agreement may not be feasible in the short term. This is important as it signals a company’s intent to tackle climate change, and also helps deliver more decisive action in the short term.

Setting science-based targets:

We think that the best approach to drive reductions in real world emissions is to encourage companies to set and deliver credible science-based targets.

By design, science-based targets are highly ambitious and require aggressive reductions within a relatively short timeframe (5 to 15 years). However given that this window may exceed the (remaining) tenure of many board members, it may not be possible to have linkage of senior management compensation. We will be encouraging at least some element of incentive compensation to be linked to interim targets of decarbonisation strategies. We do understand this is a difficult commitment for some sectors, and one in which we, our clients and investee companies must all go on a journey to

achieve. In some circumstances there may be a disconnect between setting targets that are consistent with 1.5°C climate science and the practicality of those targets, in terms of whether they are technologically viable.

(2) Stewardship tools or activities
used

(1) Engagement
(2) (Proxy) voting at shareholder meetings

(3) Example

Climate change is a systemic risk and in order to be able to effectively assess the risks and the opportunities that this presents investors need companies to disclose in a consistent and accessible way. The CDP framework is widely accepted as benchmark for climate disclosures and is aligned with the TCFD framework.

Scope & Process: The Non-Disclosure Campaign (NDC) runs alongside the main CDP disclosure request and targets those companies that have failed to respond to at least one previous request to disclose from CDP.

At the start of the year we were given the opportunity to sign up to the campaign and select which companies held we wanted to engage with.

We chose to lead the ongoing climate engagement on five companies and co-sign on an additional 19. In leading the engagement, we were responsible for directly liaising with companies and encouraging them to disclose. For those where we were a co-signatory our name was added in support of the engagement.

The initial contact to the companies is in the form of a disclosure request letter, sent by the lead and with the support of co-signers, clearly outlining their wish for the company to start disclosing.

Engagement Outcome: The success of the overall campaign is based on comparing disclosure rates of companies targeted through the NDC to the disclosure rates of a control group of companies. This reflects that there may be several factors influencing whether a company responds to CDP as well as the direct engagement that we and other financial institutions have.

On this basis the CDP found that companies engaged through the NDC were 2 - 3 times more likely to disclose following direct engagement. Of the 24 companies that we engaged on the issue 10 submitted the CDP climate change questionnaire.

(C) Sustainability Outcome #2:

(C) Sustainability Outcome #2:

Working with portfolio companies to understand impact and dependency on biodiversity and elevate policies and disclosures in this regard and establish governance structures to oversee this.

(1) Describe your approach

In much the same way as we approached our work on Modern Slavery in 2021, we have undertaken a focussed project on biodiversity where we were looking to understand:

- the role that companies can play in protecting and enhancing biodiversity;
- which sectors, industries and companies have the highest impacts or dependencies where financial returns are most at risk;
- how advanced companies are in treating biodiversity as a risk issue or considering it in strategic & operational decision making;
- the differing approaches to documenting biodiversity policies, accountability and data collection;

- the existence of opportunities for companies to invest in the natural environment; and
 - A framework of best practice for Australian companies.
- Our work included writing to the management of the top 200 ASX companies, asking a set of detailed questions regarding the management of biodiversity risks across their day-to-day operations and strategic planning. We also held our inaugural Pathway to 2030 Forum where we brought together investors, listed companies, and sustainability experts to explore the real investment implications from action, and inaction, on critical sustainability issues such as biodiversity and climate change.

(2) Stewardship tools or activities used

(1) Engagement

(3) Example

Our first question asked whether companies had a role to play in protecting and enhancing biodiversity. 82% of respondents answered yes. Generally, those that believed they had a limited or no role were mainly service providers, such as online advertising, software and healthcare services.

We then asked companies, how advanced they saw their current approach to biodiversity.

Almost a third (30%) of companies viewed biodiversity as a material risk in the enterprise risk management (ERM) processes, while a smaller portion (13%) see it as a less significant risk.

Companies that were most advanced in dealing with biodiversity in their ERM were predominantly companies within the Real Estate, Metals & Mining, Industrials, and Energy sectors.

Across the market, our analysis highlights that there is also a significant portion of companies that think biodiversity is either not considered relevant to their business (18%) or biodiversity is relevant but not specifically identified in their ERM processes (38%). In the latter case, this reflects a view that the company has a role to play in biodiversity, but the issue is not currently considered to be among their most material risks.

On a sector basis, given the service providers we identified earlier as not having a role to play in protecting biodiversity, it is not surprising they were also most likely to identify biodiversity as less relevant risk to their business.

In addition, we wanted to know if companies had an existing biodiversity policy and if not, was the board considering developing a biodiversity policy.

A policy is important because it is a board level document which provides a clear sign the issue receives the highest possible level of elevation in the organisation. We identified four companies (4%) that had an existing biodiversity policy which were all Real Estate companies. A further 16% of survey responders have biodiversity as a material component of another policy, which was most often in their Environmental Policy.

On a sector basis, the Metals & Mining, Energy and Real Estate companies who identified biodiversity as a material risk most often had board approved policies to protect nature and stakeholders while also acknowledging potential reputational risk or fines from adverse impacts as well as their license to operate. Our most surprising finding was despite 82% of companies saying they believe they have a role to play in protecting biodiversity, 61% of companies do not have biodiversity as a material component of a policy and did not commit to developing one in the next two years. Reasons we received included that existing policies were deemed sufficient, or they were non-committal to a timeline and intended to do a review post the final release of the TNFD. As awareness builds on biodiversity, we expect companies to form a better understanding of their nature-related dependencies, impacts, risks, and opportunities.

(D) Sustainability Outcome #3:

(D) Sustainability Outcome #3:	Addressing human inequity
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(1) Describe your approach

We have established a socially-focused impact strategy aims to positively address the problem of human inequity while delivering long-term capital growth. We do this by investing and engaging to improve fair treatment, access, opportunity, and advancement for all people.

Impact investing involves investing in companies with the intention to generate a measurable, beneficial, social or environmental impact alongside a financial return.

- Public markets impact investing can help deliver this by supporting those companies creating impact at scale and actively engaging with companies to accelerate delivery of these ambitions.
- We invest in companies which provide products and solutions which address human inequity, meaningfully narrow the equality gap, and make a measurable difference in the world.
- In doing so we aim to positively address the issue of inequity by investing and engaging to improve fair treatment, access, opportunity, and advancement for all people.

The Martin Currie Improving Society strategy invests in companies that provide solutions to key societal challenges. We acknowledge the barriers or advantages people possess and that to effectively address development goals requires fair treatment, access, opportunity, and advancement for all people. We believe that by investing in and engaging with society's most impactful companies we can generate this positive change as well as provide long-term capital appreciation. Our impact assessment framework focuses on the intentionality, materiality and additionality of the impacts created by companies through their products and services. We have based our Impact Assessment Framework on the Impact Frontiers' 'Five Dimensions of Impact', which provides a comprehensive, decision-useful tool for assessing the impact, both positive and negative, of companies.

We recognise the power of active ownership including engagement and voting practices to generate change. We conduct meaningful and structured engagement across all companies in the portfolio. Every holding in the portfolio is subject to a structured engagement plan to accelerate impact and drive standards in sustainability related behaviour.

- We define and track company specific KPIs and establish whether each company is meeting, exceeding, or lagging these expectations. Where companies are lagging or where we see significant opportunity to accelerate impact, this will form part of our engagement objective.
- Where our analysis surfaces opportunities for behavioural improvements, we engage with companies to drive positive change in these areas of corporate practice. We track the proportion of the portfolio at each engagement stage of completion.

(2) Stewardship tools or activities used	(1) Engagement (2) (Proxy) voting at shareholder meetings
(3) Example	The strategy has just been launched and we will begin reporting on our stewardship activities in this strategy in the near future. We will producing a specific annual impact report which will focus on the KPIs associated with the companies held, the performance relative to these KPIs and the stewardship activities in the strategy. The first version of these will be available in 2024
(E) Sustainability Outcome #4:	
(E) Sustainability Outcome #4:	Advance collaborative engagement - start of the process with role as lead investor on Antofagasta
(1) Describe your approach	The structure of the process is established under the guidance of the PRI. This has set out the initial assessment of the target company where we are the lead investor and we have now agreed and set out the initial objectives for the engagement
(2) Stewardship tools or activities used	(1) Engagement
(3) Example	Advance has just commenced and as a first step we have established the initial objectives for the engagement with company where we are the lead investor

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

☒ **(A) We prioritise the most strategically important companies in our portfolio.**

Describe how you do this:

Our investment approach results in concentrated portfolios with a limited number of high conviction positions and a long investment time horizon. For each company that we invest in, through our analysis we identify the key issues that are material to the business or where the business has a potentially material impact. This helps us prioritise with which companies and on what we will look to engage. This analysis can also be cross-referenced to our broader analysis on the systemic issues that we have identified and this supports how we approach, for example, engaging with the largest carbon emitters or those companies with potentially the largest influence on their supply chains. We then frame our approach by setting out expectations for the companies that we are engaging with.

Select from the list:

- ☒ 3
- ☐ 4

☒ **(B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.**

Describe how you do this:

Our investment approach results in concentrated portfolios with a limited number of high conviction positions and a long investment time horizon. For each company that we invest in, through our analysis we identify the key issues that are material to the business or where the business has a potentially material impact. This helps us prioritise with which companies and on what we will look to engage. This analysis can also be cross-referenced to our broader analysis on the systemic issues that we have identified and this supports how we approach, for example, engaging with the largest carbon emitters or those companies with potentially the largest influence on their supply chains. We then frame our approach by setting out expectations for the companies that we are engaging with.

Select from the list:

- ☒ 1
- ☐ 4

☒ **(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.**

Describe how you do this:

Our investment approach results in concentrated portfolios with a limited number of high conviction positions and a long investment time horizon. For each company that we invest in, through our analysis we identify the key issues that are material to the business or where the business has a potentially material impact. This helps us prioritise with which companies and on what we will look to engage. This analysis can also be cross-referenced to our broader analysis on the systemic issues that we have identified and this supports how we approach, for example, engaging with the largest carbon emitters or those companies with potentially the largest influence on their supply chains. We then frame our approach by setting out expectations for the companies that we are engaging with.

Select from the list:

- ☒ 2
- ☐ 4

☐ (D) Other

STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

(A) Initiative #1

(1) Name of the initiative	CA100+
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies)
(3) Provide further detail on your participation in this collaborative initiative	We are co-leads on one of the target companies, Ultratech Cement. This is one of our longest running collaborative engagements through CA100+ has led to significant progress to date. UltraTech responded positively to engagement on fossil fuel use and resulting GHG emissions, committing to a carbon reduction plan that aims to reach carbon neutrality by 2050. This plan, led by the Chief Finance Officer (CFO), encompasses the governance of its commitments and the alignment of a sustainable strategy with the United Nations Sustainable Development Goals (SDGs). This, in addition to the company's commitment to a science-based emission target, shows its willingness to commit to addressing its negative impacts in a constructive way. We believe this demonstrates leadership qualities compared to global industry peers, which is particularly pertinent given how the building materials sector has a significant environmental impact through GHG emissions.

(B) Initiative #2

(1) Name of the initiative	CDP non-disclosure
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies)

(3) Provide further detail on your participation in this collaborative initiative

CDP's Non-Disclosure Campaign (NDC) is a collaborative initiative for CDP Capital Markets signatories to directly engage with companies that have failed to respond to either the climate change, forests and/or water security questionnaire. The Non-Disclosure Campaign runs alongside the main CDP disclosure request and targets those companies that have failed to respond to at least one previous request to disclose from CDP.

This 'opt-in' campaign allows CDP signatories to directly engage with companies on disclosure with the backing of a group of other financial institutions. The aim of the campaign is to allow financial institutions to use their influence and position to achieve higher rates of companies responding to CDP's disclosure request.

We have seen year on year that companies failing to disclose are more likely to complete the questionnaire

for the first time after being directly engaged by financial institutions rather than just CDP requesting on their behalf. In 2022 we led this effort on five companies and supported for an additional 19 leveraging our strong existing relationships. We are continuing this in 2023.

(C) Initiative #3

(1) Name of the initiative

Advance

(2) Indicate how your organisation contributed to this collaborative initiative

(A) We were a lead investor in one or more focus entities (e.g. investee companies)
(C) We publicly endorsed the initiative

(3) Provide further detail on your participation in this collaborative initiative

Advance is a stewardship initiative that was launched at the end of 2022 where institutional investors work together to take action on human rights and social issues. Investors use their collective influence with companies and other decision makers to drive positive outcomes for workers, communities and society. At a high-level, three key expectations have been set for the focus companies:

- Implement the United Nations Guiding Principles on Business and Human Rights (UNGPs) the guardrail of corporate conduct on human rights.
- Align their political engagement with their responsibility to respect human rights.
- Deepen progress on the most severe human rights issues in their operations and across their value chains.

Martin Currie is leading this collaborative engagement with Antofagasta, one of the target companies.

This engagement has commenced in 2023

(D) Initiative #4

(1) Name of the initiative	Regulatory Feedback through Industry Bodies (IA, PRI)
(2) Indicate how your organisation contributed to this collaborative initiative	(G) We were part of an advisory committee or similar
(3) Provide further detail on your participation in this collaborative initiative	<p>One aspect we consider is how we can work with other stakeholders to promote continued improvement to the functioning of financial markets. Our work on the evolving regulatory regimes has been informed by our membership of key industry committees such as the Investment Association's (IA) Stewardship Committee, the IA Sustainability & Responsible Investment Committee and the PRI Stewardship Advisory Committee.</p> <p>There were a number of regulatory consultations in 2022 but the key development was the FCA consultation on SDR which was published in the Autumn. This will be pivotal in shaping the evolution of sustainable investment and stewardship in the UK market. The consultation process involved meetings with the FCA and bilateral meetings with the IA and we were invited to join a small focus group which was established to review and provide feedback on the consultation.</p> <p>The result was a substantial and detailed feedback document produced by the IA and submitted to the regulator for consideration. We also submitted our own written response where we outlined the key strengths but also a number of challenges we identified in the proposed regime. Through our membership of the PRI Stewardship Committee we also contributed to the development of a guidance document to filing shareholder proposals.</p> <p>The paper guides investors as to how they can use shareholder proposals to drive improvements at investee companies on matters related to ESG issues. Practically, it offers suggestions to ensure that proposals are effective and impactful. Alongside this, eight country-specific factsheets were developed to provide an overview of the key legal and technical processes related to filing a shareholder proposal in key markets: Australia, Canada, France, Germany, Japan, South Africa, the UK and the US.</p>

CONFIDENCE-BUILDING MEASURES (CBM)

CONFIDENCE-BUILDING MEASURES

APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

How did your organisation verify the information submitted in your PRI report this reporting year?

- ☐ (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- ☐ (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- ☒ (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- ☒ (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- ☐ (E) We conducted an external ESG audit of our holdings to verify that our funds comply with our responsible investment policy
- ☐ (F) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
- ☒ (G) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- ☐ (H) We did not verify the information submitted in our PRI report this reporting year

INTERNAL AUDIT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 4	CORE	OO 21, CBM 1	N/A	PUBLIC	Internal audit	6

What responsible investment processes and/or data were audited through your internal audit function?

- ☒ (A) Policy, governance and strategy
Select from dropdown list:
 - ☐ (1) Data internally audited
 - ☐ (2) Processes internally audited
 - ☒ (3) Processes and data internally audited
- ☒ (C) Listed equity
Select from dropdown list:
 - ☐ (1) Data internally audited
 - ☐ (2) Processes internally audited
 - ☒ (3) Processes and data internally audited

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 5	PLUS	CBM 1	N/A	PUBLIC	Internal audit	6

Provide details of the internal audit process regarding the information submitted in your PRI report.

In order to further improve our stewardship policies and processes we significantly reworked and expanded our governance structure in 2021 to more effectively oversee our stewardship activities. In 2022, this was expanded further with the creation of the ESG Oversight and Investment Risk Group.

Martin Currie continually updates key policies - for example, we have updated key policies such as our Responsible Investment Policy and Global Corporate Governance Principles, as well as establishing new policies such as our Climate Engagement and Escalation policy. We also review the effectiveness of stewardship activities through both internal challenge and review from our key Stewardship Governance forums such as the Stewardship & ESG Council, ESG Oversight and Investment Risk Group and Regulatory Working Group which have all been created to provide a clear forum for internal feedback on our investor led approach and to provide expertise, oversight and challenge to augment the structured feedback from bodies such as the FRC and PRI in relation to our stewardship activities.

We also regularly discuss best practice through our committee roles in organisations such as the IA. As part of the assurance process, funds that are covered by SFDR are also subject to annual review by the ESG Product Advisory Group (EPAG) of Franklin Templeton. In addition, in 2022, Franklin Templeton internal audit undertook a broad review of the approach to sustainable investing across the group including the Specialist Investment Managers (SIMs) which includes Martin Currie.

INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

Who in your organisation reviewed the responses submitted in your PRI report this year?

☐ (A) Board, trustees, or equivalent

☒ **(B) Senior executive-level staff, investment committee, head of department, or equivalent**

Sections of PRI report reviewed

☒ **(1) the entire report**

☐ (2) selected sections of the report

☐ (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year