



# Interim Climate Change Statement 2023

1 July 2023 - 31 December 2023

 **First Sentier**  
Investors



# Contents

Our approach	3
Strategy	6
Governance	10
Risk management	13
Metrics and targets	21
Looking forward	23

# Our approach

At First Sentier Investors (FSI), we believe that society must drastically reduce greenhouse gas emissions if we are to avoid the worst consequences of the climate crisis. We accept the science of climate change and support the transition to a low carbon economy, in line with the goals of the Paris Agreement<sup>1</sup> that is already underway.

As allocators of capital, stewards of our clients' assets and active shareholders in companies, we know that the individual and collective decisions we make as investors will influence the nature and speed of this transition.

We acknowledge that we have a wider responsibility to contribute to a sustainable economy and society<sup>2</sup> through our investment activities and business operations. We understand that different assets will be affected by the transition in different ways, both in relation to their contribution to climate change in the form of greenhouse gas emissions, but also their exposure to changes occurring in the physical environment.

In addition to managing climate risk, we are focused on the opportunities presented by the transition to a low carbon economy. Some companies are well-positioned to contribute to, or provide, the solutions needed to reduce greenhouse

gas emissions and to adapt to a changing climate. These companies can offer compelling, long-term, risk-adjusted investment returns aided by changes in policy, technology and consumer demand. Over the last five years, we have provided case studies of both kinds in our responsible investment (RI) and stewardship reports.

Beyond its direct effects, climate change often acts as a multiplier of other risks and opportunities that investors have traditionally managed. For example, while companies have always had to manage impacts of extreme weather events, climate change is making these more frequent and intense. Similarly, while technological disruption has always occurred, the urgency and scale of changes needed to shift to a low-carbon economy are unprecedented.

In recent years we have seen an acceleration in the number of companies, financial institutions, states, regions and cities committing to transitioning to a net zero world. However, challenges abound. There is a significant gap between the capital investment required to meet the climate change objectives of the Paris Agreement and the amount currently being deployed across the globe. Investors require support from policy-makers to shift capital at the speed and

scale required. However, as stewards of our clients' assets we believe we cannot simply wait for this to occur, because the long-term interests of our clients are tied to a stable climate.

As a result, we will up-skill relevant employees, work closely with stakeholders and deploy capital towards achieving positive financial, social and environmental objectives.

This shared responsibility requires transparency from all stakeholders. Considering this, we have prepared this document to align with the Task Force on Climate-Related Financial Disclosures (TCFD) principles. Our updates cover the period 1 July 2023 to 31 December 2023 and the categories of:

1. Strategy
2. Governance
3. Risk Management
4. Metrics and Targets

In light of additional global regulatory reporting requirements that are seeking to align climate-related disclosures with the reporting entity's financial reporting, we have prepared this interim Climate Change Statement covering our approach to climate-related risk and opportunities for the period 1 July 2023 to 31 December 2023.

For further information on our approach and the targets we have set, please visit the 'Our climate metrics and target' section of our website.

<sup>1</sup> The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

<sup>2</sup> A sustainable economy and society aims to meet the needs of the present without compromising the ability of future generations to meet their own needs. (Source: *Our Common Future*, also known as the Brundtland Report, October 1987)

## Key updates



Over the reporting period, FSI continued to implement the second iteration of our Climate Risk Management Plan (CRMP), which was developed in late 2022 and maps FSI's progress against TCFD recommendations and associated regulations and guidance. The plan is intended to be used as a dynamic risk management plan, updated and adjusted in line with new climate risk-related government policy and regulations. At the start of 2023, the CRMP identified 21 actions to pursue throughout the year.

Actions included further implementation of our approach to net zero; expanding company engagement and policy advocacy efforts; improving management and transparency around climate-related risks and opportunities; and creating ongoing learning and development opportunities for stakeholders.

By the end of 2023, we had successfully completed the majority of action items within our CRMP, except our ongoing climate learning and development program and the launch of our improved external climate dashboards. We will continue to work on those outstanding items over the course of 2024. As we have significantly improved the understanding and integration of climate risk and opportunity management across the business, we did not see the need to develop a third iteration of our climate risk management plan. Instead, the focus for 2024 will be on managing the nuances between the different regulatory regimes such as the identification of the reporting entities in scope for disclosure and managing the variation in timing of reporting.



In 2024, FSI will be required to report in line with the climate-related disclosure requirements in the United Kingdom and New Zealand, and will start to prepare for the upcoming disclosure requirements in Australia, which will come into effect for the fiscal year commencing 1 January 2025. Our investment teams<sup>3</sup> continue to build on the extensive climate-related work undertaken in previous years. Most of the investment teams pursuing active management strategies have developed a range of targets at team, portfolio and/or company level that they wish to pursue over the short, medium and long term.<sup>4</sup> The initial proportion of our total assets under management (AUM) to be managed in line with our net zero ambition was 44.5% (based on total FSI AUM as at 31 December 2021).

We aim to continuously increase the proportion of assets and investments covered by formal net zero targets over time as more methodologies and data become available, as set out in our Climate Action Plan. In the second half of 2023, a major accomplishment was the addition of the eligible proportion of our Cash and Short-term Deposits<sup>5</sup> to our net zero ambition. This led to a considerable increase in our AUM committed to be managed in line with our net zero ambition to 65.7% (based on AUM as at 31 December 2023).

<sup>3</sup> Including all FSI investment teams and affiliated brands (RQI Investors, FSSA Investment Managers, Stewart Investors, Igneo Infrastructure Partners). AlbaCore Capital Group have published their own TFCF aligned report.

<sup>4</sup> Our Climate Metrics and Targets can be found on our website.

<sup>5</sup> The eligible proportion of the Cash and Short-Term portfolios exclude cash at Bank, Derivatives, Government-related issuances and Funds, and may be susceptible to periodic fluctuations.

## Key updates



Our Climate Action Plan, which sets out our net zero transition strategy to achieve the targets outlined above, includes how we will transition existing investments and our operations to net zero; develop new products; work with stakeholders including clients, investee companies and regulators; and monitor progress and measure success.<sup>6</sup>



As in previous years, we invested in additional Environmental, Social and Governance (ESG) data and information sources throughout 2023. The expansion of climate-related reporting into new jurisdictions and enhanced disclosure capabilities into new asset classes were a top priority. Throughout 2023, we worked on the integration of fixed income securities such as corporate, sovereign and sub-sovereign<sup>7</sup> (Australia-only) entities. We worked closely with our data provider to ensure that all relevant parts of the FSI business are well informed on how to use the data most effectively and to understand its limitations. This was particularly relevant for fixed income securities.

<sup>6</sup> These targets have been formulated based on (i) available information and representations made to First Sentier Investors by third parties, including, but not limited to, portfolio companies; and (ii) assumptions made in relation to future matters such as the implementation of government policy in climate-related areas, enhanced future technology and the actions of portfolio companies. Such information and representations may ultimately prove to be inaccurate and such future matters may not ultimately be realised. As such, First Sentier Investors cannot guarantee the achievement of these targets. These targets are subject to ongoing review and may change without notice.

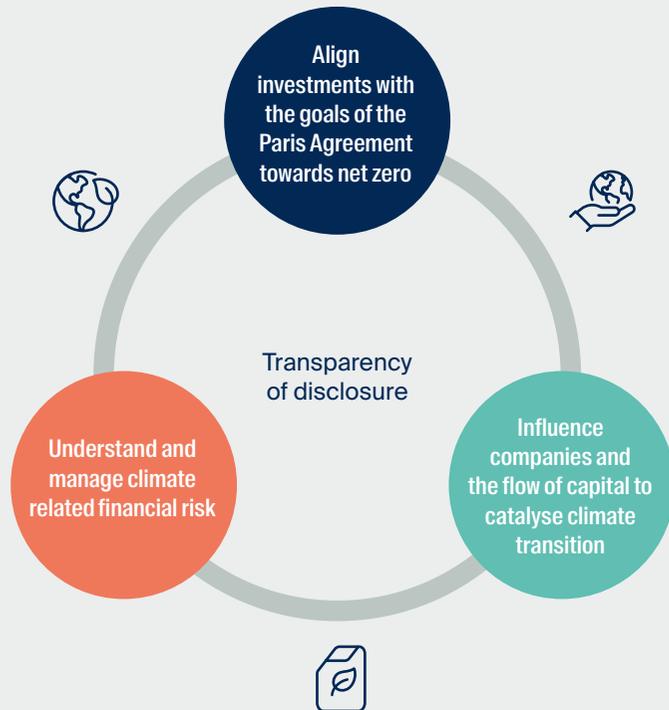
<sup>7</sup> Sub-sovereign entities refer to the Australian States and Territories (New South Wales, Victoria, Tasmania, Western Australia, South Australia, Queensland, the Australian Capital Territory and the Northern Territory)

# Strategy

At FSI, our purpose is to deliver sustainable investment success<sup>8</sup> for the benefit of our clients, employees, society and our shareholder, and our vision is to be a provider of world-leading investment expertise and client solutions, led by our responsible investment principles.

Whilst our investment teams provide quite differentiated investment capabilities, they all share a common commitment to responsible investment, with climate change being one of the four key themes that we prioritise as a firm.

Our climate strategy is centred on ensuring transparency of disclosure on climate change, with the aim to align investments with the goals of the Paris Agreement towards net zero, understand and manage climate-related financial risks, and influence companies and the flow of capital to accelerate climate transition.



<sup>8</sup> As a global asset manager, we have the opportunity and responsibility to allocate our clients' capital in a way that drives what we believe to be positive social and environmental outcomes.

We have articulated our formal net zero transition strategy in our Climate Action Plan, and more broadly, climate change is a key feature of our group-wide RI strategy. Our governance structures and strategy are designed to be flexible enough to cater to the needs of our diverse investment capabilities, while remaining clear and practical.

Given the diversity of our investment capabilities, and consequently the range of risks and opportunities posed by climate change, we believe this integrated approach is the most effective way forward.

Our existing RI framework ensures that complex issues, which have implications for multiple investment teams, are captured and managed through the governance structures and committees outlined in the Governance section below.

The elements of our RI strategy that are directly related to climate change are:

- RI Learning & Development program:** this provides targeted training to different stakeholder groups across the firm (board and executive leadership; investment teams; distribution, marketing, product, legal, communications, compliance and risk management; and whole of firm). Climate change education is a key part of this program and includes inviting external experts to present and engage with the different stakeholder groups. In early November 2023, we piloted our first climate change introduction training to employees from centralised, non-investment teams. This initial presentation was attended by various stakeholders across the organisation (marketing, product, compliance, legal, corporate sustainability and

finance) and was an interactive discussion covering the basic terminology around climate change, global climate change commitments, and how FSI and its employees within the workspace can contribute to mitigating the effects of climate change.

- ESG Data Strategy:** this aims to enhance the ESG data (including climate-related data) that is available for investment teams, clients and management, to make more informed decisions and to allow us to be more transparent. In the second half of 2023, the integration of fixed income securities as well as the development of FSI's enhanced public carbon footprint dashboards were key priorities. We managed to expand the internal climate dashboards with additional coverage of corporate and sovereign bonds and enhance our carbon footprinting capabilities. The next milestone for our dashboards is to launch our updated public version early quarter two in 2024.
- Investment integration:** each FSI investment team incorporates climate change considerations into the investment process and portfolio company engagement activities, along with other environmental, social and corporate governance issues. The RI team collaborated with our project management team as well as individual investment teams to integrate our assessments of investee companies' net zero alignment into our internal dashboards as well as front office tools such as Factset and Bloomberg.



- **Global Responsible Investment & Stewardship Policy and Principles:** this document sets out the key investment team standards in relation to RI generally, and climate change specifically.
- **Client engagement:** In the second half of 2023, we continued to actively engage with our institutional clients to ensure we understand their approach to climate change, so that we can anticipate and meet their needs regarding climate disclosure, reporting and strategy.
- **Policy advocacy:** we actively engage with stakeholders including regulators, industry bodies, civil society organisations and collaborative initiatives, to raise awareness and advocate for the necessary policy settings to enable us to deploy capital to meet global climate objectives. FSI co-sponsored (with a select group of investors) and contributed to a discussion paper on the importance of sectoral decarbonisation pathways viewed from an investor perspective. The discussion paper was presented by representatives of the Investor Group on Climate Change (IGCC) to members of the Australian Treasury and the Department of Climate Change, Energy, the Environment and Water (DCCEEW) and has helped to inform the Australian Government's approach to this topic.
- **Governance:** we continue to enhance our internal ESG governance process based on the evolving regulatory landscape and client requirements.

## Investment team strategies

At FSI, we take a decentralised approach to RI, where individual investment teams are primarily responsible for ESG integration and active ownership in relation to their investments.

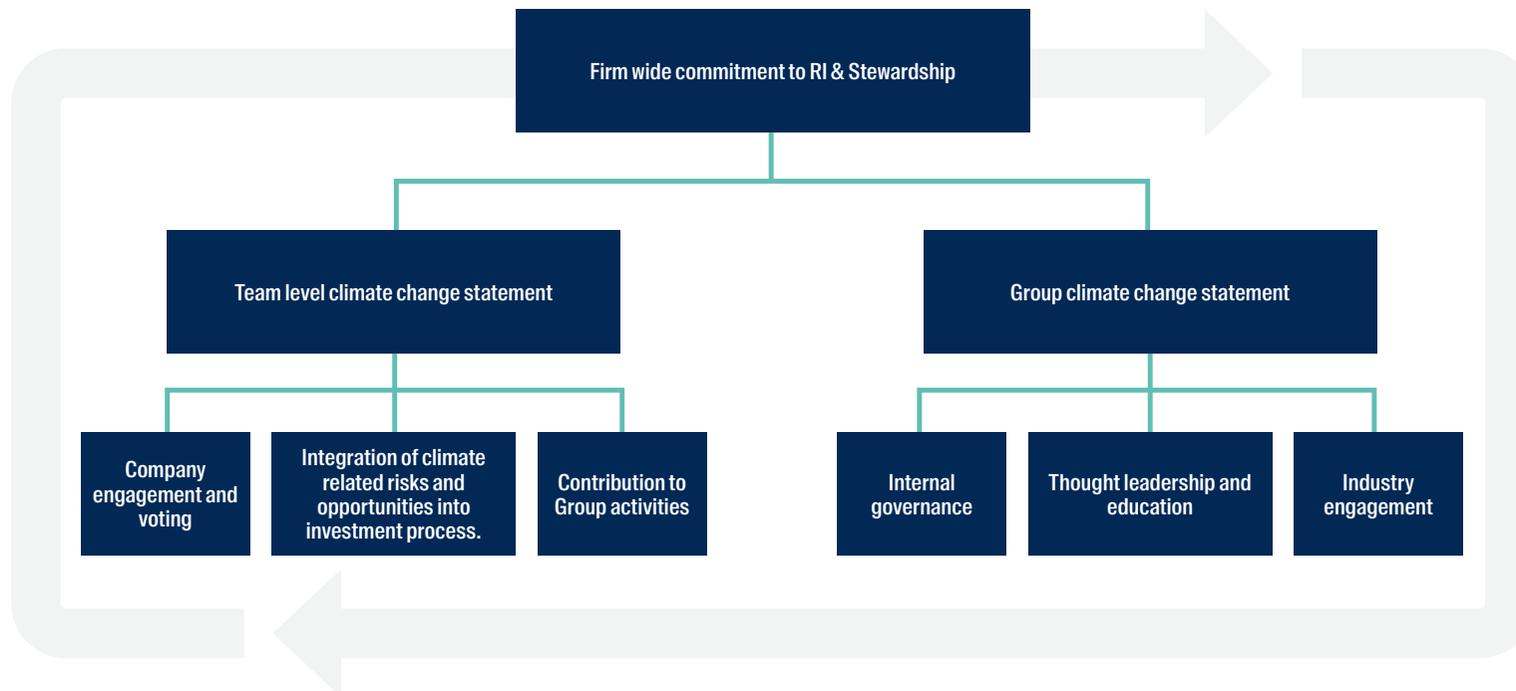
The way in which climate change, among other ESG factors, is incorporated into our investment decision-making and ownership practices is described in our annual RI Report and in each investment team's profile on our website (excluding AlbaCore Capital Group).

As a diverse group of primarily bottom-up, active investment management teams, we believe that the investment experts within each team are best placed to factor in and manage the specific ways in which climate change will manifest itself for their investments.

Each investment team (excluding AlbaCore Capital Group<sup>9</sup>) has provided its own Climate Change Statement, available on their respective website profiles, which are designed to show how they identify and address climate-related risks and opportunities in their investment process and the targets they have set.

This includes identifying which climate-related issues are considered to be relevant and material for which time horizon; how they are expected to impact the team's portfolios and underlying investee companies; what data and inputs they use to identify risks and opportunities; and how this is addressed in the investment process. We provide interactive carbon footprints for each of our listed equity investment teams and have most recently added our fixed income teams. Both of our internal and external dashboards allow stakeholders to drill down into portfolio level metrics. These dashboards have been built in-house and use third-party data sources.

In 2023, we launched our net zero alignment model. The net zero model will enable various internal stakeholders to monitor and track our investee holdings' progress towards net zero, as well as monitoring our investment teams' commitments and targets working towards net zero by 2050. As part of our commitment to the Net Zero Asset Managers (NZAM) initiative, we also successfully submitted our first Net Zero Progress Report covering the FSI-wide net zero ambition.



<sup>9</sup> AlbaCore Capital Group will issue a separate TCFD report for 2023.



## Key updates

---



Our Corporate Sustainability team launched the first public Corporate Sustainability Report capturing the progress we have made to improve the sustainability profile of our global business throughout the year. It reflects our commitment to achieving environmental, social, and governance objectives<sup>10</sup> in line with our corporate operations worldwide.

---



The RI team conducted a review of our memberships to trade associations and assessed the alignment of their lobbying activities with the goals of the Paris Agreement.

---



In August 2023, we published our first Net Zero Progress report covering our FSI-wide net zero ambition and targets on the NZAM website.

<sup>10</sup> Our corporate ESG objectives in the areas of Environment, Supply Chains, Community and Diversity, Equity and Inclusion (DE&I), FSI Corporate Sustainability Report p.11  
<https://www.firstsentierinvestors.com.au/au/en/adviser/who-we-are/corporate-sustainability.html>



# Governance

In response to the fast-changing regulatory environment, we updated our governance structure to better support our board and senior management with oversight and advisory functions. Our Global Investment Committee and the Global Responsible Investment Executive Committee continue to provide oversight and make significant contributions to our climate change strategy.

Our current governance structure, as it relates to assessing and managing climate-related risks and opportunities, involves:

## Board oversight:

- **First Sentier Investors Holdings Pty Limited (FSIH) Board:** receives biannual reporting and discussion on RI (which includes an update on activities in relation to climate change), and approves strategy and risk appetite for the overall business.
- **Audit and Risk Committee:** this FSIH Board committee is responsible for overseeing processes for identifying and managing risk, including climate-related risk, and receives biannual reporting and discussion on ESG Risk.
- **Global Subsidiary Boards:** receive biannual reporting in relation to RI (which includes an update on climate-related risks and opportunities), where they are regulated entities or otherwise, as required by local law.

## Management responsibility:

The FSIH Board has delegated to FSI's Chief Executive Officer (CEO) overall management responsibility for ensuring climate-related risks and opportunities are integrated into FSI's business' strategy, risk management, business

operations and oversight functions. The CEO provides reporting to the FSIH Board and has established the following management committees, with responsibility for the assessment and management of climate related risks and opportunities forming part of their overall responsibilities:

- **Executive Leadership Team:** responsible for ensuring climate-related risks and opportunities are addressed across the business and their specific areas of responsibility, and approval of the firm's operational climate disclosures.
- **Global Responsible Investment Executive Committee (GRIEC):** chaired by our CEO, this group meets at least three times a year and is responsible for setting the direction and strategy for RI, approval of the policy framework and oversight of FSI's ESG Risk and adherence to global ESG regulations.
- **Global Investment Committee (GIC):** responsible for monitoring the management of investment risks, including sustainability risk (which includes climate-related risks) across our global business for all teams other than Igneo Infrastructure Partners and AlbaCore Capital Group, each of which has its own governance structure for this purpose. This committee meets quarterly and is chaired by our CEO. The GIC includes regular reporting on a number of ESG metrics, including a series of climate-related metrics.
- **Global Risk Committee:** responsible for oversight of all risks assumed by FSI in the course of managing its business.

Specific committees have also been established to ensure appropriate assessment and management of ESG issues (including climate-related risks and opportunities):

- **ESG Impacts Committee:** comprising representatives from each investment team (RI Representatives) (AlbaCore Capital Group was still being integrated into our broader governance process in 2023 and did not have a representative on this committee at the time), the ESG Impacts Committee is a forum for identifying research areas to deepen our understanding of how ESG issues impact investment and business performance. The focus is on crosscutting issues that affect multiple investment teams, such as climate change and human rights risks and creating working groups to consider and deepen our knowledge of these issues. The ESG Impacts Committee meets twice yearly. In the reporting period, the committee's climate-related focus was centred around the greenwashing risk associated with public disclosure.
- **ESG Regulatory Advisory Group:** established in 2022 for the purpose of monitoring and advising on the implementation of global ESG regulations including product/strategy

classifications and to make recommendations to the GRIEC.

- **ESG Communications Oversight Group (ECOG):** comprising representatives from across the business functions globally, the group was established in 2022, and monitors and advises on globally consistent ESG disclosures across regulatory and marketing materials where product/strategy articulation and classifications are expressed.

Climate related risks and opportunities are also supported by:

- **Policy and process framework:** key documents in this framework include this Climate Change Statement and each investment team's Climate Change Statement, our Climate Change Action Plan, our Global Responsible Investment and Stewardship Policy and Global Responsible Investment and Stewardship Principles.
- **Specialist RI team:** engages with and coordinates the entire business to deliver the RI strategy. The team currently consists of 8 staff located across offices in Australia, Hong Kong, Ireland and the UK, and reports into the Global Head of Investment

Management. The team has dedicated roles for the integration of ESG Policy and Regulation and climate change to manage the challenging tasks of navigating the rapidly evolving regulatory landscapes and setting out a clear pathway for our climate policy advocacy.

- **Corporate Sustainability team:** works in partnership with teams across FSI's global business to manage the ESG impacts of our own operations and by doing so, supports our position as a responsible investor.



## Key updates

---



Enhanced the sustainability assessment made by our Investment Product Research and Assurance team (IPRA) for the Global Investment Committee by introducing scenario analysis to the sustainability assessment framework in the second half of 2023.

---



Finalisation of our policy advocacy principles, which we believe is an extension of our engagement responsibilities and an essential tool for promoting positive change and shaping the direction of sustainable finance policy development, real economy and reform.

---



We continue to be active in collaborative engagement initiatives including Climate Action 100+, Investor Group on Climate Change (IGCC), and the PRI Pilot on Sovereign Engagement. Our Global Head of Responsible Investment, Kate Turner, was appointed to the Net Zero Asset Managers initiative Advisory Group towards the end of 2023.

---



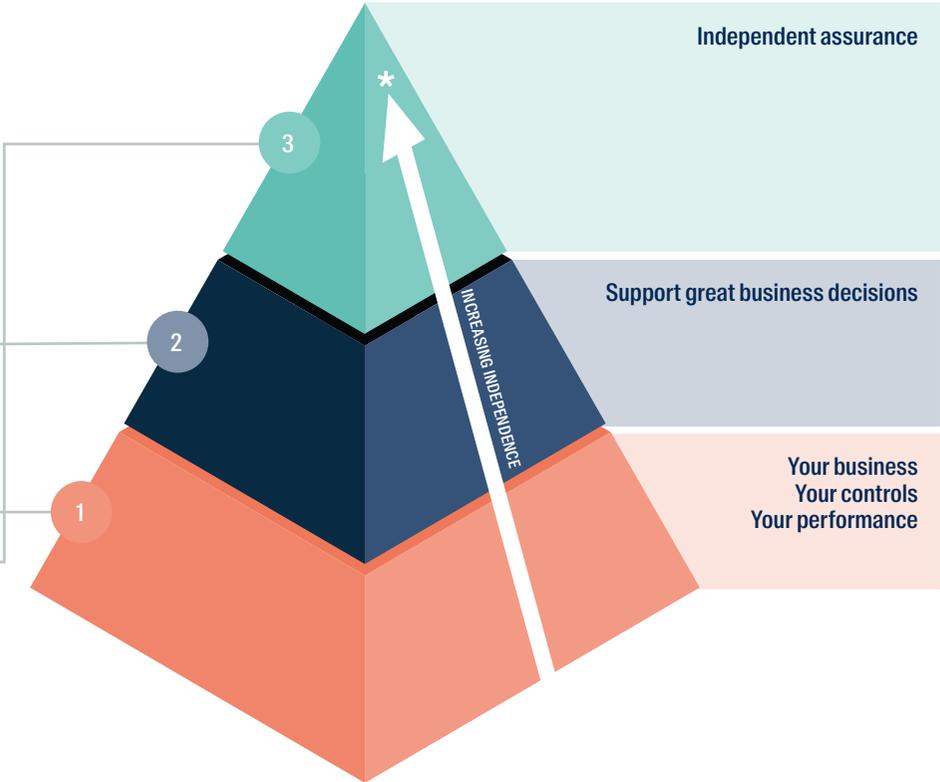
In the second half of 2023, the Responsible Investment team successfully participated in several climate-related consultations in Australia, UK, EU and a representative of FSI joined a select group of investors to Canberra to discuss the upcoming climate disclosure regime with members of parliament during a 2-day visit to Parliament House. We attended an investor-led engagement meeting with the Japanese Ministry of Finance and Ministry of Economy, Trade and Industry held at the PRI in-person conference centre in Tokyo. We were also signatories to a UK Sustainable Investment and Finance Association (UKSIF) letter that was sent to the UK Prime Minister regarding the nation's Net Zero Commitments and concerns around the Government's commitments on emissions reduction.

# Risk management

FSI's risk culture is based on doing the right thing by our clients, employees, society and our shareholder. The FSIH Board, senior management and employees are expected to be risk-aware, and understand the role they play in managing risks, and the value that effective risk management adds to the organisation.

FSI's philosophy with respect to responsibilities for risk management can be articulated in the *3 Lines of Accountability/Defence Model*.

- Line 1: Risk Controls for Investment Team - Business Management:** Responsible for identifying and managing risks and ensuring their activities are compliant with legal, regulatory, industry code and organisational requirements.
- Line 2: Risk Independent oversight of investment activities - Support Functions:** Supports the business in managing risks and achieving compliance, monitoring risk and compliance levels in the business and reporting on risk and compliance matters to management and governance forums.
- Line 3: Internal & External Audit:** Provide independent and objective assurance over risk management controls and governance processes across FSI globally.



This model applies to climate-related risks within our business and investment strategies as follows.

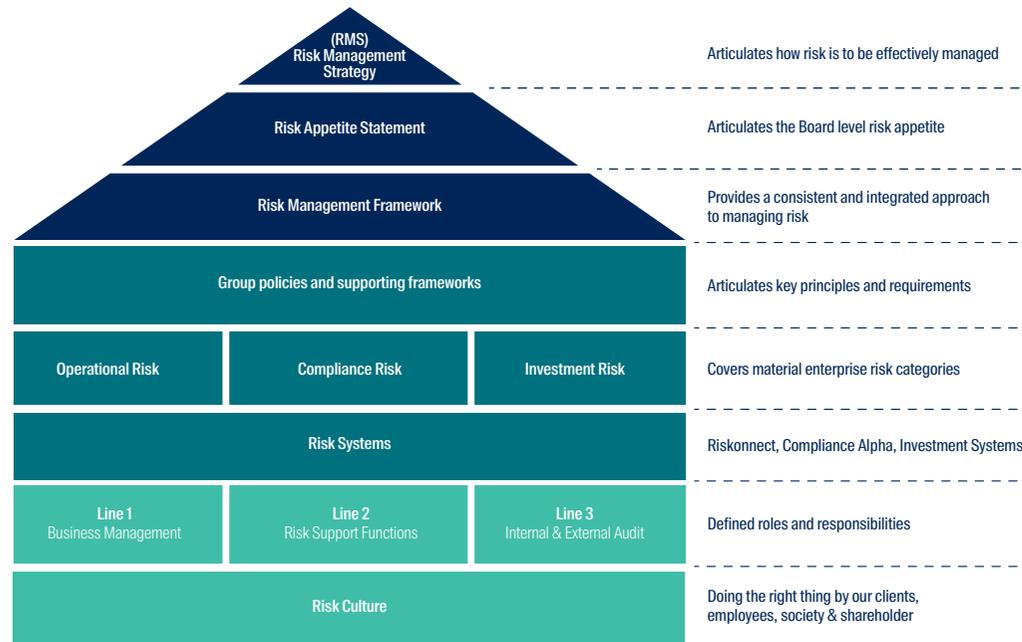
	Climate-related non-investment risks	Climate-related investment risks
<b>Line 1</b>	Corporate Sustainability	Investment teams, RI team
<b>Line 2</b>	Risk Management Compliance	Investment Product Research and Assurance
<b>Line 3</b>	Internal and external audit	

# Risk Management Principles

## Risk Management should be:

- an integral part of FSI's governance, strategic and business planning, decision-making and operational processes;
- a dynamic, iterative process that is responsive to changes in the internal and external environment;
- based on the best available information, including both quantitative and qualitative data;
- transparent and effectively communicated to stakeholders to ensure a common understanding of risks, clear roles and responsibilities, and effective escalation and reporting; and
- founded on a strong risk culture across all levels of the organisation.

The below diagram summarises the key components of the Risk Management Framework (RMF) that underpins the risk management process.



# Risk Appetite Statement

Our Risk Appetite Statement (RAS) sets out the risk appetite for each of FSI's material risk categories and contains qualitative statements of risk appetite and risk tolerances, and is supported by key risk indicators (KRIs). Responsible Investment Risk is a category of Investment Management Risk, one of the seven material risk categories identified in the RAS, and climate change is referred to as a key area of focus under this risk category in the Risk Management Strategy (RMS). Corporate Sustainability Risk is a category of Strategic Risk. Both relate to climate change.

As responsible investing becomes regulated across the markets we operate in globally, there is a growing need for the Compliance team to help the business identify, assess, manage and report on ESG compliance risks and obligations.

We continue to leverage and further enhance our existing global risk and global compliance frameworks in relation to our ESG processes, controls and assurance to ensure we continue to meet the swiftly evolving ESG regulatory requirements around the globe. In order to facilitate those enhancements we have flagged all our ESG related controls to support ongoing oversight, monitoring and assurance. In addition, our Internal Audit team periodically reviews investment team processes to ensure that they are compliant with stated ESG and RI policies and principles.

Tabled below is FSI's operational material climate related risk, opportunities, mitigation strategy and key performance metrics:

## Market and business transition

---

First Sentier Investors has a global operating footprint. There is a risk of increasing prices of raw materials, tariffs on energy supply and increase in carbon pricing in some regions where FSI operates, and this could result in increased operating costs for the business.

To avoid the impact of rising operating costs, FSI has developed a sustainable Property Guide outlining minimum environmental and other sustainability standards that should be applied when relocating to new office locations. An Office Fit-out Guide has also been developed to embed sustainability in the office design.

Using the Greenhouse Gas Protocol (GHG Protocol), FSI has established baseline data for Scope 1, 2 and certain aspects of Scope 3 emissions to ensure business practices are continually improving towards lowering the companies' carbon footprint. FSI has also established a dedicated decarbonisation platform that supports FSI to track, monitor and report our resource consumption and GHG emissions. This may also result in reducing operating costs for FSI.

## Reputational

---

There is an expectation from FSI's stakeholders (clients, employees, wider society and shareholder) to ensure that FSI's own business is taking actions to address Climate Change, consistent with or at a higher standard to what we would expect of the companies in which we invest our client's capital. Failure to do so may risk FSI's own business operations being misaligned with FSI's Responsible Investment philosophy. This could result in negative media coverage for "greenwashing", impact client engagement activities and/or withdrawal of investment.

To mitigate the risk of reputational damage, FSI continues to monitor its progress towards its Net Zero target by 2030 (or before); attain globally recognised certifications such as ISO 14001 Environmental Management System for its operation (pilot project completed for Edinburgh headquarters); and communicate progress to FSI's stakeholders. Additionally, FSI achieved B Corp Certification in November 2022, demonstrating our commitment to high environmental, social and governance standards.

## Regulatory and Legal Risk

---

FSI operates in a multi-jurisdictional environment, where there are different regulatory requirements for countries it operates in, amongst a complex and evolving ESG landscape. Should FSI fail to meet any mandatory reporting requirements, there may be a risk of added regulatory pressure, fines and penalties, or accusations of greenwashing. To mitigate this risk, FSI horizon scans for new and evolving regulation in relevant markets, with advice and input from internal and external legal advisors and regulatory compliance teams. In many instances the requirements cross both FSI's Investment practices and its own operations and so the Responsible Investment team and Corporate Sustainability work together to meet these requirements. Our teams continue to evolve our internal governance approaches to ESG regulation and compliance. In 2022, a new ESG Policy and Regulation role was appointed within the Responsible Investment team to provide a dedicated resource to focus on the implementation of ESG regulation. In 2023, a new ESG Governance structure was implemented to monitor, evaluate and approve ESG related decisions. To further support this, in early 2024, FSI will be adding a Senior Manager to the Regulatory Compliance team to focus on horizon scanning for evolving ESG regulations.

## Physical Risk

---

Extreme weather events such as heatwaves, floods and bushfires, chronic heat stress and sea level rise can have physical impacts on FSI offices and data centres, but also have an impact on FSI's staff health and wellbeing.

To mitigate this risk, we have developed internal resources to consider the building resilience during the office selection and assessment process. In late 2023, we also conducted a landlord survey to seek additional information from the landlords of our Head Lease office locations, to collect information across various ESG considerations that relate to their operations and the building's operations.

# Climate-related risks and opportunities

The table below outlines some of the key climate-related risks and opportunities and their implications for the Company operations.

Business Issue	Description	Risks	Target & Mitigation Strategy	Metrics & Progress	Opportunities
<b>TRANSITION RISK</b>					
<b>Market and business transition</b>	<ul style="list-style-type: none"> <li>Carbon price increase in global markets</li> <li>Increase in energy tariffs &amp; rates</li> <li>Increase cost of raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Risk of higher operating costs for FSI</li> </ul>	<ul style="list-style-type: none"> <li>Ensure FSI offices are in buildings with high Energy and Water performance ratings</li> <li>Lower business operating costs by having offices in resource efficient buildings with high green building standards</li> <li>Develop a purposeful (sustainable) travel strategy</li> <li>Set energy reduction targets for each headquarter.</li> </ul> <p><b>2H2023</b></p> <ul style="list-style-type: none"> <li>Establish baseline data for waste and water for all First Sentier Investors offices.</li> <li>Identify further energy efficiency opportunities to reduce energy consumption in existing offices.</li> <li>Transition offices to 100% renewable electricity via energy retailers or the purchase of Renewable Energy Certificates.</li> </ul>	<ul style="list-style-type: none"> <li>Developed a Sustainable Property Guide to establish minimum sustainable criteria for FSI offices.</li> <li>Developed a "Sustainable Fit-out Guide" to outline sustainability criteria for First Sentier Investors office fit-outs.</li> </ul> <p><b>2H2023</b></p> <ul style="list-style-type: none"> <li>Established GHG baseline for Scope 1 and 2 and relevant Scope 3 emission's using Environmental Managment Platform 'SINAI'.</li> <li>Commenced water and waste data collection for First Sentier Investor offices (estimation models used in locations where actual data is not yet available)</li> <li>Integrated ESG considerations within our corporate travel policy and booking system.</li> <li>Attained 5.5 NABERS Tenancy rating for our Barangaroo office in Sydney.</li> </ul>	<ul style="list-style-type: none"> <li>Lower operational costs for FSI offices globally</li> </ul>

Business Issue	Description	Risks	Target & Mitigation Strategy	Metrics & Progress	Opportunities
<b>Reputational</b>	<ul style="list-style-type: none"> <li>Expectation from stakeholders (clients, employees, wider society and shareholder) to take leadership position in addressing climate change within own operations</li> </ul>	<ul style="list-style-type: none"> <li>Misalignment with Responsible Investment philosophy</li> <li>Loss of competitive advantage</li> <li>Clients/investors withdrawing funds and new investments</li> <li>Negative media coverage for not following Responsible Investment principles for FSI operations and potential "greenwashing"</li> </ul>	<ul style="list-style-type: none"> <li>Development of targets and action plan to reduce environmental impact of FSI operations</li> <li>Implement an Environmental Management Platform to monitor GHG emissions and progress against FSI's Net Zero Commitment by 2030 (or sooner).</li> <li>Attain globally recognised environmental certifications for FSI's operations to certify actions taken</li> <li>Introduce sustainability awareness programs for stakeholders on FSI's positioning on climate change in its operations</li> <li>Publish Net Zero Roadmap and monitor progress.</li> </ul>	<ul style="list-style-type: none"> <li>Developed FSI's Material Climate Risk Matrix.</li> <li>Implemented First Sentier Investor's Environmental Management Platform</li> </ul> <p><b>2H2023</b></p> <ul style="list-style-type: none"> <li>In October 2023, achieved certification against ISO 14001 Environmental Management System (EMS) for our pilot office in Edinburgh and the Corporate Sustainability function, with intention to certify our other offices over time.</li> <li>Published our first Corporate Sustainability Report, including publication of our Scope 1, 2 and aspects of our Scope 3 emissions for 2022.</li> <li>Commenced identifying decarbonisation initiatives as part of Net Zero Roadmap.</li> </ul>	<ul style="list-style-type: none"> <li>Reinforce FSI's position as a Responsible Investor</li> <li>Communication of progress to stakeholders</li> <li>Attracting and retaining staff in a responsible business</li> </ul>

Business Issue	Description	Risks	Target & Mitigation Strategy	Metrics & Progress	Opportunities
Regulatory and legal risks	<ul style="list-style-type: none"> <li>Carbon price / regulatory cap &amp; trade obligations</li> </ul>	<ul style="list-style-type: none"> <li>Financial implications of higher operating costs if carbon pricing mechanisms are increased or introduced before FSI's operations are transitioned to net zero emissions</li> <li>Enhanced emissions reporting obligations</li> </ul>	<ul style="list-style-type: none"> <li>Target to achieve Net Zero Carbon for FSI operations by 2030 (or before) including Scope 1, 2 and certain aspects of Scope 3</li> <li>Reduction of GHG use including using 100% renewable energy for FSI's offices or the purchase of Renewable Energy Certificates.</li> <li>Electrification: transition away from gas and diesel use in our Edinburgh office.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to support FSI offices globally to transition to renewable energy and purchase of RECs for applicable offices.</li> </ul> <p><b>2H 2023</b></p> <ul style="list-style-type: none"> <li>In 2023, purchased 100% renewable electricity in Hong Kong, Sydney, London, Singapore, New York and Edinburgh offices via energy tariffs or through the purchase of Renewable Energy Certificates (RECs).</li> <li>In Edinburgh office transitioned to 100% green gas.<sup>11</sup></li> <li>Purchased and retired carbon offsets for travel related emissions.</li> </ul>	
	<ul style="list-style-type: none"> <li>Complexity of regulatory landscape</li> </ul>	<ul style="list-style-type: none"> <li>Operating a multi-jurisdictional business where there are different regulatory requirements for different countries.</li> <li>Fines and penalties for greenwashing and not following protocols.</li> </ul>	<ul style="list-style-type: none"> <li>FSI horizon scans for new and evolving regulation in relevant markets with RI team.</li> <li>New ESG Policy and Regulation role.</li> <li>Undertake ISO 14001 Environmental Management System (EMS) certification for all relevant global offices.</li> </ul>	<ul style="list-style-type: none"> <li>Head of ESG Policy and Regulation appointed at the end of 2022.</li> <li>Aim to appoint in early 2024, a Senior Manager to the Regulatory Compliance team to focus on horizon scanning for evolving ESG regulations</li> <li>Attained ISO 14001 EMS certification for our Edinburgh Office and Corporate Sustainability function.</li> <li>In 2023, a new ESG governance framework was implemented to oversee ESG related activity, reporting and regulation.</li> </ul>	<ul style="list-style-type: none"> <li>Improved reporting and ESG due diligence at FSI.</li> </ul>

<sup>11</sup> Green gases are renewable and low carbon gases such as biomethane that can be used in place of fossil fuels. First Sentier Investors purchases green gas via tariff arrangement with our energy provider.

Business Issue	Description	Risks	Target & Mitigation Strategy	Metrics & Progress	Opportunities
<b>PHYSICAL RISK</b>					
<b>Increasing temperatures</b>	<ul style="list-style-type: none"> <li>Chronic heat stress due to sustained high temperatures.</li> </ul>	<ul style="list-style-type: none"> <li>Offices unable to maintain comfortable or safe working conditions for staff, affecting their wellbeing.</li> <li>Relocation of staff to more comfortable locations.</li> <li>Increased operational costs associated with energy and water supply to the offices and data centres and ensuring wellbeing of FSI staff.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure FSI offices are in buildings with high Energy and Water performance ratings, so they can better manage heat loads.</li> <li>For the office that FSI manages, ensure energy efficiency measures are implemented.</li> <li>Ensure plant condition is sufficient to manage sustained heat load.</li> <li>Undertake energy audits at each relevant office location.</li> </ul>	<ul style="list-style-type: none"> <li>Developed a Sustainable Property Guide to ensure FSI offices are in buildings that meet minimum sustainable criteria.</li> <li>Developed a "Sustainable Fit-out Guide" to outline sustainability criteria for FSI office fit-outs.</li> </ul> <p><b>2H2023</b></p> <ul style="list-style-type: none"> <li>Commenced the development of ESG plans for our offices to propose energy reduction initiatives to be implemented.</li> <li>Attained WELL Platinum certification for our head office in Barangaroo, Sydney.</li> </ul>	<ul style="list-style-type: none"> <li>Improved preparedness to manage operations during sustained high temperatures.</li> <li>Reduced demand on building and grid energy infrastructure.</li> </ul>
<b>Sea level rise</b>	<ul style="list-style-type: none"> <li>Rising sea levels.</li> </ul>	<ul style="list-style-type: none"> <li>Effects on Staff safety and wellbeing</li> <li>Impact to building infrastructure, security and IT systems in FSI offices and data centres.</li> </ul>	<ul style="list-style-type: none"> <li>Future climate analysis or flood reports to be included in office buildings that are at risk of sea level rise.</li> </ul>	<ul style="list-style-type: none"> <li>Included resilience criteria in the Sustainable Property Guide to ensure flood reports and other risk mitigation methods are reviewed as part of the lease process.</li> </ul>	
<b>Extreme weather events</b>	<ul style="list-style-type: none"> <li>Extreme weather events may cause physical damage and cause business disruption from storms, heatwaves, cyclones, floods and bushfires</li> </ul>	<ul style="list-style-type: none"> <li>Effects on FSI staff safety and loss of productivity.</li> <li>Travel disruptions and higher costs from negative impacts to staff. i.e. physical and mental health &amp; safety.</li> <li>Physical damage to FSI offices and data centres.</li> </ul>	<ul style="list-style-type: none"> <li>Office Emergency Plans for each office</li> <li>Inventory of physical climate related risk identified for each office as part of ISO 14001 certification and controls identified</li> <li>Ensure remote working technology is not affected by extreme weather.</li> </ul>	<ul style="list-style-type: none"> <li>Recommended Green Lease or Memorandum of Understanding requirements in the "Sustainable Property Guide" to encourage alignment of expectations between landlords and First Sentier Investors, relating to environmental impacts.</li> <li>Incorporation of Climate Adaptation and Emergency plans within the "Sustainable Property Guide", to best manage extreme weather events.</li> </ul> <p><b>2H 2023</b></p> <ul style="list-style-type: none"> <li>Risk and controls identified for extreme weather events for Edinburgh headquarters where we have operational control.</li> <li>Monitoring of indoor air quality in Barangaroo and Edinburgh office.</li> </ul>	<ul style="list-style-type: none"> <li>Improved preparedness to manage operations in extreme weather conditions.</li> <li>Improved transparency in FSI office lease agreements regarding building resilience, adaptation and emergency preparedness.</li> </ul>

The key climate-related risks we identify and manage across our investments, and how we assess the impact of these risks on investment performance, are outlined in the individual team Climate Change Statements on our website. We take a proportionate approach to managing climate-related risks, and the climate information we disclose is proportionate to the amount of data available; the degree that climate-related risks are considered in each investment team's investment; and our risk management processes.

## Scenario Analysis

Having piloted the use of climate scenario analysis over several years for a number of funds, in 2021 we appointed ISS as a scenario analysis provider to understand how aligned our portfolios are with various pathways to a low-carbon economy, using the IEA Sustainable Development Scenario (SDS), Announced Pledges Scenario (APS), and Stated Policies Scenario (STEPS). Top down climate scenario analysis poses challenges, including the large number of assumptions we needed to get comfortable with before selecting a provider and the lack of available and up to date data. However, we do find that this forward looking analysis allows us to gain a more complete picture of a portfolio's expected carbon emissions over time, as well as improvements on the commitments the underlying companies have made for the future, as well as a view on how a portfolio aligns with a pathway equivalent to an orderly and consistent transition to a 1.5 degree world.<sup>12</sup> This is particularly the case when combined with backward looking metrics such as historical carbon emissions, together with an assessment of how prepared a company is to transition to a low carbon economy. The extent to which individual investment teams use this analysis is outlined in their team's Climate Change Statements.

We are committed to managing our investments in accordance with the Net Zero Asset Management (NZAM) initiative. Since then, we have worked to implement elements of the Net Zero Investment Framework (NZIF). A key focus was on creating a bespoke tool to measure and track our team's portfolio coverage with the different stages of net zero alignment, drawing from widely recognised climate initiatives such as Institutional Investor Group on Climate Change (IIGCC), Climate Action 100+, Transition Pathway Initiative (TPI) and third-party vendor research. As net zero data sets and corporate disclosures have improved since we began this journey, the model has gone through different iterations reflecting those rapid changes.

However, we still face challenges. These include: consistency in definitions on underlying criteria of the net zero alignment model across the various climate initiatives; company net zero disclosure; access to capital expenditure data; lack of scope 3 disclosure; and limited target setting.

<sup>12</sup> Setting a 1.5 degree limit to global warming is seen as a critical threshold in order to avoid the most catastrophic impacts of a changing climate, and was established by the UN Intergovernmental Panel on Climate Change (UN IPCC) within the framework of the Paris Agreement. (Global Warming of 1.5 °C – (ipcc.ch))

## Key updates



Engaged extensively with industry associations and our research providers to address the challenges we are facing regarding the robustness and timeliness of carbon emissions data for specific asset classes (sovereign, cash and short-term investments).



A number of investment teams integrated an engagement tool, enhancing our capabilities to capture and track our corporate engagements related to climate and broader RI issues.



We started our fossil fuel engagement program engaging with companies involved in arctic drilling, oil sands and extraction of thermal coal. We have sent out the first letters and will continue to engage with these companies.



A number of investment teams have started or continued targeted engagement efforts with companies not aligned with a net zero pathway, and to encourage them to adopt one.

# Metrics and targets

Data is critical to helping us understand climate-related risks and opportunities, measure where we are, how far we have come and our progress against targets.

Our Corporate Sustainability team is collating carbon foot printing and other environmental data for our offices and business activities to give us a clearer picture of the environmental risks and impacts, and how to manage them.

We use a range of metrics to assess climate-related risks and opportunities for our investments. We publish these annually in our RI Report and on the following page, but also provide interactive disclosure for our listed equities teams on our website, and will be extended with Fixed Income before the end of Q1 2024.

## FSI Operational Emissions

	Tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e)		
	2020	2021	2022
<b>Scope 1</b> (direct emissions) <sup>13,16</sup>	36.68	50.96	45.15
<b>Scope 2</b> (indirect emissions) - purchased electricity - location method <sup>13,14,17</sup>	511.39	438.22	478.27
<b>Scope 2</b> (indirect emissions) - purchased electricity - market method <sup>13,15,17</sup>	262.93	212.73	170.16
<b>Scope 2</b> (indirect emissions) - purchased heat and steam <sup>13,17</sup>	28.86	27.83	34.93
<b>Scope 3</b> (indirect emissions) - Category 6 business travel	725.01	315.39	5,372.93
<b>Scope 3 - Employee commute</b> <sup>17</sup>	-	-	286.6
<b>Scope 3 - Working from home</b> <sup>18</sup>	-	-	62.83
<b>Total emissions</b> (Scope 1 & 2 - location based, and Scope 3)	<b>1,301.94</b>	<b>832.40</b>	<b>6,280.71</b>
<b>Total emissions</b> (Scope 1 & 2 - market based, and Scope 3)	<b>1,053.48</b>	<b>606.91</b>	<b>5,972.6</b>

<sup>13</sup> Emission factors for Scopes 1 and 2 reference published regional emissions factors from government and utility publications. Where 2022 government data was not available at the point of extracting the data, we have applied the emissions factor from the previous year as a proxy. Emission factors for scope 3 emissions are based on DEFRA UK's published emission conversion factors.

<sup>14</sup> A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

<sup>15</sup> A market-based method reflects emissions from electricity that the company has purposefully chosen. This takes into account FSI's procurement of renewable electricity. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

<sup>16</sup> Our Scope 1 reporting currently excludes diesel (as part of stationary combustion) and refrigerants. While they are expected to be immaterial to our operational GHG inventory, we will look to include this in the future for completeness. Since 1 October 2022, we have purchased Green Gas (via tariff) to replace the natural gas in our Scope 1 emissions. FSI does not own any company fleet, and therefore there is no associated transport fuel for Scope 1 (mobile combustion).

<sup>17</sup> For Scope 2 emissions, we use actual consumption data from our head leased head offices, and apply estimates for our serviced offices and our Melbourne office where actual consumption data is not currently available. We will endeavour to include metered consumption data where available in future reporting.

<sup>18</sup> This is newly reported in FY22. Our working from home and employee commute emissions are calculated from a staff survey to obtain data regarding employee commuting methods and method of travel to work. 58% of staff responded to the survey in 2022 and results were scaled to match the number of employees at each office. The distance-based calculation from GHG Protocol, which calculates emissions based on employee commuting patterns, was used.

## Carbon Metrics for Investment Teams



### Figure 1. Reporting on progress

This table shows the following key carbon metrics for all investment teams, as recommended by the Taskforce for Climate-Related Financial Disclosures (TCFD):

	Listed Equities	Fixed Income	Direct Infrastructure
 Coverage (AUM)	93.3%	Corporate fixed income: 82.9% Sovereign debt: 89.8%	91.0%
 Weighted average carbon intensity (Scope 1+2/\$million sales OR Scope 1+2/\$million GDP for sovereign)	149.9	Corporate fixed income: 132.6 Sovereign debt: 359.4	511.0
 Difference weighted average carbon intensity vs benchmark (aggregated)	(40.3%)	Corporate fixed income: (58.3%) Sovereign debt: (3.9%)	n/a
 Exposure to fossil fuel companies (%)	10.1%	5.5%	29.8%
 Relative carbon footprint (tCO <sub>2</sub> e/\$m invested)	61.85	37.87	103
 Difference carbon footprint vs benchmark <sup>19</sup>	(47.0%)	(53.4%)	n/a
 Total Carbon Emissions (tCO <sub>2</sub> e, Scope 1+2)	5,262,901	353,731	1,387,769
Scope 1 (tCO <sub>2</sub> e)	4,104,621	320,061	1,302,076
Scope 2 (tCO <sub>2</sub> e)	1,158,280	33,670	85,693
Scope 3 (tCO <sub>2</sub> e)	45,688,263	2,303,199	3,931,750

Source: First Sentier Investors, ISS ESG, Sustainalytics, data as at 31 December 2023

The data set out above are estimates based on data sourced by First Sentier Investors. This data is current as at 31/12/2023. It is based on information and representations sourced from third parties (including investee companies), which may ultimately prove to be inaccurate. No assurance is given or liability accepted regarding the accuracy, validity or completeness of this data and no reliance should be placed on it by any third party.

**Carbon footprint:** the carbon emissions of a portfolio per US \$m invested. Scope 1 and 2 emissions are allocated to investors based on an enterprise value ownership approach i.e. if an investor owns 10% of a company's total enterprise value including cash (EVIC), then they own 10% of the company and therefore 10% of the company's emissions. This is then normalised by portfolio value.

**Weighted average carbon intensity:** portfolio weighted average of each company's carbon intensity (scope 1 & 2) per US \$m sales.

**Total carbon emissions:** this metric measures the absolute carbon emissions associated with a portfolio (Scope 1 and 2) expressed in tCO<sub>2</sub>e\*. Scope 1 and 2 emissions are allocated to investors based on an enterprise value ownership approach (as with the carbon footprint).

**Fossil fuel companies:** This indicator shows the average number of fossil fuel companies (as defined by Sustainalytics) per portfolio. This includes companies involved in extraction or production, and/or those that own reserves.

Carbon footprint reports for each investment team, and an explanation of how each measure is calculated, is available on the FSI website.

**Note:** Portfolio emissions and carbon footprint are now based off Enterprise Value as a proxy for company size, as recommended in the most recent Partnership for Carbon Accounting Financials (PCAF) Standard. This is a change from previous years where calculations were based off Market Capitalisation.

\* tCO<sub>2</sub>e refers to tonnes of carbon dioxide equivalent.

<sup>19</sup> The benchmark is an aggregated weighted average benchmark, using performance benchmarks associated with each portfolio and weighted by each portfolio's portion of the total assets under management.





## Key updates

---



Rolled out our internal Net Zero progress tracking tool to monitor progress towards our portfolio's targets and their underlying holdings towards net zero.

---



Enhanced the internal climate dashboards with additional metrics relevant for both listed equities and fixed income (corporate and sovereign bonds) teams.

---



The FSI Corporate Sustainability team published our operational greenhouse gas emissions, including scope 3 category 6 (business travel, employee commute and working from home).

Further updates on our Climate Change actions are also provided in the Key Performance Indicator section of our annual [Climate Change Action Plan](#).

## Looking forward

---

Our priorities for the year ahead and beyond include:

- Increasing the percentage of our AUM that we wish to manage in line with a target of Net Zero by 2050.
- Improving our climate-related reporting and ensure compliance with the various mandatory disclosure regimes in the markets where we operate or distribute funds.
- Continuing to enhance our investment stewardship through targeted engagement and a structured approach to capture and track ongoing engagement priorities and outcomes.
- Continuing to develop and further enhance our ESG Data Strategy, including by making data available across more asset classes to support investment teams to provide better reporting to management and to be more transparent with clients and other stakeholders.
- In early 2024, we will update our public climate dashboard with the inclusion of fixed income and will work on adding more granularity to certain asset classes (e.g. sub-sovereign carbon and fossil fuel data for Australian States and Territories).

## Important Information

This material is for general information purposes only. It does not constitute investment or financial advice and does not take into account any specific investment objectives, financial situation or needs. This is not an offer to provide asset management services, is not a recommendation or an offer or solicitation to buy, hold or sell any security or to execute any agreement for portfolio management or investment advisory services and this material has not been prepared in connection with any such offer. Before making any investment decision you should consider, with the assistance of a financial advisor, your individual investment needs, objectives and financial situation.

We have taken reasonable care to ensure that this material is accurate, current, and complete and fit for its intended purpose and audience as at the date of publication.

To the extent this material contains any measurements or data related to environmental, social and governance (ESG) factors, these measurements or data are estimates based on information sourced by the relevant investment team from third parties including portfolio companies and such information may ultimately prove to be inaccurate.

No assurance is given or liability accepted regarding the accuracy, validity or completeness of this material and we do not undertake to update it in future if circumstances change.

To the extent this material contains any expression of opinion or forward-looking statements, such opinions and statements are based on assumptions, matters and sources believed to be true and reliable at the time of publication only. This material reflects the views of the individual writers only. Those views may change, may not prove to be valid and may not reflect the views of everyone at First Sentier Investors.

To the extent this material contains any ESG related commitments or targets, such commitments or targets are current as at the date of publication and have been formulated by the relevant investment team in accordance with either internally developed proprietary frameworks or are otherwise based on the Institutional Investors Group on Climate Change (IIGCC) Paris Aligned Investment

Initiative framework. The commitments and targets are based on information and representations made to the relevant investment teams by portfolio companies (which may ultimately prove not be accurate), together with assumptions made by the relevant investment team in relation to future matters such as government policy implementation in ESG and other climate-related areas, enhanced future technology and the actions of portfolio companies (all of which are subject to change over time). As such, achievement of these commitments and targets depend on the ongoing accuracy of such information and representations as well as the realisation of such future matters. Any commitments and targets set out in this material are continuously reviewed by the relevant investment teams and subject to change without notice.

### About First Sentier Investors

References to 'we', 'us' or 'our' are references to First Sentier Investors, a global asset management business which is ultimately owned by Mitsubishi UFJ Financial Group. Certain of our investment teams operate under the trading names FSSA Investment Managers, Stewart Investors and RQI Investors, all of which are part of the First Sentier Investors group.

We communicate and conduct business through different legal entities in different locations. This material is communicated in:

- **Australia and New Zealand** by First Sentier Investors (Australia) IM Ltd, authorised and regulated in Australia by the Australian Securities and Investments Commission (AFSL 289017; ABN 89 114 194311)
- **European Economic Area** by First Sentier Investors (Ireland) Limited, authorised and regulated in Ireland by the Central Bank of Ireland (CBI reg no. C182306; reg office 70 Sir John Rogerson's Quay, Dublin 2, Ireland; reg company no. 629188)
- **Hong Kong** by First Sentier Investors (Hong Kong) Limited and has not been reviewed by the Securities & Futures Commission in Hong Kong. First Sentier Investors, FSSA Investment Managers and Stewart Investors are the business names of First Sentier Investors (Hong Kong) Limited.

- **Singapore** by First Sentier Investors (Singapore) (reg company no. 196900420D) and this advertisement or material has not been reviewed by the Monetary Authority of Singapore. First Sentier Investors (registration number 53236800B), FSSA Investment Managers (registration number 53314080C) and Stewart Investors (registration number 53310114W) are the business divisions of First Sentier Investors (Singapore).
- **Japan** by First Sentier Investors (Japan) Limited, authorised and regulated by the Financial Service Agency (Director of Kanto Local Finance Bureau (Registered Financial Institutions) No.2611)
- **United Kingdom** by First Sentier Investors (UK) Funds Limited, authorised and regulated by the Financial Conduct Authority (reg. no. 2294743; reg office Finsbury Circus House, 15 Finsbury Circus, London EC2M 7EB)
- **United States** by First Sentier Investors (US) LLC, authorised and regulated by the Securities Exchange Commission (RIA 801-93167)
- **Other jurisdictions**, where this document may lawfully be issued, by First Sentier Investors International IM Limited, authorised and regulated in the UK by the Financial Conduct Authority (FCA ref no. 122512; Registered office: 23 St. Andrew Square, Edinburgh, EH2 1BB; Company no. SC079063).

To the extent permitted by law, MUFG and its subsidiaries are not liable for any loss or damage as a result of reliance on any statement or information contained in this document. Neither MUFG nor any of its subsidiaries guarantee the performance of any investment products referred to in this document or the repayment of capital. Any investments referred to are not deposits or other liabilities of MUFG or its subsidiaries, and are subject to investment risk, including loss of income and capital invested.

© First Sentier Investors Group

