

Responsible Investment Update: Q2 2024

Introduction

This update has been prepared by Hymans Robertson LLP for the WPP. This quarterly WPP Responsible Investment (RI) Update sets out recent RI activity and information on the following Sub-Funds: Global Growth, Sustainable Active Equity and Global Credit. Please note, due to data and metric limitations, the Global Government Bond Sub-Fund is currently not included in this report. Granular engagement data is currently only shown on the equity Sub-Funds.

It should not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety. We accept no liability to any other party unless we have accepted such liability in writing.

JGC RI activity

- **Climate & ESG risk reports:** MAC and ARB Sub-Funds to be presented at the JGC September 2024.
- **Climate & ESG risk reports evolution:** in order to provide more decision-useful information and oversight, we are currently evolving the climate & ESG risk reports. This will include the use of forward-looking climate data, including carbon budgets and carbon pathways. This will be launched for the climate & ESG risk reports covering as at end-September 2024.
- **Stewardship Code report:** this year's Stewardship Code report is in the process of being formulated, with submission due 31 October 2024.
- **Stewardship themes:** the annual review of WPP stewardship themes took place in August, with feedback being sought from wider stakeholders. This will also feed into the Robeco annual engagement-theme-selection panel in November.
- **Evolution of passive funds:** there has been an ongoing dialogue with Officers on the sustainable evolution of the passive funds.
- **Sustainable fixed income:** Russell IM has already presented two papers on the potential to evolve three of the fixed-income Sub-Funds. Hymans is currently reviewing the proposals and will present a paper to Officers in October.

Climate framework and climate-focus list

The initial climate framework was presented to the RIWG in July, with the first 10 issuers on the climate-focus list to be presented at the RIWG in September. These will then be incorporated in ongoing monitoring and reporting going forward.

Voting & Engagement (V&E) Provider procurement

Significant work has taken place around the procurement for the V&E Provider, with the contract due to end in March 2025. The tender is now live, with the process due to be completed by January 2025.

LAPFF alerts

The second quarter of 2024 saw various LAPFF alerts issued, including:

- ✓ Climate resolutions: alerts were issued for 49 climate-related resolutions over the quarter, including in energy companies Shell, Equinor and Centropoint, and miners Rio Tinto and Glencore.
- ✓ Human rights concerns: Mondelez and Glencore
- ✓ US tech companies: concerns around AI and the anti-ESG movement: Amazon, Alphabet, Meta, Tesla

Simon Jones, Partner

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For and on behalf of Hymans Robertson LLP

September 2024

Stewardship Summary

Quarter ending 30 June 2024

WPP employs Robeco as its Voting and Engagement Provider, with Robeco voting on resolutions across WPP's five Active Equity Sub-Funds while also providing the engagement function with issuers across all active Sub-Funds, as well as the passive mandates.

This quarter, Robeco highlighted the increase it is seeing in anti-ESG shareholder proposals (SHPs) versus previous years (increasing by about 66%). That said, there was an increase in support rates for governance-related SHPs. Indeed, 77% of those SHPs seeking simple-majority standards in board elections received majority support.

A summary of activity is provided below, with voting broken down between Sub-Funds in subsequent pages. It should be noted that some stocks are common across multiple Sub-Funds and hence votes will be reported against each.

Overall voting summary

Breakdown of voting activity			
Number of meetings		862	
Proposals voted		11,779	
Meetings with at least one vote against management		550 (64%)	
For	10,300	With management	10,117
Against	1,329	Against Management	1,430
Abstain	79	Not applicable	232
Withhold	47		
Do not vote	8		
1 year	16		

Overall engagement summary

Number of engagement cases by topic		Number of engagement activities by contact type	
Environment	44	Meeting	25
Social	29	Conference call	107
Governance	22	Written correspondence	100
Voting Related	4	Shareholder resolution	1
UN SDGs	56	Analysis	41
Enhanced	23	Other	5
Total	178	Total	279

Global Growth Sub-Fund:

Key Metrics as at 30 June 2024

Key characteristics

Fund value	£3.5bn
Underlying managers	Baillie Gifford, Pzena, Veritas

Source: Waystone/Russell

Top-10 holdings (by AUM)	
1. Amazon	6. Mastercard
2. Alphabet	7. Charter Communications
3. Microsoft	8. Moody's
4. Elevance	9. Meta
5. TSMC	10. UnitedHealth

Source: Waystone

Climate metrics

Figures as at 30 June 2024	Fund	Coverage	Benchmark	Coverage
WACI (tCO ₂ e/\$m sales)	48.2	>99%	119.8	>99%
WACI EVIC (tCO ₂ e/\$EVIC)	22.6	>99%	48.1	>99%
Carbon emissions (tCO ₂ e/£m invested)	42.4	>99%	97.3	>99%
Holdings with exposure to FF reserves	1.5%	Not applicable	6.5%	Not applicable
Approved Science-Based Targets (%)	40.1%	Not applicable	42.8%	Not applicable

Source: MSCI; Hymans Robertson; Benchmark: MSCI ACWI

ESG metrics

Figures as at 30 June 2024	Fund	Coverage	Benchmark	Coverage
Overall ESG score	5.5	>98%	5.5	>99%
E pillar	7.4	>98%	6.6	>99%
S pillar	5.0	>98%	5.2	>99%
G pillar	5.9	>98%	5.7	>99%
UNGC violators	0.0%	>98%	0.2%	>99%

Source: MSCI; Hymans Robertson; Benchmark: MSCI ACWI

Global Growth Sub-Fund:

Stewardship Summary

Voting Summary (Q2 2024)

Number of meetings		131	
Proposals voted		1,896	
Meetings with at least one vote against management		89 (68%)	
For	1,668	With management	1,610
Against	208	Against Management	280
Abstain	7	Not applicable	6
Withhold	11		
1 year	2		

Key votes

Shell (UK, 21 May 2024)

- ✓ Robeco were generally supportive of most of Shell's management resolutions, given generally well-viewed corporate governance practices. However, one management proposal asked shareholders to approve the company's climate progress report and the updated 2024 Transition Strategy. Robeco notes a number of changes in the latter, including the removal of Shell's 2035 target to cut Scope 1, 2 & 3 net carbon intensity by 45% and a weakening of the 2030 target. An SHP was filed asking for Shell to increase its effort and align its medium-term Scope 3 emissions-reduction targets with the goals of the Paris Agreement.
- ✓ Robeco, while acknowledging Shell's position as a relative leader in the sector, is concerned over the lack of clear absolute-emissions reductions that Shell's targets will achieve. Robeco also highlighted the worry that the removal of the 2035 target will necessitate more drastic efforts in the medium-long term. Robeco therefore voted against the management Say on Climate proposal and supported the climate SHP.

The management proposal passed with 78% support; the SHP did not pass, receiving 18.6% support

- ✓ LAPFF issued a voting alert setting out its position, that Shell is not transitioning quickly enough. The alert therefore asked for shareholders to vote against the re-election of a number of directors, though retain support for Sir Andrew Mackenzie, the (non-executive) chair of the board. LAPFF directed members not to support the 2024 Transition Strategy, with particular concerns highlighted around Shell's reliance on offsetting to address emissions. On the other hand, LAPFF recommended supporting the Follow This SHP on Paris alignment.

Robeco voted for all director elections, though voted in line with LAPFF on both the SHP (for) and management proposal (against) on climate

Amazon (US, 22 May 2024)

- ✓ Robeco voted against the management Say on Pay proposal, given concerns around Amazon's executive-pay practices (awarding discretionary equity grants that are not based on performance

requirements). Such concerns were also escalated by Robeco by voting against the chair of the remuneration committee.

- ✓ There were a number of environmental SHPs, including in asking Amazon to set goals for plastic packaging reduction, disclosures around Scope 3 emissions and asking for a report on its transition strategy. Robeco supported all of these SHPs.
- ✓ Robeco supported two SHPs aimed at worker protections. The first requested that Amazon conduct an audit on the working conditions of warehouse workers; the second SHP asked for an assessment of Amazon's adherence to its human rights principles, focusing on the right to collective bargaining.
- ✓ Robeco further supported two SHPs related to the potential human rights impacts of its products. The first asked Amazon to assess the human rights risk of providing facial-recognition technology to governments. The second sought the establishment of a committee to assess human rights risks in Amazon's artificial-intelligence (AI) systems.

None of the SHPs received majority support

Robeco generally voted in line with LAPFF recommendations, though did not support the SHP asking for the disclosure of director donations, nor the SHP regarding the formation of a public policy committee

Meta (US, 29 May 2024)

- ✓ This year's AGM saw 10 SHPs on the ballot, with most covering three topics: AI; human rights; and social impacts.
- ✓ One SHP looked to address the role the platform plays in influencing political elections. Robeco supported the proposal, seeing this as a potential risk for the business.
- ✓ Two other proposals revolved around voting rights associated with Meta's dual-share class, the first requesting to recapitalise the share classes to have equal voting powers per share, the second asking Meta to disclose vote results of both share classes. In addition, given repeated calls from minority shareholders for the company to address such, there has been little progress, so Robeco chose to withhold their vote for the chair of the governance committee.
- ✓ LAPFF issued a voting alert asking members to vote for all 10 of the SHPs on the ballot.

Robeco voted in line with LAPFF for nine of the SHPs, though voted against the SHP requesting a third-party report assessing the risks and benefits of instituting a higher minimum age for users of Meta's social media products

Alphabet (US, 7 June 2024)

- ✓ This year's AGM saw 12 SHPs on the ballot. One was a proposal from 2023, requesting the board to adopt a recapitalisation plan for all outstanding stock to have one vote per share.

The SHP gained 31% support, a significant majority support from independent shareholders (the company's founders own 51% of total voting power)

- ✓ Robeco voted against the chairman of the nominating committee, given an insufficient level of gender diversity on the board.

- ✓ Robeco generally voted in line with the LAPFF voting alerts, other the SHP on director compensation, where it was felt the proposal was overly prescriptive, and on climate risks to retirement-plan beneficiaries, which Robeco felt was not in the remit of shareholders

Tesla (US, 13 June 2024)

- ✓ This year's AGM was particularly significant for two management proposals that were put forward. The first concerned the ratification of the 2018 stock-performance award, which was voided in a Delaware court at the start of 2024, with the court concluding that the process of ratification by the Tesla board was 'deeply flawed'. Robeco chose not to support the proposal, feeling it did not meet Robeco's minimum criteria related to pay quantum, as well as raising governance concerns.

The proposal received 72% of the votes cast, excluding votes owned by Elon and brother Kimbal

- ✓ The second proposal looked to reincorporate Tesla from Delaware to Texas. Robeco concluded that such a reincorporation posed a risk to the business, not least given that Texas business courts are relatively new with less existing case law.

The proposal passed with 84% of the votes not owned by Elon and Kimbal

- ✓ Robeco voted in line with the LAPFF recommendations to oppose both of the above management proposals. Robeco also voted in line with LAPFF recommendations on the three SHPs addressed in the voting alert, on board declassification, reporting on anti-harassment and discrimination efforts, and on the adoption of a policy on the freedom of association and collective bargaining.

Engagement Summary (Q2 2024)

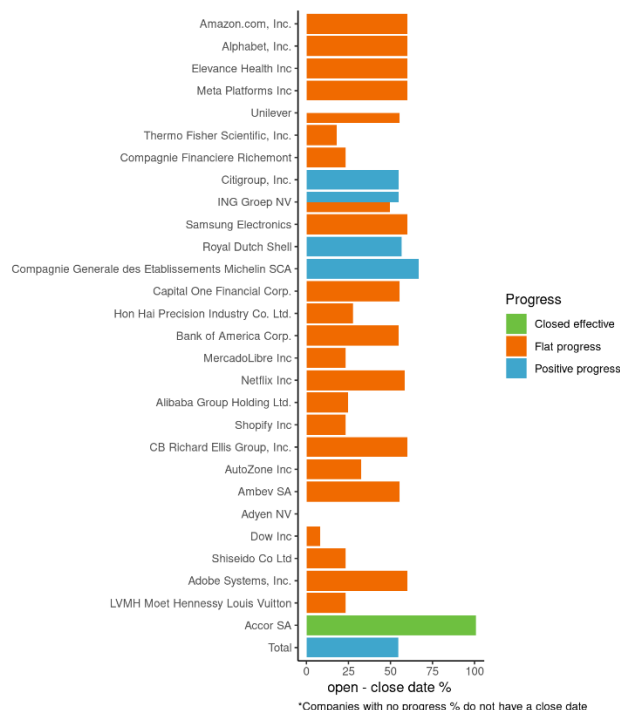
Of the issuers held in the Sub-Fund that are currently under engagement, the vast majority of AUM comes from companies domiciled in the US or UK. A list of companies by engagement theme is set out below.

Theme	Companies
Biodiversity	Unilever, Compagnie Generale des Etablissements Michelin
Climate Transition of Financial Institutions	Bank of America, Citigroup, ING Groep
Diversity and Inclusion	Netflix
Fashion Transition	Cie Financiere Richemont, LVMH, MercadoLibre, Shiseido, Shopify
Good Governance	Adyen, Unilever
Human Rights Due Diligence	Hon Hai Precision Industry
Labour Practices in a Post Covid-19 World	Accor
Natural Resource Management	Ambev
Nature Action 100	Alibaba
Net Zero Carbon Emissions	Dow, Shell
SDG Engagement	Adobe, Alphabet, Amazon.com, AutoZone, CBRE, Elevance, Meta, Samsung, Total
Tax Transparency	Thermo Fisher
AGM engagement 2024	ING Groep

Source: Robeco, Hymans Robertson

Progress by company

Engagements are typically for a period of three years, although Robeco will close an engagement if the objectives are achieved early or if attempts to engage the company are unsuccessful. The following chart illustrates progress on various engagements as at 30 June 2024.



Source: Robeco, Hymans Robertson

Case Studies

Climate (and nature) transition of financial institutions

This theme was launched in 2021 around climate financing, focused on those listed banks with high exposure to carbon-intensive sectors and their lending practices. The engagement focused on the pillars of the Task Force on Climate-related Financial Disclosures: the management of climate risks; the setting of climate targets; ensuring climate data is collected and verified; and whether sufficient oversight is in place from management and the board on climate. After three years of engagement, Robeco found the European banks to have made significant progress in decreasing financed emissions. However, little progress was seen in the US banks, with Asian banks also slow. Robeco therefore decided to extend the theme, using other frameworks, such as the Transition Pathway Initiative for banks, as well as Robeco's in-house traffic light system. Given an increased focus on nature and biodiversity, Robeco decided to incorporate both climate and nature indicators in the engagement.

SDG engagement

This theme revolves around three processes:

- An issuer-specific SDG engagement case with specific, measurable, attainable, relevant and time-based objectives;
- The engagement, looking at a company's approaches to sustainable development;
- The impact of the engagement (using a Robeco-developed framework that builds on one introduced by the Impact Management Project).

Progress is measured by evaluating how each company progresses against specific asks, with the aim of improving an issuer's SDG contribution.

TotalEnergies

During the engagement, Robeco set an ambition for Total to more clearly outline its decarbonisation strategy, including quantified estimates of emissions-reduction per strategy component and how fossil-fuel investments impact Total's footprint. The company's most-recent ESG report addresses this, providing estimates of its future energy-production mix and how it is investing in decarbonisation, among other points. The next step is to quantify the impact of Total's action, showcasing how the company will achieve its targets.

Sustainable Active Equity Sub-Fund:

Key Metrics as at 30 June 2024

Key characteristics

Fund value	£1.6bn
Underlying managers	Artemis, Mirova, Neuberger Berman, Sparinvest, Wellington

Source: Waystone/Russell

Top-10 holdings (by AUM)	
1. Microsoft	6. Alphabet
2. Nvidia	7. Danaher
3. ASML Holdings	8. eBay
4. Visa	9. Eli Lilly
5. Novo Nordisk	10. Recruit Holdings

Source: Waystone/Russell

Climate metrics

Figures as at 30 June 2024	Fund	Coverage*	Benchmark	Coverage
WACI (tCO ₂ e/\$m sales)	76.8	>96%	119.8	>99%
WACI EVIC (tCO ₂ e/\$EVIC)	45.2	>96%	48.1	>99%
Carbon emissions (tCO ₂ e/£m invested)	85.2	>96%	97.3	>99%
Holdings with exposure to FF reserves	1.5%	Not applicable	6.5%	Not applicable
Approved Science-Based Targets (%)	57.5%	Not applicable	42.8%	Not applicable

Source: MSCI; Hymans Robertson; Benchmark: MSCI ACWI

*To note, there was a significant allocation to derivatives this quarter, hence lower coverage overall

ESG metrics

Figures as at 30 June 2024	Fund	Coverage*	Benchmark	Coverage
Overall ESG score	5.9	>96%	5.5	>99%
E pillar	7.2	>96%	6.6	>99%
S pillar	5.5	>96%	5.2	>99%
G pillar	6.1	>96%	5.7	>99%
UNGC violators	0.0%	>96%	0.2%	>99%

Source: MSCI; Hymans Robertson; Benchmark: MSCI ACWI

*To note, there was a significant allocation to derivatives this quarter, hence lower coverage overall

Stewardship Summary

Voting Summary (Q2 2024)

Number of meetings		101	
Proposals voted		1,607	
Meetings with at least one vote against management		62 (61%)	
For	1,427	With management	1,412
Against	172	Against Management	182
Withhold	3	Not applicable	13
Do not vote	2		
1 year	3		

Key votes

Nestlé (Switzerland, 18 April 2024)

- ✓ One SHP gained significant attention at the AGM this year, asking for Nestlé to add a timebound target in its articles of association to increase the proportion of sales derived from healthy products. Robeco voted for the SHP, in line with the LAPFF recommendation, feeling it contributed towards the UN SDGs and was also not overly prescriptive, thus leaving the target-setting up to the company itself.
- ✓ Robeco voted against the compensation report for more than three consecutive years, having not observed a clawback or other provision applied to executives' long-term incentives. In order to escalate concerns here, Robeco also voted against the election of the chair of the remuneration committee.

Amazon (US, 22 May 2024)

- ✓ Robeco voted against the management Say on Pay proposal, given concerns around Amazon's executive-pay practices (awarding discretionary equity grants that are not based on performance requirements). Such concerns were also escalated by Robeco by voting against the chair of the remuneration committee.
- ✓ There were a number of environmental SHPs, including in asking Amazon to set goals for plastic packaging reduction, disclosures around Scope 3 emissions and asking for a report on its transition strategy. Robeco supported all of these SHPs.
- ✓ Robeco supported two SHPs aimed at worker protections. The first requested that Amazon conduct an audit on the working conditions of warehouse workers; the second SHP asked for an assessment of Amazon's adherence to its human rights principles, focusing on the right to collective bargaining.
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None of the SHPs received majority support

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- ✓ Robeco voted against the chairman of the nominating committee, given an insufficient level of gender diversity on the board.
- ✓ *Robeco generally voted in line with the LAPFF voting alerts, other the SHP on director compensation, where it was felt the proposal was overly prescriptive, and on climate risks to retirement-plan beneficiaries, which Robeco felt was not in the remit of shareholders*

Engagement Summary (Q2 2024)

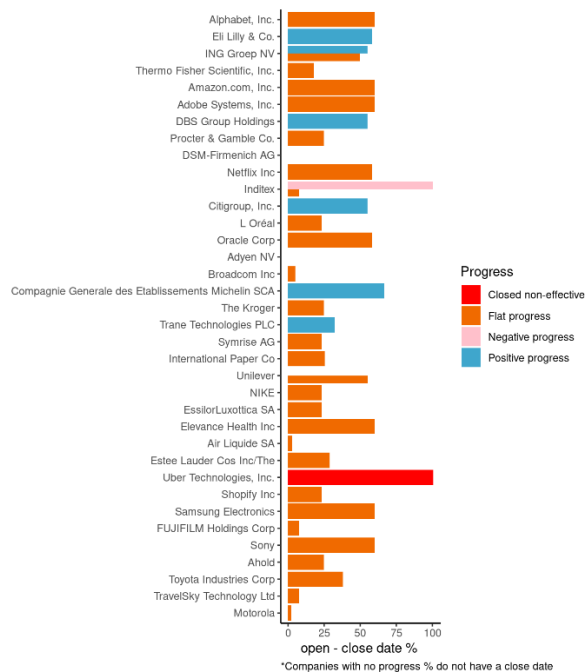
Of the issuers held in the Sub-Fund that are currently under engagement, the vast majority of AUM comes from companies domiciled in the US or the Netherlands. A list of companies by engagement theme is set out below.

Theme	Companies
Acceleration to Paris	Toyota
Biodiversity	Compagnie Generale des Etablissements Michelin, Unilever, Procter & Gamble
Climate Transition of Financial Institutions	Citigroup, DBS, ING Groep
Diversity and Inclusion	Eli Lilly, Netflix, Oracle
Fashion Transition	EssilorLuxottica, Estee Lauder, Inditex, L'Oreal, Nike, Shopify, Symrise
Good Governance	Adyen, Ahold, DSM-Firmenich, Fujifilm, TravelSky, Unilever
Human Rights Due Diligence	Inditex, International Paper Company
Labour Practices in a Post Covid-19 World	Uber
Modern Slavery in Supply Chains	The Kroger
Nature Action 100	Ahold
Net Zero Carbon Emissions	Air Liquide
SDG Engagement	Adobe, Alphabet, Amazon.com, Broadcom, Elevance, Motorola, Samsung, Sony, Trane Technologies
Tax Transparency	Thermo Fisher
AGM engagement 2024	ING Groep

Source: Robeco, Hymans Robertson

Progress by company

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Case Studies

Climate (and nature) transition of financial institutions

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Global Credit Sub-Fund:

Key Metrics as at 30 June 2024

Key characteristics

Fund value	£1.0bn
Underlying managers	Fidelity, MetLife, Robeco, Western

Source: Waystone/Russell

Climate metrics

Figures as at 30 June 2024	Fund	Coverage	Benchmark	Coverage
WACI (tCO ₂ e/\$m sales)	212.0	>79%	198.0	>85%
WACI EVIC (tCO ₂ e/\$EVIC)	83.3	>69%	64.0	>67%
Carbon emissions (tCO ₂ e/£m invested)	184.4	>79%	152.4	>85%
Holdings with exposure to FF reserves	6.6%	Not applicable	5.9%	Not applicable
Approved Science-Based Targets (%)	25.8%	Not applicable	25.5%	Not applicable

Source: MSCI; Hymans Robertson; Benchmark: Bloomberg Barclays Global Agg

ESG metrics

Figures as at 31 March 2024	Fund	Coverage	Benchmark	Coverage
Overall ESG score	5.6	>77%	5.7	>83%
E pillar	7.4	>77%	7.0	>83%
S pillar	5.1	>77%	5.2	>83%
G pillar	5.7	>77%	5.9	>83%
UNGC violators	0.2%	>80%	0.1%	>85%

Source: MSCI; Hymans Robertson; Benchmark: Bloomberg Barclays Global Agg

Global Credit Sub-Fund:

Stewardship Summary

Engagement Summary (Q2 2024)

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BNP Paribas

BNP is a relative sector leader when it comes to climate financing, having already stopped the financing of oil projects back in 2016. In 2017, it also stopped any new financing to coal-fired power plants. By 2030, the bank has an ambition to exit from thermal coal in the EU and OECD. Robeco engaged with the bank both individually and as part of the Institutional Investors Group on Climate Change. Last year, BNP also made further progress, stopping financing to the development of new oil & gas fields. Having obtained positive climate scores under Robeco's Paris-alignment framework, Robeco closed the engagement successfully.

SDG engagement

This theme revolves around three processes:

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During the engagement, Robeco set an ambition for Total to more clearly outline its decarbonisation strategy, including quantified estimates of emissions-reduction per strategy component and how fossil-fuel investments impact Total's footprint. The company's most-recent ESG report addresses this, providing estimates of its future energy-production mix and how it is investing in decarbonisation, among other points. The next step is to quantify the impact of Total's action, showcasing how the company will achieve its targets.

Appendix 1: WPP stewardship themes (2024/25)



Focusing on net zero

organisations, particularly those in materially affected sectors, should be developing and implementing transition plans to ensure that the long-term migration to a low-carbon economy is orderly. Companies should ensure that plans are published, and climate management disclosures are comprehensive and available for investor scrutiny. Any consideration of carbon offsetting in companies' net-zero plans should be in line with the Oxford Principles and stakeholders should be made aware of any reliance on carbon-removal technologies, including the extent to which these technologies are used.



Supporting people

an organisation's workforce is one of its most valuable assets, and it is incumbent on the organisation to ensure that its people are properly managed and rewarded. This includes the consideration of people within supply chains, which can often be areas of lower scrutiny. While acknowledging that engagement may be nuanced, given unique regional, sector and size circumstances, WPP is particularly supportive of engaging with UK companies on the alignment of their wage structures with the Living Wage Foundation's guidance.



Delivering sustainable outcomes (governance)

Organisations should be managed with a longer-term horizon so as to ensure that practices become more sustainable. This can ensure that executive remuneration is better linked to longer-term goals, including incorporating ESG criteria.

Appendix 2: issuers under engagement (Q2 2024)

ENVIRONMENT

Biodiversity

Arcadis
Axfood
Cie Generale des
Etablissements
Cranswick
Kimberley-Clark
Leroy Seafood
Procter & Gamble
Ryohin Keikaku
Sappi
Signify
Unilever
VF Corp

Climate Transition of Financial Institutions

Bank of America
Barclays
BNP Paribas
Citigroup
DBS Group Holdings
HSBC Holdings
ICICI Bank
ING Groep
JPMorgan Chase
Sumitomo Mitsui
Financial Group

Natural Resource Management

Ambev
CF Industries
Holdings
OCI
PepsiCo
Tronox Holdings

Nature Action 100

Ahold
Alibaba Group
Holding
Archer Daniels
Midland
Britannia Industries
Corteva
LG Chem
Sociedad Quimica y
Minera
Wens Foodstuffs

Net Zero Carbon Emissions

Air Liquide
Anglo American
BHP Billiton
BP
Celanese Corp
CEZ

Chevron
China National
Building Material Co
Cummins
Dow
Duke Energy
Ecopetrol
Exxon Mobil
Haier Smart Home
Holcim
Hyundai Motor Co
JFE Holdings
Marathon Petroleum
Petroleo Brasileiro
Phillips 66
Repsol
Royal Dutch Shell
Saudi Arabian Oil Co
Valero Energy

SOCIAL

Diversity and Inclusion

Eli Lilly
Netflix
Oracle

Human Rights Due Diligence for Conflict-Affected and High-Risk Areas

Booking Holdings
Cemex
Fast Retailing
HeidelbergCement
Hon Hai Precision
Industry
Inditex
International Paper
Co
IPG Photonics
PTT Exploration &
Production
Sinotruk Hong Kong
SolarEdge
Technologies
Volkswagen
Wacker Chemie

Just Transition in Emerging Markets

Ganfeng Lithium
Group
Impala Platinum
Holdings
Reliance Industries
SK Innovation
Tenaga Nasional

Labour Practices in a Post Covid-19 World

Accor
Delivery Hero
InterContinental
Hotels Group
Marriott International
Meituan Dianping
Uber Technologies
Walmart

Modern Slavery in Supply Chains

Associated British
Foods
Canon
General Mills
Glencore
Kia Motors
Mondelez
International
Tesla Motors
The Kroger
Walmart
Wesfarmers

Sound Social Management

Baidu
Post Holdings
Tencent Holdings
Weibo Corp

GOVERNANCE

Corporate Governance in Emerging Markets

CCR
CPFL Energia
ENN Energy
Holdings
Haier Smart Home
Hyundai Motor

Corporate Governance Standards in Asia

Hynix Semiconductor
Inpex
Panasonic
Resonac Holdings
Rohm
Shin-Etsu Chemical

Good Governance

Adyen
Ahold
Arcadis
DSM-Firmenich
Fujifilm

Grifols
Heineken Holding
Petroleo Brasileiro
Signify
TravelSky
Technology
Unilever

Tax Transparency

AbbVie
Amgen
Apple
McDonalds
Microsoft
Stellantis
Thermo Fisher
Scientific

VOTING RELATED ENGAGEMENTS

AGM Engagement 2024

Airbus
Ampol
Cummins
Dolby Labs
Goldman Sachs
ING Groep
Masco
Nexas
Schneider Electric
Terna
WEC Energy
Woodside

SDGs

Fashion Transition

Beiersdorf
Brunello Cucinelli
Bureau Veritas
Cintas
Compagnie
Financiere
Richemont
Crocs
Deckers Outdoor
Eclat Textile
EssilorLuxottica
Estee Lauder
Etsy
Hermes International
Hugo Boss
Inditex
JD Sports Fashion
Kering
L'Oreal
Levi Strauss

L'Occitane International
 Lojas Renner
 Lululemon Athletica
 LVMH Moet Hennessy
 Louis Vuitton
 Marimekko Oyj
 MercadoLibre
 Moncler
 Nike
 On Holding
 Pandora
 Prada
 Puma
 Ross Stores
 Shiseido
 Shopify
 Silgan Holdings
 Symrise
 Watches of Switzerland
 Zebra Technologies

SDG Engagement

AbbVie
 Adobe
 Alphabet
 Amazon.com

Amgen
 Apple
 AutoZone
 Banco BTG Pactual
 Bank of Montreal
 Capital One
 CBRE Group
 Deutsche Boerse
 eBay
 Electronic Arts
 Elevance Health
 F5 Networks
 Grupo Bimbo
 Haleon
 Hitachi
 Infosys
 Jeronimo Martins
 LyondellBasell
 Meta Platforms
 Motorola
 Mr Price Group
 Nasdaq
 Novartis
 OTP Bank
 Rio Tinto
 Salesforce.com
 SalMar
 Samsung Electronics

Sandvik
 Sony
 STMicroelectronics
 Sumitomo Mitsui Financial Group
 Total
 Trane Technologies
 United Parcel Service
 Volvo

Acceleration to Paris

African Rainbow Minerals
 Aluminum Corp of China
 Anhui Conch Cement
 Berkshire Hathaway
 Caterpillar
 CHALCO
 China Longyuan Power Group
 China National Building Material Co
 China State Construction Engineering
 Continental Resources

Formosa Plastics
 Hunan Valin Steel
 ITOCHU
 Marubeni
 Mitsubishi
 Mitsui & Co
 POSCO
 SAIC Motor
 Sany Heavy Industry
 Sumitomo
 Toyota Industries
 WH Group

Global Controversy Engagement

During the quarter, 9 companies were under engagement based on potential breaches of the UN Global Compact and/or the OECD Guidelines for Multinational Enterprises.

Palm Oil

MP Evans Group
 REA Holdings
 Wilmar International

Appendix 3: metrics definitions

MSCI ESG Research LLC data coverage:

Climate change metrics have broad coverage, with data available on the ACWI Investable Market Index, and selected equity indices and non-listed fixed-income issuers. Coverage represents 19,000+ entities including subsidiaries, with ~12,150 entities directly covered (as at April 2023). For ESG ratings, more than 17,220 issuers are covered, including 10,800 that are directly rated.

To note, the metrics used in this report cover corporate issuers, but do not currently cover sovereign issuers. This means that coverage across the fixed-income funds will be lower than among listed-equity funds. In addition, certain products (for example, securitised products) will not return data from the parent issuer, resulting in reduced coverage. The above may result in much lower coverage for the MAC and ARB Sub-Funds in particular. This may also result in marked fluctuations in data output from quarter to quarter.

Metric	Description/Methodology
ESG Rating	A final ESG Rating. At a company level, this represents the weighted average of individual 'E', 'S' and 'G' pillars. The weight given to each pillar is dictated by MSCI's process, which determines the relevance of each pillar to a given company and sector. At a portfolio level, this is the weighted average of individual company scores by the weight in the portfolio.
Environmental Score	The Environmental Pillar Score, at a company level, represents the weighted average of all Key Issues that fall under the Environment Pillar.
Social Score	The Social Pillar Score, at a company level, represents the weighted average of all Key Issues that fall under the Social Pillar.
Governance Score	The Governance Pillar Score, at a company level, represents the weighted average of all Key Issues that fall under the Governance Pillar.
UNGC Violators	This factor indicates the percentage of the portfolio exposed to companies that violate the United Nations Global Compact principles.
Weighted Average Carbon Intensity (WACI)	A measure of a portfolio's exposure to carbon-intense companies. This is expressed in terms of tons of CO ₂ equivalent emitted per million dollars of revenue, weighted by the size of the allocation to each company. This is measured using Scope 1 + Scope 2 emissions.
Weighted Average Carbon Intensity (EVIC)	A measure of a portfolio's exposure to carbon-intense companies. This represents companies' most recently reported or estimated Scope 1 & Scope 2 greenhouse gas emissions, normalised by enterprise value including cash (USD). This ratio facilitates portfolio analysis by allocating emissions across equity and debt.
Total Carbon Emissions	This represents the portfolios estimated Scope 1 + Scope 2 greenhouse gas emissions. This is expressed in terms of thousand tons of CO ₂ equivalent emitted by the companies invested in by the portfolio, weighted by the size of the allocation to each company.

Metric	Description/Methodology
% of Portfolio with Ties to Fossil Fuels Reserves	The percentage of the portfolio invested in companies with evidence of owning fossil fuel reserves regardless of their industries, including companies that own less than 50% of a reserves field. Fossil reserves are defined as proved and probable reserves for coal or proved reserves for oil and natural gas. Evidence of owning reserves includes companies providing the exact volume of reserves and companies making a statement about their ownership of reserves.
% of Portfolio with SBT Approved Target	The percentage of the portfolio invested in companies with one or more active carbon-emissions-reduction target(s) approved by the Science-Based Targets initiative (SBTi).
Scope 1 emissions	Scope 1 emissions are those from sources owned or controlled by the company, typically direct combustion of fuel as in a furnace or vehicle.
Scope 2 emissions	Scope 2 emissions are those caused by the generation of electricity purchased by the company.

Appendix 4: General Risk Warning and Disclaimer

Risk warning

Please note the value of investments, and income from them, may fall as well as rise. You should not make any assumptions about the future performance of your investments based on information contained in this document. This includes equities, government or corporate bonds, currency, derivatives, property, and other alternative investments, whether held directly or in a pooled or collective investment vehicle. Further, investments in developing or emerging markets may be more volatile and less marketable than in mature markets. Exchange rates may also affect the value of an investment. As a result, an investor may not get back the full amount originally invested. Past performance is not necessarily a guide to future performance.

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