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This fund uses the Sustainability Focus label which is for funds that invest mainly in assets that focus on sustainability for people or the planet.

Sustainability Focus

Royal London Sustainable Leaders Trust

Quarterly Investment Report

30 September 2026

ROYAL LONDON
ASSET MANAGEMENT

Quarterly Report

The fund as at 30 September 2026

The purpose of this report is to provide an update on the Royal London Sustainable Leaders Trust. The report has been produced by Royal London Asset Management. The report starts with a summary dashboard showing key information about the fund. A glossary is located at the end of the report covering the description of some of the more technical terms used within the report. All data is as at the report date unless otherwise stated.

Contents

The fund	3
Performance and activity	4
Fund breakdown	6
ESG	7
Market commentary	11
Further information	12
Disclaimers	13
Performance net and gross	15
Glossary	16

ROYAL LONDON
ASSET MANAGEMENT

The fund

Fund performance objective and benchmark

The Fund's financial objective is to achieve capital growth over the medium term, which should be considered as a period of 3-5 years, and to outperform the FTSE All-Share Index (the "Index") over a rolling 5-year period. The Fund's sustainability objective is to invest in companies that make a positive contribution to one or more of the "Sustainability Themes" (Clean, Healthy, Safe, Inclusive), through their products or services as determined by the Investment Adviser using its "Sustainability Standard".

Fund value

	Total £m
30 September 2026	2,386.02

Fund analytics

	Fund
Fund launch date	29 May 1990
Fund base currency	GBP
Benchmark	FTSE All-Share Index (Total Return, GBP)
Number of holdings	39

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	(0.60)	2.44	(3.04)
YTD	3.62	9.83	(6.21)
1 Year	10.93	16.84	(5.91)
3 Years (p.a.)	11.63	15.45	(3.82)
5 Years (p.a.)	7.21	10.96	(3.75)
10 Years (p.a.)	9.89	8.12	1.77
Since inception (p.a.)	9.12	8.35	0.77

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on C Acc GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 29 May 1990.

Performance commentary

The fund underperformed the benchmark over the quarter. The main negative factor for the fund's relative performance was the lack of exposure to the energy sector during a period in which oil and gas stocks rose significantly amid turmoil in the Middle East and surging energy prices. Commodity prices also rose strongly and the fund's lack of exposure to the materials sector also weighed on relative returns. Not holding energy and materials index heavyweights, such as BP, Shell and Glencore were the main negatives.

Stock selection was mixed, with a strong showing by the fund's financial sector holdings outweighed by positions in the industrials and technology sectors.

In terms of individual stocks, Standard Chartered benefited from the prospect of higher for longer interest rates. It also continued to demonstrate its effective transformation towards a wealth-management-focused model that offers higher margins, along with shareholder-friendly actions such as share buybacks.

Diploma was another positive contributor. This long-term holding has a consistent track record of delivering strong operational growth across its specialist distribution businesses. Investors have been attracted to its resilient business model, exposure to healthcare and industrial efficiency markets, strong acquisition track record and consistent profit growth.

On the downside, the holding in Rentokil Initial suffered due to concerns that recent acquisitions in the US are taking longer than hoped to contribute towards the company's earnings. However, we remain confident about the company's long-term prospects.

The other main negative contributor ASML was caught up in the rotation away from semiconductor stocks after being a strong performer year-to-date. However, there was significant volatility within technology stocks during the quarter, and we remain confident that the company's unique position as a supplier of advanced semiconductor manufacturing equipment will support future growth.

Performance and activity

Top 10 holdings

	Weighting (%)
HSBC Holdings Plc	7.40
Standard Chartered PLC	6.39
NatWest Group Plc	6.09
AstraZeneca PLC	5.75
Diploma PLC	5.27
SSE PLC	4.33
Lloyds Banking Group plc	4.21
Compass Group PLC	3.81
Amazon.com, Inc.	3.61
Schneider Electric SE	3.28
Total	**50.15**

Fund activity

We started a position in Metso Corporation, which supplies mining equipment. Although the fund does not invest directly in mining companies, Metso's focus on energy and water efficient equipment fits into the fund's Clean theme. We believe that the company has a strong competitive position and should benefit from increasing capital expenditure by mining companies, alongside attractive recurring revenues from servicing equipment and replacing parts.

We also initiated a position in Severn Trent, a UK water utility company. We think that the company is poised to benefit from the significant expenditure required to improve UK water infrastructure.

Vodafone was added to the portfolio based on its improved prospects following recent market consolidation within the telecoms industry and increasing confidence in the turnaround measures being undertaken by company management.

Towards the end of the quarter, we also initiated positions in Marks & Spencer, the UK retailer, and Helios Towers, the telecoms infrastructure provider operating across Africa and the Middle East. For Marks & Spencer, we see further growth potential from its strong Food business and continued improvements in Clothing and Home. For Helios Towers, growing demand for mobile data should support increased use of its existing tower network.

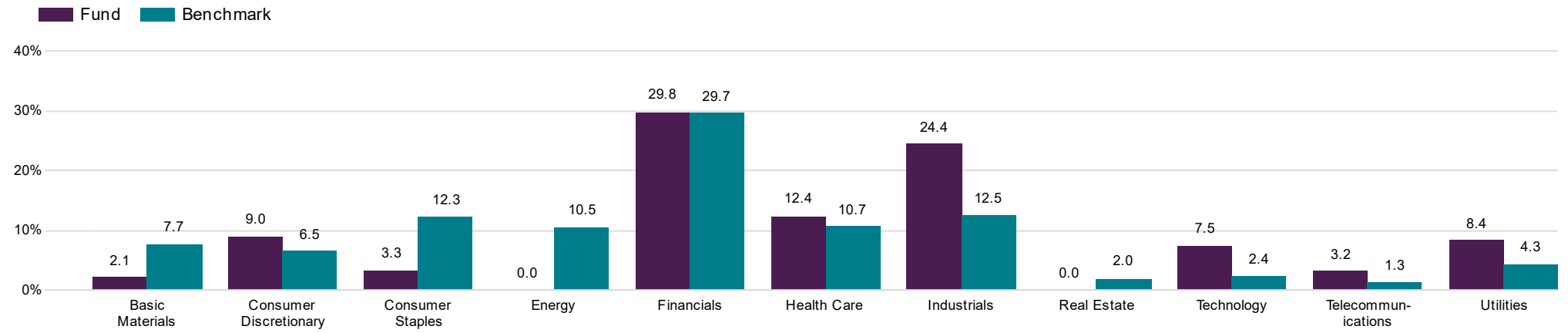
Sales included UK warehouse landlord Segro, following its acquisition by US rival Prologis. We also sold online estate agency Rightmove after reassessing the company's long-term growth prospects. While Rightmove retains strong positions in the UK property listings market, we became increasingly concerned that advances in AI could alter how consumers search for and access property information, creating a potential long-term risk to its competitive advantage.

We sold the holding in US semiconductor company Broadcom. Following a period of strong share price performance this year, we concluded that better opportunities are available to deploy the fund's overseas allocation.

Our sustainable strategies are orientated to those companies that contribute to the core themes of Clean, Healthy, Safe and Inclusive, as well as those companies which manage their operations in a responsible way. As a result, sectors such as industrials and financials are at the core of the equity portfolio, complemented by healthcare, utilities, selected technology businesses, and companies that lead their industries in terms of operations. Conversely, environmentally and socially damaging areas such as oil & gas extraction, armaments, tobacco and mining are avoided.

Fund breakdown

Sector weights



Characteristics and climate

Sustainability approach

The Fund's sustainability objective is to invest in companies that make a positive contribution to one or more of the "Sustainability Themes" (Clean, Healthy, Safe, Inclusive), through their products or services as determined by the Investment Manager using its "Sustainability Standard". The Sustainability Standard requires 50% of a company's revenues to be derived from product or services aligned to one or more of the four Sustainability themes.

Overall, at least 70% of the Fund is invested in sustainable companies. Up to 30% may be held in non-sustainable companies that do not conflict with the sustainability objective for any of the four sustainability themes of the Fund.

Fund exclusions

Exclusion criteria that make sure a Fund does not invest into a specific service or product. Royal London Asset Management has a controversial weapons exclusion across all investments.

Pornography production	✓	Nuclear-power generation	✓
Non-health animal testing	✓	Tobacco manufacturing	✓
Armament manufacturing	✓		
Fossil fuel extraction	✓		
Gambling establishments	✓		

Climate metrics

	Fund	Benchmark	Difference (%)
Financed emissions (tCO2e)	29,461	n/a	n/a
Financed emissions coverage	100.00%	n/a	n/a
Carbon footprint (tCO2e/$M invested)	9.38	52.56	(82.15)
Carbon footprint coverage	100.00%	94.46%	5.87
Weighted average carbon intensity (tCO2e/$M sales)	39.73	83.54	(52.43)
Weighted average carbon intensity coverage	100.00%	94.46%	5.86

All climate metrics presented above are for Scope 1-2 emissions. Unless specified in the objective, the data is for information only and should not be taken to mean they are being managed to/controlled.

Implied temperature rise

	Fund (%)	Benchmark (%)	Difference (%)
Implied temperature rise (ITR) coverage	100.00	94.31	6.03
% of portfolio below 2°C ITR	61.60	48.65	26.62
% of portfolio below 1.5°C ITR	31.59	29.59	6.76

SBTi net - zero

	Fund (%)	Benchmark (%)	Difference (%)
SBTi Net-Zero committed	37.03	33.18	11.60
SBTi Near-Term committed	0.00	4.99	(100.00)
SBTi Near-Term targets set	61.04	46.23	32.04

Fund Engagement

Engagement definition

Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence positive change, with defined objectives and demonstrable outcomes.

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	15	29
Number of engagements	18	79

This is an estimate. Some engagements at the issuer level may not have been attributed to the specific bond held in the fund, resulting in a lower number of engagement activities.

Total engagements by theme and topic



Biodiversity	2
Climate	14
Climate - Transition Risk	14
Governance	7
Board	1
Corporate Governance	5
Remuneration	1
Social & Financial Inclusion	5
Just transition	4
Labour & Human Rights	1
Technology, Innovation & Society	1
Technology & Society	1

The numbers of engagements and themes/topics discussed may differ where a single engagement covers multiple themes/topics.

Engagement focus

Firm-wide engagement activity is centred around six themes which we have identified in consultation with our clients. These are: climate change; nature and biodiversity; health; governance and corporate culture; social and financial inclusion; innovation, technology and society. Portfolio level engagements are not thematic and are focussed on issues specific to managing the portfolio and meeting the investment objective.

Engagement data represents all engagements undertaken at both firm and portfolio level across Royal London Asset Management, and may not be limited to those undertaken solely for the purpose of managing the fund.

Fund Engagement

Engagement outcomes

Compass Group PLC – Just Nature

Purpose:

We engaged Compass Group PLC, a contract catering and food services company, as part of Royal London Asset Management's Just Nature programme to better understand how the company considers people as part of its nature and biodiversity strategy.

Outcome:

Compass Group explained that it increasingly considers nature and climate together, including through its approach to beef sourcing, deforestation and food waste. The company noted that meeting its net-zero commitments will require sourcing less beef and ensuring that its remaining beef supply is deforestation-free. It also highlighted its work with the World Wide Fund for Nature on food waste, recognising that wasted food results in unnecessary use of land, water and other resources.
The company described how chefs, procurement teams and suppliers are involved in implementing its sustainability strategy. Menu-planning systems provide chefs with carbon information and identify sustainable and locally sourced products, supporting informed purchasing decisions without imposing standardised menus. Compass Group can also track changes in sustainable and local purchasing over time.
On supply chains, the company highlighted its 'Grow With Us' programme and the training and capacity-building support provided to smaller suppliers and farmers. It stressed the importance of allowing suppliers to grow at a sustainable pace and aligning farmers, distributors, procurement teams and menus. The company also discussed how it supports regenerative agriculture while recognising that some products currently carry a price premium.
We welcomed the practical examples provided, while identifying scope for greater clarity on how Compass Group assesses the affordability and community impacts of its nature-related decisions and supports smaller suppliers with the costs of transition. We will continue dialogue as the company's approach develops.

HSBC Holdings PLC - Climate - Transition Risk

Purpose:

We engaged HSBC Holdings PLC, a global banking and financial services company, as part of Royal London Asset Management's Net Zero Stewardship Programme to understand the rationale behind its revised climate targets, updated fossil-fuel policy, and approach to client transition assessments.

Outcome:

At a meeting in September 2026, HSBC reiterated its commitment to achieving net zero emissions by 2050 and presented the energy transition as a significant commercial opportunity, citing growing demand for renewable energy and improved energy security. The company explained that its revised target range reflects the widening gap between a 1.5 degrees Celsius pathway and the International Energy Agency's announced pledges scenario, while its seven sector-level targets continue to focus on the most emissions-intensive areas of its portfolio. HSBC described how financed emissions are governed through sector-level tolerances, monthly portfolio reviews and formal sustainability execution-risk processes embedded across the business. On fossil fuels, HSBC outlined a consolidated framework designed to improve clarity and consistency, under which prospective and existing clients are now treated alike, with due diligence, activity restrictions and enhanced assessments continuing to apply. Client transition assessments remain central to policy compliance, emissions modelling and credit analysis. We acknowledged the progress made but emphasised the importance of ensuring that target and policy changes remain grounded in climate science and aligned with the company's net-zero commitment. HSBC acknowledged our concerns as a serious matter and committed to continued dialogue as its strategy develops.

Fund Engagement

Engagement outcomes

National Grid PLC - Climate - Transition Risk

Purpose:

We engaged National Grid PLC, a utilities company, as part of Royal London Asset Management's Net Zero Stewardship Programme to assess how the company is managing climate-related risks and opportunities as it undertakes a significant network investment programme to support the energy transition.

Outcome:

National Grid outlined how it has strengthened delivery capabilities through its Strategic Infrastructure business and confirmed that most Tier 1 supply chain requirements have now been secured, reducing execution risk as projects move into delivery. Management acknowledged that emissions linked to capital expenditure and supply chain activity are likely to rise in the near term due to construction activity, while noting continued progress on reducing operational emissions, addressing sulphur hexafluoride (SF6) emissions and electrifying its vehicle fleet. The company also highlighted efforts to reduce embodied carbon through the use of lower-carbon steel and concrete, and confirmed that climate metrics remain embedded within senior leadership remuneration structures. We discussed the challenge of balancing affordability, resilience and decarbonisation, with National Grid arguing that increased network investment is essential to enable renewable energy deployment and manage growing electricity demand, including from data centres. Management noted an increasing policy focus on affordability and energy security alongside decarbonisation objectives. Innovation partnerships were also highlighted as a means of improving system efficiency and managing future demand. Following the meeting, we submitted additional questions to the company and will continue to monitor progress through ongoing dialogue.

Tesco PLC - Labour & Human Rights

Purpose:

We engaged Tesco PLC, a major United Kingdom grocery retailer, to better understand the company's position on an ongoing equal pay claim, including how it assesses pay transparency, structural equity between store and distribution roles, and colleague engagement practices.

Outcome:

Tesco explained that distribution roles typically attract higher pay than store roles due to factors including location constraints, less pleasant working conditions, night shifts, and chilled or frozen environments, all of which require the company to compete harder to attract workers. The company acknowledged that estimating the financial impact of the equal pay litigation is difficult, stating that no provision has been made as its probability assessment is viewed as favourable. Tesco described its pay structure as transparent, with employees able to understand their position within pay bands and colleagues in equivalent roles paid consistently. On the gender dimension, the company framed progress partly around improving visibility of and access to distribution and senior roles, rather than filling quotas. Colleague sentiment is monitored through a \"great place to work\" survey, with Tesco moving towards a more continuous, rolling engagement model tied to employees' joining anniversaries. The company described its relationship with the Union of Shop, Distributive and Allied Workers as strong and characterised the union as pragmatic within the retail grocery sector. We noted the seriousness of the issue and will continue to monitor developments as the employment tribunal progresses.

Market commentary

Global economic activity remained resilient over the quarter despite a more challenging backdrop of higher energy prices, rising government bond yields and renewed monetary policy tightening. US growth continued to be supported by robust household spending and a relatively firm labour market. The euro area also performed more strongly than expected, with second-quarter GDP recording its fastest quarterly expansion in four years, supported by consumption, exports and manufacturing activity.

It was another positive quarter for markets as a generally resilient global economy outweighed concerns around geopolitics in the Middle East and the future path of interest rates in a more inflationary environment. Investors welcomed encouraging economic data and strong corporate earnings, albeit this is very much led by the US with broader European economies facing inflationary pressures as a significant net importer of energy. It is now expected that the Bank of England will raise interest rates before the end of the year.

UK equities delivered solid gains, benefiting from the outsized exposure to energy and commodity-related sectors. UK mid-caps notably outperformed over the period, partly reflecting an appetite from investors for more cyclical exposure and the announcement of a government-backed loan programme for first-time buyers in the UK housing market. A flurry of M&A activity over the quarter also acted as a key catalyst for the UK market, providing something of a tailwind lower down the market cap spectrum where valuations remain relatively attractive.

Further Information

Please click on the links below for further information:









Find out more

In an uncertain geopolitical and economic environment, we recognise the importance of keeping our clients updated on our current investment thinking.

Articles, videos, podcasts and webinars giving the latest views of our investment experts can be found in the Our Views section of www.rlam.com, including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

Disclaimers

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The Dynamic Planner Risk Profile assessment of the fund is correct as at 30 September 2026 and is reviewed independently by Dynamic Planner on an ongoing quarterly basis; and, if necessary, may change in future. Dynamic Planner is the brand name of the software system powered by Distribution Technology (DT). Copyright© Distribution Technology Ltd 2026 onwards.

Risks and Warnings

Investment risk

The value of investments and any income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

Concentration risk

The price of Funds that invest in a reduced number of holdings, sectors, or geographical areas may be more heavily affected by events that influence the stockmarket and therefore more volatile.

EPM techniques risk

The Fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Fund to increased price volatility.

Exchange rate risk

Investing in assets denominated in a currency other than the base currency of the Fund means the value of the investment can be affected by changes in exchange rates.

Counterparty risk

The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

Responsible investment risk

The Fund can only invest in holdings that demonstrate compliance with certain sustainable indicators or ESG characteristics. This reduces the number securities in which the Fund can invest and there may as a result be occasions where it forgoes more strongly performing investment opportunities, potentially underperforming non-sustainable funds.

Performance to 30 September 2026

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years
Fund (gross)	(0.60)	7.67	10.93	39.15	41.63
Fund (net)	(0.78)	7.27	10.10	36.06	36.44

Annualised (%)

3 Years (p.a.)	5 Years (p.a.)
11.63	7.21
10.80	6.41

Year on year performance (%)

	30/09/2025 - 30/09/2026	30/09/2024 - 30/09/2025	30/09/2023 - 30/09/2024	30/09/2022 - 30/09/2023	30/09/2021 - 30/09/2022
Fund (gross)	10.93	8.68	15.42	16.13	(12.35)
Fund (net)	10.10	7.87	14.56	15.27	(13.00)

Past performance is not a guarantee or reliable indicator of future returns. The impact of fees or other charges, including tax, where applicable, can be material on the performance of your investment. The impact of fees reduces your investment.

Source: RLAM as at 30 September 2026. All figures are mid-price to mid-price for the Royal London Sustainable Leaders Trust C Acc GBP share class.

Glossary

Carbon footprint

Exposure to high emitters in the portfolio, expressed in tCO2e/$M invested. Financed emissions are divided by the portfolio value, the same approach for listed companies and private issuers is applied in this metric.

ESG Integration

The consideration of environmental, social and governance (ESG) risk as part of the investment process. ESG integration does not mean the fund is trying to achieve a particular positive ESG outcome. Please check prospectus documentation for details on specific fund-level objectives.

Efficient Portfolio Management (EPM) techniques

The Fund may engage in EPM techniques including holdings of derivative instruments. The use of these instruments may expose the Fund to volatile investment returns and increase the volatility of the net asset value of the Fund. EPM techniques may involve the Fund entering into transactions with counterparties where there may be a risk of counterparty default. The Fund's ability to use EPM strategies may be limited by market conditions, regulatory limits and tax considerations.

Environmental, social and governance

A list of predefined criteria that determines how a company operates in terms of sustainability and overall corporate governance.

Exclusions

Explicitly prohibits investing in a particular company, sector, business activity, country or region.

Financed emissions

The emissions from activities in the real economy that are financed through lending and investment portfolios, expressed in tCO2e. Emissions are attributed to a portfolio based on the portion of the company's value the portfolio holds, and using different accounting values for public and private corporates. We provide financed emissions for scope 1 and 2 emissions.

Fund restrictions definitions

Adult Entertainment: Companies which own or produce adult entertainment services, or engage in the distribution or sale of adult entertainment services.

Alcohol: Companies which have involvement in brewing, distillation or sale of alcoholic drinks.

Animal Welfare: Companies that conduct animal testing (other than for purposes of human or animal health and/or where it is required by law or regulation).

Armaments: Companies who manufacture armaments or nuclear weapons or associated products.

Controversial Weapons: Weapons which have an indiscriminate and disproportional impact on civilians or weapons that are illegal and prohibited by international conventions and treaties.

Fossil Fuels: Companies involved in the exploration, extraction or refining of oil, or gas, or coal, plus any activity relating to thermal coal.

Gambling: Companies who promote irresponsible gambling which includes betting shops, casinos or amusement arcades.

High Environmental Impact: Companies which have a high environmental impact, and which have 'no evidence' of appropriate environmental management systems.

Fund restrictions definitions

Human Rights Risks: Companies with a strategic presence operating in countries of concern and which have 'no evidence' of policies or systems to manage human rights risks.

Nuclear Power: Companies who generate energy from Nuclear Power.

Nuclear Weapons: Companies that manufacture, nuclear; or are involved in the production of intended-use parts, whole weapons systems, or exclusive delivery platforms.

Tobacco: Companies which are growing, processing or selling tobacco products.

Implied temperature rise (ITR)

ITR aims to measure the global warming outcome from the emissions trajectory of a company, if the whole economy followed the same trajectory.

Number of holdings

Total number of unique holdings of the Fund excluding cash, currency and derivatives.

Performance

The Fund price is taken at mid-day using swing prices where applicable, while the index performance is priced at close of business. Significant intra-day market movements at the start or end of the day may therefore distort comparisons.

Pricing

The Fund's price may swing to bid or offer to protect existing investors from the costs associated with buying or selling the fund's underlying assets when other investors are entering or leaving the fund. Performance is based on this pricing.

Glossary

Promotes environmental or social factors

An ESG Fund promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

Rolling 5-Year Period

A rolling 5-year period is any period of five years, no matter which day you start on.

SBTi

The Science-Based Targets initiative is a consortium of organisations that set up the definition and promotion of science-based target setting.

Sector weights

Breakdown of holdings by FTSE ICB (Industry Classification Benchmark) sector relative to the benchmark index.

Sustainable fund objective

A product that has sustainable investment or a reduction in carbon emissions as its objective.

Top 10 holdings

Top 10 assets held by market value, excluding derivatives and cash.

Tracking error

Tracking error indicates how closely a fund follows its benchmark index. It is a measure of the risk in the fund that is due to active management decisions made by the fund manager. It is calculated on an ex-post basis (actual basis, post period end).

Weighted Average Carbon Intensity (WACI)

Portfolio's exposure to carbon-intensive companies, expressed in tCO2e / $M revenue. Scope 1 and scope 2 GHG emissions are divided by companies revenues, then multiplied based on portfolio weights (the current value of the investment relative to the current portfolio value). The WACI is calculated as a weighted average sum of the holdings with carbon intensity coverage.