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# STATEMENT OF CLIMATE-RELATED INTENT AND AMBITION

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**We act in clients' best interests: delivering long-term returns, using research and engagement to deepen understanding of climate opportunities and risks.**

1. As investors, we are agents of our clients and stewards of their assets. We believe a successful transition that keeps increases in global temperatures to well below 2C, and ideally to 1.5C, this century offers our clients a better opportunity for strong long-term investment returns than a failed transition. We recognise that the successful pathway is not pre-determined.

— We will invest in accordance with, and not exceeding, our investment mandates.

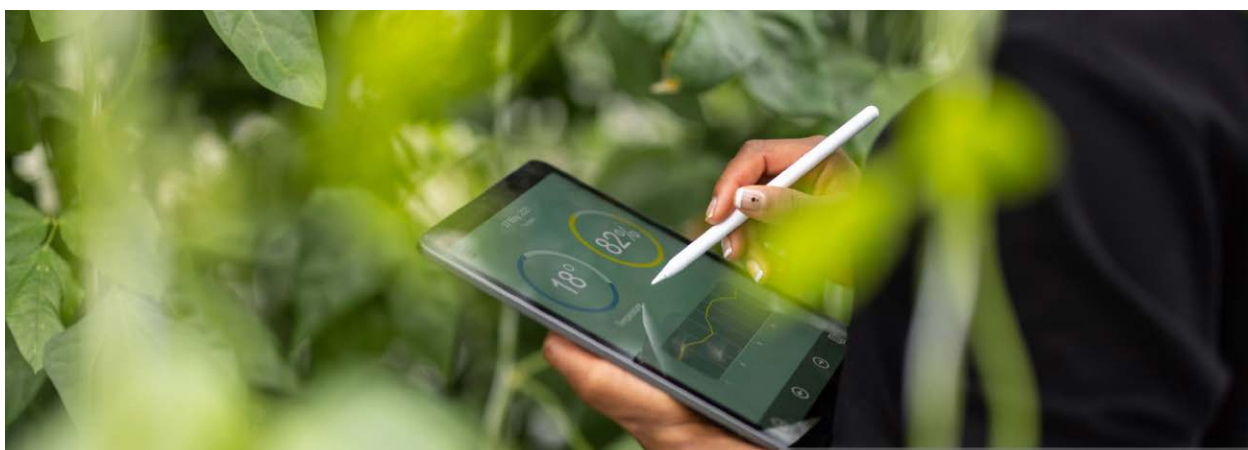
— We regard the climate transition as a material investment factor and a threat to companies' ability to operate if they remain unaware of or unprepared for its potential impacts. We will engage with holdings to understand the opportunities and risks they face related to climate change and to ensure that company management teams also understand them and have appropriate strategies in place. We will never invest or engage with our holdings on climate-related topics in a manner that we believe undermines the delivery of long-term returns.

— We expect the backdrop against which our investments operate and our clients' definitions of fiduciary duty to evolve. And we anticipate our clients' expectations of our work on climate to continue rising.

2. As a firm, we accept the scientific evidence for climate change and the need for action to mitigate the risks climate change poses.

— We are committed to reducing our Scope 1, 2 and operational Scope 3 emissions to net zero by 2040.

— We recognise the finance industry's importance as outlined at COP26. We will work with regulators to develop frameworks to promote the proper functioning of capital markets and transparent, stable climate-related regulation.





## OUR COMMITMENTS

### 1. For the investments we make for clients

- We will provide transparent analysis and communication of climate risks and opportunities for all portfolios.
- We will communicate climate-related disclosure and strategy expectations to all holdings. These expectations will form the basis for engagement as appropriate.
- We will commit to clear engagement plans where climate risks/opportunities are deemed to be material to investment returns.
- We will not impose firmwide activity-based exclusions, but all fossil fuel-related holdings will be subject to rigorous research and engagement to ensure clients' interests are protected across our investment time horizons.<sup>1</sup>
- We will offer net zero committed portfolio options for all clients by 2025.
- We will seek to increase opportunities for clients to add clear exposure to the development of climate solutions through our mainstream, and potentially specific, investment funds.

### 2. For our firmwide operations

- Work towards the achievement of net zero emissions for our own operations by 2040. Immediate actions include (i) delivery of our existing 2019 target to halve emissions per full time employee by 2025 from our 2019 baseline estimate; (ii) the realisation of a 95 per cent reduction in Scope 1 and 2 emissions 2021-26 and (iii) the setting of a new 10 year Scope 3 target on the basis of 2023 actual emissions (allowing for a recovery from the Covid discrepancies of 2020–22).
- We will ensure oversight of climate-related risks and opportunities is embedded into existing governance and risk oversight structures.

<sup>1</sup> Pooled funds may apply activity-based exclusions in line with their stated objectives. This is disclosed in relevant fund documentation. We may include exclusions for segregated clients upon request.

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## RISK FACTORS AND IMPORTANT INFORMATION

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### RISK FACTORS

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