5th ANNIVERSARY FCLTGLOBAL

2022 BLUE BOOK

REWIRING CAPITAL MARKETS TO DRIVE LONG-TERM VALUE

BUSINESS LEADERS HAVE LONG STRUGGLED TO WEIGH IMMEDIATE FINANCIAL NEEDS AGAINST OBJECTIVES MANY YEARS INTO THE FUTURE.

FCLTGlobal's work makes it clear that those who participate in the capital markets can improve the system. In July 2016, CPP Investments and McKinsey teamed with BlackRock, Dow, and Tata Sons to found FCLTGlobal as an independent non-profit. Businesses and investors from around the world came together to stem the tide of short-term actions and their consequences. Since our founding, we have worked with our members to provide evidence and research that will help to make long-term practices the norm.

Now, FCLTGlobal celebrates its fifth year in operation. Our mission remains to focus capital on the long term to support a sustainable and prosperous economy, and we are rewiring capital markets to drive long-term value creation for savers and communities.

Practical actions and strategies, rather than theory, have helped to move the needle. It is in that spirit that FCLTGlobal was founded. It is also in that spirit that we present the first edition of the **FCLT Blue Book**, a showcase of how long-term decision-making can create positive outcomes for companies, investors, and their millions of stakeholders globally.

FCLTGlobal's members drive the movement towards sustainable capitalism. **The pages that follow are a compilation of real-world examples of how FCLTGlobal's members are putting long-term strategies into practice today,** the first of what we expect to be many such projects to crystallize how companies and investors are translating research to action.

It is our hope that these practical illustrations will inspire others to embrace the mission of focusing capital on the long term. We encourage readers to consider models of long-term decision-making similar to those featured here, and we thank those who have contributed their time, effort, and valuable insight to this project.

Around the world and across the investment value chain, our members and many other organizations like them are looking beyond the next quarter and seeing the bigger picture: prioritizing future objectives over near-term targets will inevitably produce better, more equitable, and more sustainable performance over the long term.

Sincerely,

Sarah K. Williamson

Sarah Keohane Williamson
Chief Executive Officer

FCLTGLOBAL

TABLE OF CONTENTS

ALBERTA INVESTMENT MANAGEMENT CORPORATION (AIMCO)

EVAN SIDDALL | CHIEF EXECUTIVE OFFICER

DRIVING RETURNS AND MANAGING RISK FOR THE LONG-TERM

CREATION OF AN IN-HOUSE ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING JOINT VENTURE

As artificial intelligence (AI) and machine learning (ML) began to disrupt industries around the world, it became obvious that investment managers would have to harness the power of these technologies or risk being left behind. It seemed that the options were to develop AI and ML capabilities in-house or wait for third-party solutions to be developed and then pay to play.

For AIMCo, one of Canada's largest institutional investment managers, a third option presented itself, one that offered potential to benefit clients for years to come. In 2019, AIMCo partnered with Edmonton-based AltaML, a machine learning company, to establish a joint venture called AlphaLayer. Since creation, AlphaLayer has built AI and ML solutions to help AIMCo associates process trade matches, forecast changes in credit ratings, develop sentiment insights by way of natural language procession (NLP) and generate more accurate risk forecasts.

INTEGRATION OF AI AND ML ALLOW INVESTMENT TEAMS TO FOCUS ON HIGHER-VALUE WORK

"Pretty early on, we developed efficiencies by incorporating AI into some operational processes — and the value of that should not be underestimated," said Dale MacMaster, AIMCo's Chief Investment Officer. "But everyone was keen to see AI and machine learning boosting investment returns. I can say now with some confidence that we have a trading strategy that is using AI to process data and identify opportunities and it's adding value to our clients' portfolios."

While AlphaLayer has provided short-term success, the strategy is inherently long term. Business leaders and investors universally agree that artificial intelligence and machine learning will transform businesses by reducing costs, managing risks, streamlining operations, accelerating growth and promoting innovation. Using and developing strong AI and ML capabilities allows team members to focus on higher-value work.

ALPHALAYER'S AI AND ML APPLICATIONS ALSO PROVIDE REVENUE SOURCE

In AIMCo's case, the organization has and will continue to benefit from AlphaLayer's AI and ML solutions, but there is an additional upside. The joint venture is expected to make money, too. Commercializing AlphaLayer's AI and ML applications will add an additional revenue source to the benefit of AIMCo clients, a premise that is expected to pay off for decades to come.

THE FUTURE? HUMAN-MACHINE SOLUTIONS

The AlphaLayer team has been focused on delivering AI solutions across all areas of the investment management industry from back to front office by building solutions that create operational efficiencies, generate innovations in risk management and create unique sources of investment returns. However, according to Chad Langager, AlphaLayer's Managing Director, there is even more potential yet to be realized. "Human/AI integration within firms is not yet solved in any industry. This uncertainty will continue to cause 'bumpiness' as AI/ML is integrated and adopted more and more. There is every indication, however, that human-machine solutions will be far more powerful than either human or machine-based solutions. We feel that is the future and are excited about proving it out with AIMCo."

THE ESTABLISHMENT OF SUSTAINABLE DEVELOPMENT INVESTMENTS ASSET OWNER PLATFORM (SDI AOP)

APG Asset Management, together with, AustralianSuper, British Columbia Investment Management Corporation (BCI) and PGGM in 2020, jointly established the Sustainable Development Investments Asset Owner Platform (SDI AOP). This platform helps to accelerate investments to deliver on the Sustainable Development Goals and thereby support investment outcomes for end beneficiaries. As asset owners, we are creating a community of investors who are jointly advancing the SDI AOP standard for investing into the UN Sustainable Development Goals SDGs. The SDI AOP aspire to drive innovation in the investment industry with the standard being made available to all market participants.

SOLVING DATA CHALLENGES

Global investors increasingly consider the SDGs relevant to their investment strategy, policy, asset allocation, investment decisions and active ownership, according to research by the Principles for Responsible Investment (PRI). However, a lack of quality data to identify contributions to the SDGs has been an impediment for investors, and companies struggle to adapt their disclosures to meet investor needs. By providing a globally consistent SDG measurement framework, the SDI Asset Owner Platform helps investors to imbed the SDGs into their investment processes.

SHARED UNDERSTANDING OF SUSTAINABLE DEVELOPMENT INVESTMENTS (SDIS)

The SDI AOP allows asset owners and their managers to connect around the shared objective of measuring and understanding their portfolio investments' contributions to the SDGs. These goals, set by the United Nations in 2015, aim for a better, more prosperous world, by addressing urgent global issues such as water scarcity, healthcare access, and protecting the environment. Investments in companies whose products or services contribute to the realization of the SDGs are called Sustainable Development Investments (SDIs).

USING AI TO QUANTIFY CONTRIBUTION OF INVESTMENTS TO SDGS

To ensure alignment with the United Nation Sustainable Development Goals and quantify the contribution of an investment to such goals, the SDI Asset Owner Platform developed an SDI Methodology which consists of:

i. detailed taxonomies and guidelines

ii. a methodology to define the classification of the SDIs

iii. SDI classifications

iv. the rating methodology of SDI classifications

To translate the SDI taxonomy into a classification system to determine whether a given company is or is not SDI eligible, we partner with Entis, a data and software technology firm (in which APG is shareholder). Entis uses natural language processing of structured and unstructured data (annual reports, trade descriptions and website text) to determine the SDI status (Majority, Decisive, Non-SDI), SDI Confidence, SDI Revenue Percentage and Main SDGs for each company. Entis currently covers 8,700 entities (equities & bonds).

ABILITY TO REPORT TRANSPARENT AND CONSISTENT DATA

For the SDI AOP, the primary focus is on companies' positive contribution to the SDGs through their products and services (the 'what'), whereas for ESG is typically focused on conduct (the 'how'). For example: making solar panels (SDI) versus having operational policies, management systems, targets, and disclosure in place (ESG). This enables investors to assess their global capital markets' portfolios on their contribution to the SDGs and to report to clients and external stakeholders transparently and consistently, using a common and auditable standard. The SDI definition and taxonomy are public and equally applicable to private market investments. Qontigo is the global financial services company that is the distributor of the SDI AOP standard, and current subscribers to the SDI AOP represent EUR 9.500 billion assets under management.

BAILLIE GIFFORD

ANDREW TELFER | CEO

ALIGNING CAPITAL WITH A FOCUS ON THE FUTURE, NOT THE EXIT

At Baillie Gifford, we seek to be engaged, long-term owners of businesses. Our average holding period is over seven years and our preferred holding period is eternity. Focusing on the 'hold' rather than on how to buy or sell businesses is how we have created value for clients over time.

Our portfolio companies choose to work with us because we are focused on their long-term outcomes. In private markets in particular, the business owners we work with are at a point in their lifecycle where a stable partner is critical to executing on long-term objectives. When we can fit long-term capital to the long-term objectives of business owners there is a natural alignment.

In private markets that alignment does not yet exist as it should. Historical investor holding periods of three to four years, driven by antiquated vehicle structures, has created a transactional mindset. These structures do not meet the needs of business owners, nor do they maximize return potential for asset owners. In 2021 we set out to establish a private equity vehicle that would re-establish alignment between business owners, asset owners and ourselves.

OFFERING A PERMANENT CAPITAL MINDSET THROUGH A 15-YEAR VEHICLE

Our goal was to bring a permanent capital mindset to a limited-life vehicle. On behalf of our clients, we want to be able to own businesses for as long as the investment thesis holds and the upside potential remains intact. We have always been able to execute on our philosophy by operating within permanent capital structures, but not everyone can invest in these vehicles.

There are two issues with the private market vehicle structure we were looking to solve:

- **The 10-year fund is not a long-term vehicle.** If the limited life vehicle is going to remain relevant, there needs to be an acknowledgment that longer-term commitments are necessary. Ours is a 15-year fund. Incidentally, many clients have remarked that their 10-year funds end up as 15-year funds anyway due to extensions.
- **The IPO is an artificial divide between private and public markets.** The IPO is a corporate finance decision that is virtually unrelated to the investment case behind owning a business. That it has become a liquidity event within private equity fund structures is destructive to wealth creation. We will own a company for as long as our investment case remains intact, regardless of how that company chooses to capitalize itself.

THE CASE FOR ADAPTING FUND STRUCTURES OF PRIVATE MARKET PARTICIPANTS

Over the past year our clients have offered a near universal appreciation of the need to adapt fund structures around the changing needs of private market participants. We have seen a groundswell of support around the principle of better alignment and the need for continuity of ownership. Some clients have discussed the need to change the way they consider employee compensation to remove any misaligned incentives. Others are questioning the need for narrowly defined buckets within their asset allocation which may be creating unnecessary transaction costs, opportunity costs and reinvestment risks. Regardless of whether our clients make these changes now or in a decade's time, it is rewarding to know this dialogue is underway and that there is consensus on how to better align our industry over time.

Being long term in private markets allows us to solve this dislocation between management teams and investors. Being long term allows us to provide well-aligned capital with a focus on the future, not the exit. Being long term allows us to provide continuity of capital to these businesses and, crucially, continuity of ownership for our clients.

BARCLAYS

BARCLAYS

CS VENKATAKRISHNAN | GROUP CHIEF EXECUTIVE

BUILDING A SUSTAINABLE LOCALLY-SOURCED CAMPUS WHILE REGENERATING GLASGOW

The UK is a world leader in financial services and Glasgow plays an important part in this success. The Barclays Glasgow campus will be home to approximately 5,000 Barclays colleagues by 2023, and has transformed the local area through regeneration.

Barclays set out to build something transformative, bringing the community together, helping entrepreneurs flourish, and supporting local enterprise. During the construction of the campus, over 70 Scottish firms worked on site, with two thirds from Glasgow. As part of the project we transformed a brownfield site into a city center park with spaces for community events and two historic buildings have been restored for public use.

At the heart of our vision was a world class and sustainable campus that contributes to Barclays ambition to become a net zero bank by 2050. To that end, we are installing a Sustainability Centre on Campus, that will provide self-generated solar energy and rely on carbon-free technology to heat and cool the buildings. The site also offers community hub spaces which allow us to work with local social enterprise, local start-ups and great local micro businesses. The building and workspace have been designed with collaboration in mind and it will support us in our ambition to deliver the latest innovations to our customers and clients.

DESIGNED TO BE DIFFERENT: ZERO WASTE, BIODIVERSITY, AND NEURODIVERSITY

The campus builds on Barclays' net zero ambitions and zero waste strategy and with a desire to prioritize sustainability in a city center site. The Campus will be the first to achieve zero waste by 2025. It will offer reusables and onsite compost that will be repurposed for our landscaping needs. We will also produce our own honey and support city biodiversity with 60,000 honey bees on site.

The building was also designed with neurodiversity in mind. Being careful about the choice of finishes, the acoustics and the light quality were all important considerations to drive inclusivity at the campus.

REVIVE, INSPIRE AND REGENERATE THROUGH LOCAL SOURCING AND DIVERSITY & INCLUSION

Throughout the project we have collaborated well with the main economic agencies and local government to realize a shared vision of redeveloping an area that has been derelict for decades. Our regeneration of the area has breathed new economic life into the city, expanding the city center across the River Clyde to the south while, crucially, building a site that will retain and attract the best talent.

The project has had at its core a sourcing objective that has prioritized local businesses and entrepreneurs — whether that is sourcing locally printed fabric for furnishings, using locally timbered wood in construction, or bringing on-site community-based micro enterprises to showcase and sell their products. Many of the small businesses that have been engaged in this project have been able to hire new staff, scale-up, and re-open after lockdown due to their partnership with Barclays.

We also tasked our lead contractors to deliver the project via local and diverse subcontractors. This supported Barclays' drive for local solutions, social mobility, and diversity & inclusion.

EMPLOYMENT AND EAGLE LABS: BRINGING TEAMS TOGETHER TO DRIVE INNOVATION

This project is the latest step in our global location strategy which is focused on bringing teams closer together to drive innovation and collaboration whilst striking the right balance between working collaboratively and the need for flexibility. The campus is home to a number of teams working across our business, including high value technology, risk, and compliance roles, and will soon host a Barclays Eagle Lab. As one of the UK's largest incubator networks, these labs help to nurture skills and create thriving entrepreneurial eco-systems.

Working with universities in Glasgow and Edinburgh, Barclays has been developing a robust pipeline of graduate and apprenticeship opportunities. We have increased headcount in Glasgow by over 90% over the last four years, including 750 people during the COVID pandemic, and by 2023 Glasgow will account for around 10% of our UK workforce.

Barclays is proud to have delivered this project which will help to shape the evolution of Glasgow's city center over the long-term, through lasting benefits for both society and the wider local economy.

BLACKROCK

BlackRock.

TAKING A LONG-TERM VIEW

For more than a decade, Larry Fink, CEO and Chairman of BlackRock, has written an annual letter to the CEOs of companies BlackRock invests in for our clients. He began writing about themes he believes are important to generating durable returns because many investors are increasingly distracted by what are often immaterial market moves. He felt there needed to be a louder voice for the investors focused on the long term.

He has written about capital management, corporate strategy, purpose, sustainability, and stakeholder capitalism. These and other topics have changed over time, but the central thread through all of them is that companies need to be managed with a long-term view.

Over the years these letters have become an influential factor for CEOs considering how to create value, not just for their shareholders, but other key stakeholders including employees, clients, customers, and the communities in which they operate. They are also a driving force for BlackRock's employees, who play a central role in defining how we operate as a business, how we serve our clients, and how we innovate ahead of clients' needs.

CREATING IMPACT

The impact of these letters can be felt across the business community. When Larry Fink's letter on the importance of corporate purpose was published in 2018, some of America's largest employers responded. The Business Roundtable, a leading group of American CEOs, redefined the purpose of a corporation to promote "an economy that serves all Americans". The new statement reflected a shift away from shareholder primacy and a move towards stakeholder capitalism, and the need for corporations to serve all key stakeholders to deliver long-term value.

DRIVING CHANGE

Sustainability is another area where taking a long-term view is crucial for corporate success. In 2020, BlackRock coined the phrase "climate risk is investment risk" and called for a greater focus on the effects of climate change on asset valuations. A long-term view led us to put a greater emphasis on climate-related disclosures and strengthen our commitment to sustainability in our investment and stewardship activities. BlackRock and other institutional investors have called for greater reporting from companies under frameworks like the Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainability Accounting Standards Board (SASB) so we can better understand long-term sustainability-related risks.

It also led BlackRock to create new investment funds and other initiatives like Decarbonization Partners, which invests in the next generation of technologies that will bring us closer to a net zero economy. And it inspired our philanthropic donation to Breakthrough Energy's Catalyst Program, which invests in accelerating the development and scaling of clean energy solutions that will mitigate the impact of climate change.

Taking a long-term view is at the foundation of BlackRock's strategy. Whether it's through engaging with CEOs and their management teams as stewards of our clients' investments; the investment products and risk management tools we create; or empowering our employees; it defines how we deliver for all our stakeholders.

Blackstone

BLACKSTONE

DECARBONIZATION PLATFORM AND COMMITMENT TO INVESTING AT SCALE INTO THE ENERGY TRANSITION TO CREATE VALUE FROM REDUCED EMISSIONS

At Blackstone we invest for the long-term on behalf of our investors, including over 100 million pensioners, and the communities in which we operate. Our patience allows us to develop strong, resilient companies and assets that can deliver both long-term value for our investors, and long-term resilience for a more sustainable future.

USING DECARBONIZATION LESSONS LEARNED TO BUILD AN INDUSTRY-LEADING PLATFORM

For example, over the last decade, we have partnered closely with our portfolio companies to help them reduce carbon emissions. In the process, we have learned a lot about what works — and what doesn't — when it comes to reducing carbon emissions across a wide variety of assets in vastly different sectors of the economy. We have built what we believe is an industry-leading decarbonization platform and are committed to a target of reducing carbon emissions by 15% in aggregate within the first three years of ownership, starting in 2021, for every company in which we control energy usage — a commitment informed by climate science. Our long-term investment horizon gives us time to partner with our portfolio companies to help them achieve a stronger, lower-carbon future.

RENEWABLE ENERGY TRANSMISSION PROJECT TO LINK MONTREAL AND NEW YORK CITY

We also invest at scale in certain industries that can drive transformational change in the global economy, such as the energy transition. Our committed and intentional approach to investing in the energy transition allows us to stay with projects longer than many other investors would have the patience for. One example of our strategy in action is the proposal we helped craft with TDI, a portfolio company, to build the Champlain Hudson Power Express, a 339-mile renewable energy transmission project linking Montreal and New York City. After over a decade of commitment, including close collaboration with communities, labor organizations, environmental stewards, and municipalities, New York State selected TDI's proposal in October 2021.

EXPECTED IMPACT? GROWTH FROM CLEAN ENERGY, DECREASE CO2, AND CLEAN ENERGY JOBS

The project is expected to have tremendous positive benefits — it will deliver 1,250 MW of clean energy to New York City by 2025, enough to power over 1M homes and decrease CO2 emissions by an estimated average of 3.9M metric tons per year, which is equivalent to removing 44% of cars from the city. The project is also expected to create approximately 1,400 jobs during construction, with a commitment to using union labor, and includes a $40 million new Green Economy Fund that will provide job training for clean energy jobs.

Our decarbonization platform and our commitment to investing at scale into the energy transition is a testament to what investors with a long-time horizon can achieve.

BROOKFIELD

CONNOR TESKEY | HEAD OF RENEWABLE POWER & TRANSITION

Brookfield

BREATHING NEW LIFE INTO WIND FARMS

Net zero by 2050 hinges on a significant leap toward clean energy in this decade. That's because 73% of the world's emissions come from the energy sector. According to the International Energy Agency, by 2050, almost 90% of electricity generation will need to come from clean sources — with wind and solar together accounting for nearly 70%. This means that wind capacity needs to increase by 11x, while solar needs to rise by 20x. Successfully reaching these multi-decade goals will require a long-term view on the development and operation of power generation assets, and by extension, a long-term perspective on building value for investors.

As one of the world's largest renewable power businesses, we see enormous potential in wind repowering as an essential step in greening global power grids. Repowering is essentially upgrading and refurbishing existing wind farms to create power at a greater scale, more efficiently and for a longer period of time. The idea behind it is simple: by installing new, larger blades and rotors and/or new software at an existing site, we can enhance energy capture at a fraction of the cost of building a new facility — between 30% and 50% — and extend the useful life of the wind farm by several decades.

REPOWERING ONE OF THE LARGEST WIND FARMS IN THE US

In February 2021, we announced our US$700 million purchase of Shepherd's Flat, an 845-megawatt wind farm in Oregon that is one of the largest in the US — and an attractive candidate for repowering. We were the successful bidders on the asset partially due to our differentiated view on value — we understood the value of the in-place assets and contracts, but we were also willing to forgo some short-term cash flows for a couple of years while the asset was being repowered. We also had the operational experience to execute on the investment, thereby increasing production levels and extending the life.

We began the repowering project in June 2021, replacing the hardware of over 320 turbines with longer rotors and more efficient equipment. The new blades we are installing at Shepherd's Flat are 27 meters longer (a 27% increase), as well as lighter and stronger. These extra-long blades are able to pick up low levels of wind that would have slipped by the older, shorter blades.

Since most of the existing infrastructure will remain in place (the land, the permits, the foundations and the connections to the grid), the timeline for repowering is moving quickly — we expect to complete the project in under 24 months. In addition, we are minimizing project risks by leveraging our existing relationships with equipment suppliers, financing partners, permitting authorities, and power off-takers.

Once completed, the repowering at Shepherd's Flat will have the impact of increasing power production by approximately 25% annually and extending the life of the facility by 30 years. While many investors would have chosen solely to maximize the asset's current cash profits, we looked beyond that and invested for long-term value as well. Moreover, in addition to the current asset, we will have the option to build another 400 MW of capacity next to the facility — thereby contributing to the 11x increase needed in the IEA's pathway to net zero by 2050.

A WIDE-REACHING OPPORTUNITY

The implications of wind repowering go beyond this one asset: In the next five years, we estimate that 200 gigawatts of global wind turbine capacity will age into being candidates for repowering around the world. That is the equivalent of about 240 Shepherd's Flat assets over the next five years. The greening of global power grids is the single largest decarbonization opportunity around the world today. Fortunately, most of today's carbon emissions are abatable by using existing technologies — like wind repowering — that are commercially viable at scale.

BUNGE

BUNGE

GREG HECKMAN | CHIEF EXECUTIVE OFFICER

INTEGRATING SUSTAINABILITY INTO EVERY BUSINESS FUNCTION — FROM SUPPLY CHAINS TO EMPLOYEE COMP — PROPELS ESG LEADERSHIP SCORES

At Bunge, we connect farmers to consumers to sustainably deliver essential food, feed and fuel to the world. Our key areas of growth — expansion of our oilseed processing and origination capabilities, production of renewable feedstocks, increasing our plant lipids portfolio and development of new plant-based protein ingredients — are not only central to our business strategy but also a testament to the alignment of sustainability with our corporate vision.

In the past two years, company-wide improvements enabled Bunge to take advantage of improved market conditions and generate record earnings, positioning ourselves for long-term success. We provide value for our shareholders while continuing to accelerate our focus on sustainable business opportunities that contribute to more climate-friendly agribusiness and food systems.

ONEBUNGE GLOBAL OPERATING MODEL HELPS INCORPORATE SUSTAINABILITY ACROSS STRATEGIC BUSINESS DECISIONS

After Bunge's 2019 One Bunge announcement of a new, global operating model that eliminated multiple regional structures, the company also implemented more disciplined financial practices around risk management, the balance sheet and capital allocation. At the same time, Bunge began more directly incorporating sustainability into the strategic business decision-making process.

- Bunge divested more than $1 billion in non-strategic assets and businesses and is investing in sustainable businesses such as plant-based fats, oils and proteins. A joint venture with Chevron will produce feedstock to supply the rapidly growing renewable fuel industry, helping lower the lifecycle carbon intensity of fuels.
- Bunge made significant technology investments to improve traceability and monitoring of supply chains, help connect upstream supplies and enhance efficiency of transportation.

MEETING SUSTAINABILITY TARGETS VIA NON-DEFORESTATION SUPPLY CHAINS, REGENERATIVE FARMING, AND INCENTIVE BONUSES

We fight climate change with carbon-focused decision making across our organization. We are constantly working to minimize our environmental footprint and take action to reduce greenhouse gas emissions through our commitment to climate action.

- We announced Science-Based Targets (SBTs) to achieve absolute reduction in carbon emissions for our own operations and in our supply chains. To meet these targets, Bunge will make significant enhancements across our global operations, promote regenerative farming practices, and emphasize decarbonization in shipping and logistics.
- A substantial portion of emissions reduction within our supply chains (Scope 3) is tied to our industry-leading commitment to have deforestation-free supply chains in 2025. The decision to pair our SBTs to our non-deforestation policy was praised by stakeholders, including Ceres, PRI, and Climate Action 100+ investors.
- In December 2021, we closed on the refinancing of our $1.75 billion, three-year revolving credit facility. The interest rate is linked to our credit ratings and to five core sustainability targets, creating a meaningful connection between Bunge's capital structure and sustainability strategy.
- As of January 1, 2021, performance-based sustainability goals are a component of the annual incentive bonuses paid to our executive team and over 5,500 of our employees. Our compensation framework is based on a pay-for-performance philosophy with payout now directly impacted by our attainment of certain sustainability targets.

ESG DISCLOSURE EARNS BEST-IN-CLASS SCORES FROM INSTITUTIONAL INVESTMENT COMMUNITY

Bunge is a leader among our peers across leading environmental, social and governance (ESG) disclosure platforms and our efforts to integrate sustainability into our business and supply chains have contributed to strong ESG disclosure scores year over year.

- We continue to receive AAA ratings from MSCI, positioning us ahead of industry peers.
- In 2021, Bunge received "B" ratings — leading scores in our peer group — for CDP Forests, Water and Climate, an important platform used by our global customers to assess supplier sustainability.
- For 2021 and 2022 Bunge was named "Most Responsible Companies" by Newsweek Magazine.
- Over 3,000 investors surveyed by Institutional Investor placed Bunge at #3 in the Food Producer category for ESG performance and transparency.

Actions taken over the past few years have resulted in a noteworthy business and financial turnaround for Bunge. And we did so as we raised our climate ambition by progressing toward our existing sustainability commitments, setting more aggressive ones as needed, and investing in our potential across new growth areas. Taken together, we believe we are on the right path to deliver meaningful and impactful climate action while delivering strong results for shareholders.

CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC

CHARLES EMOND | PRESIDENT AND CHIEF EXECUTIVE OFFICER

CDPQ

PROVIDING "CONSTRUCTIVE CAPITAL" FOR INNOVATIONS THAT DELIVER PERFORMANCE AND PROGRESS

Long-term investing is at the core of our identity at Caisse de dépôt et placement du Québec (CDPQ). We see it as a journey, not a destination, and this perspective informs our decision-making processes.

As a global investment group, we have responsibilities to multiple stakeholders wherever we do business. This means we look beyond immediate financial outcomes to leverage a broader viewpoint focused on sustainability when we make decisions.

We are a provider of "constructive capital," which means that our capital allocations drive performance and progress. This approach leads us to innovations that will build stronger companies and benefit the communities where we invest.

HELPING COMPANIES DECARBONIZE THE HIGHEST-EMITTING SECTORS AND ACHIEVE SCIENCE-BASED TARGETS

That's why we are also acutely aware of our role in bringing positive and constructive change in light of the climate crisis. One example of the steps we are taking is our CAD 10-billion envelope focused on accelerating the climate transition. Our goal is not just to decarbonize our own portfolio, but also to foster the transition of the real economy. So with this envelope, we are engaging in the tough work of decarbonizing the highest-emitting sectors, like steel, lithium, plastics and copper. We help companies achieve the science-based targets that we set, and we will measure and report on our own progress annually. In the long term, we expect these companies to be better positioned to thrive and to outperform as a result.

DEPLOYING CAPITAL TO QUEBEC COMPANIES IMPACTED BY PANDEMIC

For us, the turbulence of the pandemic has been another opportunity to use our capital constructively. In the first weeks of the crisis, CDPQ deployed a CAD 4-billion envelope to support Québec companies temporarily affected by it while having good prospects for long-term profitability. We also engaged operationally with concrete measures to help the retail tenants of our real-estate subsidiary, Ivanhoé Cambridge, which were hard hit by the pandemic. Elsewhere in our portfolio, Lightspeed, a Canadian e-commerce software firm, was surging. We saw the connection and gave Ivanhoé Cambridge's tenants free access to its software for a year, helping them to make major strides on the digital commerce front while boosting Lightspeed's growth with new clients.

HOLDING OURSELVES AND THE COMPANIES WE INVEST IN TO THE HIGHEST STANDARDS

Our "constructive capital" approach is inherently a long-term one. CDPQ cannot fulfill its dual mandate — delivering optimal returns and contributing to the development of Québec's economy — by observing the markets and merely capitalizing on current opportunities. We create our own through our unique perspective while holding ourselves — and the companies we invest in — to the highest standards. This mindset permeates every aspect of our investing, including asset allocation, portfolio construction, stewardship investing and risk management. Doing it well makes our capital truly "constructive."

PRIVATE COMPANY ESG DATA CONVERGENCE PROJECT

In a rapidly changing world, Carlyle believes that impact is a lens for finding efficiencies and capitalizing on new growth, as we see the market valuing a wider set of business models and competencies. By helping our portfolio companies improve across these dimensions — from creating sustainability-driven growth strategies to building more diverse teams — we believe we will build more valuable businesses and deliver better results for all stakeholders.

ESG data is a critical to understand and advance ESG improvements in companies over time. Its current state, however, is incredibly challenged. Investors can't see standardized, comparable ESG data across their portfolios, asset managers are struggling under a mounting volume of bespoke ESG data requests, companies are sorting through an increasingly complex set of ESG frameworks and standards, and broad-based data about ESG performance for private equity-owned companies doesn't exist in the market.

In order to address these challenges, we needed to take a long-term view on strategy and aspiration, but a near-term view on tactical implementation. To this end, in 2021, we co-led the creation of the ESG Data Convergence Project alongside CalPERS and a number of our other LP and GP partners, forming the first-ever GP-LP cohort to create a critical mass of material, performance-based, comparable ESG data from portfolio companies.

GPS AND PORTFOLIO COMPANIES BENCHMARK ESG POSITIONS AND TRACK PROGRESS/LPS GET TRANSPARENCY

The objective of the group is to streamline the private market's historically fragmented approach to collecting and reporting ESG data in order to create a critical mass of meaningful, performance-based, comparable ESG data from private companies. This allows GPs and portfolio companies to benchmark their current position and generate progress toward ESG improvements, while enabling greater transparency and more comparable portfolio information for LPs. Importantly, this enables us to more effectively help portfolio companies improve their performance on material ESG issues.

100 LPS AND GPS SIGN ON TO REPORT ON SIX KPIS FOR 1300 PRIVATE COMPANIES

This project maintains the long-term objective to create a critical mass of meaningful, performance based ESG data from private companies, prioritizing near-term action. Impact thus far includes:

- Over the first 8 months of 2021, seven asset managers and eight investors came together to agree upon sox metrics that GPs would collect in the initial year: Scopes 1 and 2 greenhouse gas emissions, renewable energy usage, board diversity, work-related injuries, net new hires, and employee engagement.
- To date, more than 100 LPs and GPs have joined the effort, meaning the six KPIs will be provided for more than ~1300 private companies. Whenever an LP asks for these data points, participating GPs will provide those 6 KPIs using the same definition and same format — enabling transparent/comparable data across portfolios.
- In order to accelerate the field at large, each asset manager has agreed to anonymize portfolio company ESG data, and aggregate centrally into benchmarks to drive industry insights — Boston Consulting Group published a research paper based on historical data submitted by participating asset managers. Since the launch of the project in September 2021, over 100 GPs and LPs have signed on, representing over $8 trillion in AUM.

CPP INVESTMENTS

JOHN GRAHAM | PRESIDENT AND CHIEF EXECUTIVE OFFICER

In 2013, when CPP Investments and McKinsey & Company launched the Focusing Capital on the Long Term initiative to advance practical actions to focus business and markets on the long term, we had no way of knowing that it would take on a life of its own and that in 2021, we would be celebrating the fifth anniversary of FCLTGlobal.

INVESTMENT ORGANIZATIONS WORK TOGETHER TO DEVELOP LONG-TERM PORTFOLIO GUIDE

As part of the Focusing Capital on the Long Term initiative, CPP Investments led a working group of over 20 investment professionals from institutional investment organizations around the world to develop the *Long-Term Portfolio Guide* to "reorient portfolio strategies and investment management to focus capital on the long term."

This early working group was an embodiment of the work that FCLTGlobal does today in bringing together different members of the investment value chain to discuss and solve common strategic challenges. The *Long-Term Portfolio Guide* did not take a "one size fits all" approach. It encouraged institutional investors, within the context of their own unique situations, to evaluate, adapt, and adopt an organizationally appropriate mix of these ideas to enhance the long-term value they create for their beneficiaries.

CPP INVESTMENTS DEVELOPS INVESTMENT BELIEFS VIA A FUND-WIDE CONSULTATION PROCESS

A key recommendation of the *Long-Term Portfolio Guide* was for institutional investors to clearly articulate investment beliefs, with a focus on their portfolio consequences, to provide a foundation for a sustained long-term investment strategy.

As a result, CPP Investments developed our first set of Investment Beliefs in 2019. We underwent a Fund-wide consultation process, where all employees across the organization were asked to participate in working sessions to help draft our Investment Beliefs. Our Investment Beliefs are core to our strategy and serve as a guide for our day-to-day investment decisions. These beliefs serve as a foundation for our long-term investment goals while ensuring that we make consistent investment decisions and mitigate risk. The Investment Beliefs provide clarity and consistency to CPP Investments' decision-making, a guide to evaluate and select appropriate investment strategies globally, and a compass to stay the course.

EXAMPLE: INCORPORATING NON-MARKET FACTORS INTO DECISION-MAKING CREATES MORE SUSTAINABLE VALUE

For example, one of our Investment Beliefs is that 'incorporating non-market and emergent factors into decision-making creates more sustainable value'. This belief that corporations and organizations that better identify and appropriately manage environmental, social and governance factors and other long-term strategic issues are more likely to endure, and create greater value over the long term, than those that do not, is integral to how we invest and is reflected in investment processes, including our proxy voting principles and guidelines.

Today, we remain an active member of FCLTGlobal and are engaged on issues that will shape our industry and capital markets for years to come. These include research projects on climate change, risk management, and equity, diversity, and inclusion in PE-controlled company boards.

DOW INC

JIM FITTERLING | CHAIRMAN AND CHIEF EXECUTIVE OFFICER

At Dow, our ambition is to become the most innovative, customer-centric, inclusive, and sustainable materials science company in the world. To achieve this vision requires a combination of near-term adaptability and long-term strategic decision making, to ensure the Company remains relevant and competitive while creating meaningful value for all stakeholders both today and into the future. Since its separation from DowDuPont in 2019, Dow has made significant progress advancing its ambition, supported by a long-term mindset that is reflected in everything we do. This approach has ensured Dow's business remains resilient across the economic cycle, delivering top-quartile cash flow, cost performance, net debt reduction and shareholder renumeration, all while advancing our leadership position in ESG.

CONSUMERS DRIVE DEMAND FOR SUSTAINABLE PRODUCTS

The foundation of our leadership is a **purpose-built portfolio**, which is positioned to solve many of the world's toughest challenges. Importantly, there are several growth drivers in the industry that will increase demand for our products, including connectivity, efficiency, and sustainability. Specifically, **sustainability is a significant growth opportunity for Dow** as customers around the world are demanding more circular and sustainable products. And with Dow's global scale, leadership in materials science and chemistry, and alignment to attractive market verticals, our portfolio is differentiated and well-equipped to capture growth across these trends over the long-term.

PLAN TO ACHIEVE A NET-ZERO CARBON EMISSIONS FUTURE WHILE GROWING EARNINGS

To that end, in October 2021, we announced a **disciplined plan to continue delivering value growth while achieving a net-zero carbon emissions future**. Through these efforts, we expect to increase underlying EBITDA by more than $3 billion through the execution of higher-return, lower-risk, faster-payback projects as well as our efficiency programs, including plans to digitalize the company and become more customer-centric. At the same time, we are implementing a phased, site-by-site approach to replace end-of-life assets with lower-emissions, lower-capex, higher-ROIC and higher-capacity operations, with a clear path to a 30% reduction in Scope 1 and 2 emissions by 2030, and zero-carbon emissions by 2050.

DEVELOPING THE WORLD'S FIRST NET-ZERO CARBON EMISSIONS ETHYLENE CRACKER AND DERIVATIVES COMPLEX THAT WILL DECARBONIZE 20% OF DOW'S WORLDWIDE ETHYLENE CAPACITY

Notably, we are developing the world's first net-zero carbon emissions ethylene cracker and derivatives complex in Fort Saskatchewan, Alberta, which will decarbonize ~20% of our global ethylene capacity while more than tripling the ethylene and downstream derivative capacity at the site and delivering ~$1 billion in EBITDA growth by 2030. This is a key investment that **allows us to meet the increasing needs of our customers and brand owners seeking to lower the carbon footprint of their products.** For example, plastics remain an indispensable part of a low-carbon future — they make cars lighter and more fuel efficient, homes more energy-efficient and reduce food waste — a major contributor to the world's carbon emissions. Our disciplined approach positions us well to lead the industry in decarbonizing, growing, and accelerating our path toward carbon neutrality.

ESG METRICS ADDED TO EMPLOYEE PERFORMANCE AWARDS PROGRAMS

We expect to deliver all this **while continuing to enhance our industry-leading ESG profile** in support of our ambition. We are accelerating our actions to protect the planet, placing an intentional focus on inclusion, diversity and equity, and driving best-in-class governance practices. We do this while ensuring the health, safety and wellbeing of our people; the reliability of our operations; and serving as a force for positive social change in the communities where we live and work. Consistent with our commitment to transparency and accountability, we've set clear goals against which to measure our progress, including the addition of ESG metrics to our employee and officer Performance Award programs, as well as the publication of INtersections — our holistic and comprehensive ESG report.

By working at the intersections of science and sustainability, culture and accountability, Dow is partnering with others to encourage new thinking, advance ESG issues that matter most to our stakeholders, and unlock new avenues of growth that will power our success for the future.

DSM

GERALDINE MATCHETT
CO-CEO, CFO, AND MEMBER OF THE MANAGING BOARD

DSM
BRIGHT SCIENCE. BRIGHTER LIVING.

TRANSFORMING FOOD SYSTEMS FOR HEALTHIER PEOPLE, PLANET & LIVELIHOODS

Done right, the way that we grow, produce, and eat food benefits not only our own health, but that of society and the planet too. Yet how to feed everyone with nutritious and healthy food while protecting those who produce it and without further straining the environment? At DSM, a global leader in science-based nutrition, we've been striving to address these challenges for many years. In 2021, we stepped up our efforts by making explicit our ambition to transform the sustainability of global food systems as we continue delivering on our purpose of *creating brighter lives for all*.

OUR VISION: A WORLD WHERE EVERYONE HAS ACCESS TO NUTRITION AND PRODUCTION OF FOOD LEAVES NO FOOTPRINT

We envisage a world where everyone has access to good nutrition. Where agriculture and the production of food leaves no environmental footprint. Where food loss and waste does not exist anymore. And where farmers and their communities don't just survive but thrive. Building on our scientific strengths and innovation power, we have made firm, measurable commitments that will see us improve the health of the planet, of people, and of livelihoods by 2030.

HEALTH FOR PEOPLE: CLOSING THE MICRONUTRIENT GAP AND SUPPORTING IMMUNITY

At DSM, we're working to provide good, affordable nutrition that supports better health and wellbeing.

- **Our commitment: Help close the micronutrient gap of 800 million people by 2030.** More than two billion people worldwide lack essential micronutrients such as vitamins and minerals in their diets. We are working hand-in-hand with local and international partners to introduce innovative solutions for widescale staple food fortification and public health supplements for vulnerable people. Our initiatives are already helping several hundred million people each year, but we want to go further.
- **Our commitment: Supporting the immunity of half a billion people by 2030.** The global pandemic has highlighted the need for good nutrition — such as vitamins C and D, Omega-3 fatty acids and probiotics — to protect everyone's health and immunity. We will work closer with governments and other partners to drive awareness of this important link and ensure sufficient vitamin intake for more people.

HEALTH FOR PLANET: REDUCING LIVESTOCK EMISSIONS AND INVESTING IN PLANT-BASED PROTEIN

Food accounts for more than a quarter of all global greenhouse gas emissions and the world is moving further beyond the limits of what our planet can provide in terms of land and resources. DSM is working to transform how we can sustainably produce and consume food as a society.

- **Our commitment: To enable double-digit on-farm livestock emissions reduction by 2030.** Proteins are highly nutritious and fundamental to a healthy, balanced diet. However, animal farming impacts our climate and the natural world. At DSM, we are working closely with best-in-class industry partners to develop future-proof thinking, scientific breakthroughs, and cutting-edge technologies to help farmers develop cost-effective emissions-reduction practices.
- **Our commitment: Reaching 150 million people with plant-based foods by 2030.** At the same time, we are working to support alternatives, such as through enzymes that can deliver a better taste, texture, and mouthfeel in plant-based foods. We are directly investing in plant-based protein derived from canola (rapeseed) as well as from peas and beans as viable meat and dairy alternatives.

HEALTHY LIVELIHOODS: SUPPORTING AND REWARDING FARMERS FOR SUSTAINABILITY PRACTICES

We need to ensure that the farmers who produce our food can do so sustainably, while benefitting from new farming practices.

- Our commitment: Supporting the livelihoods of 500,000 smallholder farmers by 2030. Rewarding farmers for applying the most sustainable methods, training them to help make it happen and supporting them to secure a steady income will be transformational. We will be scaling up Africa Improved Foods, our Joint Venture in Rwanda with local authorities and development agencies which aims to provide healthy food for the local population and a better, steadier income for smallholder farmers through local sourcing.

Long-term sustainability is at the heart of our purpose-led ethos — we were among the first companies to have an emissions reduction plan to be independently validated by the global Science Based Targets initiative to align with the Paris Climate Agreement. Our progress on these new ambitions will be externally audited each year in our Integrated Annual Report, with DSM one of the few companies in the world to seek reasonable assurance on all our impact reporting. The reason is simple: We cannot be successful in a world that fails.

EDELMAN

ESG GLOBAL REPORTING CENTER OF EXCELLENCE WILL HELP BUILD STAKEHOLDERS' TRUST

The trends in ESG reporting have transformed the corporate landscape in just a couple of years, moving from nice-to-have to must-have across the globe, and acting as a prism through which one can examine how business leaders can establish trust with all their stakeholders.

DEFINING THE CHALLENGE: ENHANCING SUSTAINABILITY COMMUNICATIONS AND DETECTING EVOLVING TRENDS

At Edelman, we have a long-standing sustainability advisory capability, working with clients on how to define and position their purpose and ESG goals, and therefore enhance the effectiveness of their sustainability communications. In many instances, however, these client assignments have remained in the regional or subject matter expertise silos where they first landed. This left our global Edelman teams often unaware about what certain clients were asking of us, and therefore unprepared to detect how trends were evolving. And given the nature of reporting assignments — with often very tight deadlines and sense of exhaustion lingering after the project's completion — it was also creating many short-term business opportunities that accumulated in a random manner globally, but it did not allow us to have a long-term vision or strategy for how to do it better.

This lack of sharing best practices was not just an internal business problem — it was increasingly anachronistic. As the ESG trends mentioned above gathered steam, it became increasingly obvious to us that no effective communication on sustainability could take place without genuine technical expertise on the key reporting frameworks emerging as best in class — whether GRI, SASB, or CDP — or, as will soon be the case for TCFD in the UK and New Zealand as well as the EU's upcoming CSRD, the veritable law of the land. So if we wanted to be winners long-term, we had to up our game on the technical knowledge required as well.

RE-ENGINEERING SUSTAINABILITY REPORTING WITH GLOBAL AND LOCAL TECHNICAL EXPERTISE

We therefore decided to completely re-engineer our sustainability reporting business, adopting an approach that prioritizes 1) technical subject matter expertise relevant at a global level, available to all clients as needed in real time 2) delivery on reporting needs at a local level, in line with existing client coverage expectations. We now call this integrated team the Edelman ESG Global Reporting Center of Excellence. Its key strategic pillars are:

1. Permanent leadership for the CoE — rather than purely project-based — staffed by established professionals with backgrounds in sustainability reporting, investment management, and ESG consulting
2. Mandatory training programs for all CoE staff on the fundamental building blocks of reporting (e.g., GRI Academy, SASB FSA credential, CFA Institute Certificate in ESG Investing)
3. Furthering the agenda — through regular thought leadership pieces and client advisory notices on changes in reporting trends, such as the TCFD guidance update in November 2021

With this new approach, we feel better positioned to respond to client assignments, as well as provide truly best in class execution on their ever-increasing ESG reporting needs. As of January 2022, our CoE has over 25 projects underway globally for delivery before the end of the first quarter, with reports ranging across multiple industries and geographies.

Edelman is convinced ESG is here to stay and that communication agencies such as ourselves will be at the forefront of building narratives that are fact-based and help build stakeholders' trust in business. Without taking the long-term needs of the ESG reporting market into account — and investing proactively and commensurately to address them — we realized we would end up in a weaker competitive position. We are proud that we took the time needed to know how to build a true global ESG Center of Excellence, and are firmly convinced that his long-term investment will yield returns for our clients and our business.

ERNST & YOUNG

CARMINE DI SIBIO | GLOBAL CHAIRMAN AND CHIEF EXECUTIVE OFFICER

EY NEXTWAVE STRATEGY FOCUSES ON DELIVERING LONG-TERM VALUE TO ALL STAKEHOLDERS

In a world that's changing faster than ever, the EY purpose — Building a better working world — has been a guide, providing the context and meaning for the work that EY people do every day. This purpose is an integral part of NextWave, the EY global ambition and strategy, which expands on the already established goal of creating financial value, to also include a focus on creating value for EY people, clients, and society.

EPIC FRAMEWORK REDEFINES HOW COMPANIES MEASURE VALUE

The EY focus on long-term value creation drove the EY organization to help lead the Embankment Project for Inclusive Capitalism (EPIC) — a collaboration of over 30 companies, with FCLT Global leadership on the advisory board, helping redefine how companies measure value. Shortly after the initiative concluded in 2018, the resulting EPIC framework was integrated into the EY NextWave strategy. A purpose-led growth strategy has helped EY advance innovation, catalyze a transformation agenda and develop the solutions EY clients need to deliver better outcomes for their own stakeholders. This includes, for example, using blockchain technology to increase trust in supply chains and helping organizations become more resilient and better prepared for the future.

COLLABORATION IDENTIFIES METRICS FOR MEASURING LONG-TERM VALUE CREATION ACROSS INDUSTRIES AND GEOGRAPHIES

The EY organization has also overcome competitive pressures to push the measurement of long-term value creation further alongside counterparts from across the Big 4, Bank of America and the World Economic Forum International Business Council (WEF-IBC). Over the course of two years, EY teams helped to identify a set of industry-agnostic environment, social and governance (ESG) metrics that allow businesses to measure long-term value creation across four pillars: people, planet, prosperity, and principles of governance. FCLT Global was critical in attaining investor feedback as the initiative progressed.

INTEGRATING ESG INTO STRATEGY AND REALIZING VALUE

The EY annual report published these WEF-IBC metrics this year, as did over 50 other companies, and the results are a testament to the EY commitment to create and protect long-term value and deliver on a purpose-led strategy. For example, in the 2021 financial year EY teams delivered over 18 million hours of learning to help EY people develop future-focused skills. Additionally, 36% of partners promoted were women — the highest percentage of women promotes across the organization to date. The EY organization also reached a major environmental milestone, becoming carbon negative, an important step on the journey to reach net zero carbon emissions by 2025.

WHAT'S NEXT — INTEGRATING OF ESG IN BUSINESS OPERATIONS AND INCREASED TRANSPARENCY WILL SHIFT CAPITAL TO THE LONG-TERM

Moving forward, it would be great to see the creation of the International Sustainability Standards Board (ISSB) under the International Financial Reporting Standards (IFRS) Foundation and mainstreaming of ESG reporting lead to increased accountability, and ultimately shifting of capital to long-term, sustainable growth. Businesses everywhere will need to back up their rhetoric with action, integrate ESG into strategy and realize value by creating a better future for all their stakeholders.

Ultimately, it is critical to 'walk the talk', and the commitment to Building a better working world has to be reflected in the EY strategy, operations and long-term goals. While the EY organization needs to be financially successful, this success came — and will continue to come — because EY is focused on creating long-term, sustainable value for all of those individuals whom EY impacts day to day, whether they are EY people, clients, or communities.

EQT PARTNERS

EQT FUTURE — MARKET-SHAPING IMPACT FOR THE LONG TERM

Investing with a purpose and with a long-term outlook have been part of EQT's ethos since inception. EQT's long-term, strategic approach to sustainable business begins with a mindset that there is a synergistic relationship between the creation of shareholder value and the creation of lasting societal and environmental value. By considering sustainability as an integral part of its business model, EQT and EQT Funds' portfolio companies can identify and capture value creation opportunities as well as mitigate risks, and in doing so, EQT will accelerate impact and drive change.

In 2021, EQT launched EQT Future, a new strategy designed to guide EQT's purpose-driven investment efforts into the next stage. EQT Future is an impact-driven longer-hold fund that invests in line with three key objectives i) Planet (safeguarding resources and protecting our climate), ii) People (improve mental and physical health), and iii) Prosperity (create equality of opportunity). The longer-term outlook is a distinct element of the investment strategy, given the view that a longer time horizon is critical to achieve market-shaping impact in the mature industry leaders the Fund targets.

EQT Future has portfolio-level targets linked to its impact objectives to support impact across the three key objectives described above. Portfolio companies will:

1. Commit to the Science Based Targets initiative and set targets for Scope 1, 2 and 3 emissions reduction
2. Seek to progress towards top-quartile employee Net Promoter Score (eNPS), reflecting industry-leading mental and physical health for their employees
3. Improve diversity by progressing towards gender diversity (an equitable ratio of men and women)

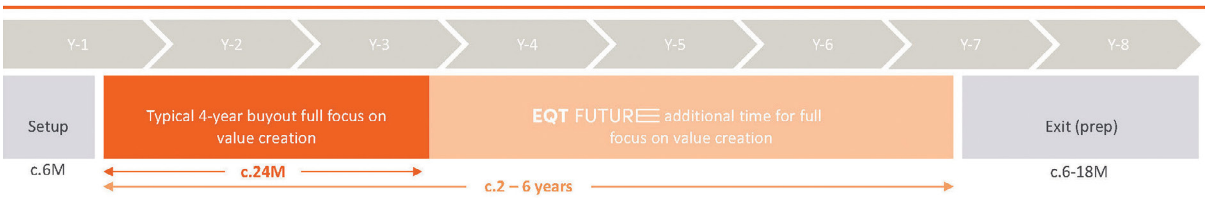
These KPIs are intentionally ambitious, and will require a longer-term outlook in order to achieve. However, with the longer-hold nature of EQT Future, we will be able to drive comprehensive, longer-term sustainability and digital transformation plans and ensure that the impact created extends even after our ownership.

Importantly, EQT Future is a critical strategic initiative for the broader Group. Our goal is to use EQT Future as a test-bed and learning platform to continue to push the boundaries of purpose-driven investing forward and eventually apply the best practices and lessons learned across the full EQT portfolio. We want to make sure that we approach this strategically and practically — so EQT Future is a fully integrated part of the EQT Private Capital platform, with access to all the resources and processes that have been refined over nearly three decades.

While it is still early days for EQT Future, the teams are already hard at work supporting the Fund's first investment in Anticimex, a leading global pest control specialist. With Anticimex, EQT Future has an opportunity to reshape the pest control industry with more effective and sustainable solutions. For example, Anticimex's SMART technology effectively eliminates the need for biocides, thereby preserving biodiversity.

EQT's believes that transforming the portfolio companies themselves will drive broader positive changes within their respective industries, resulting in a profound ripple effect of impact beyond EQT's own efforts.

EQT Future: Avg. 8-Year Hold Horizon



FEDERATED HERMES

SAKER NUSSEIBEH | CBE, CHIEF EXECUTIVE OFFICER

Federated Hermes

CUSTOMIZING ESG INTEGRATION VIA ENGAGEMENT AND STEWARDSHIP AND ASSESSING PROGRESS USING 86 KPIS

As pioneers of ESG integration and stewardship, we have been at the forefront of responsible investing since 1983. We aim to deliver sustainable wealth creation that enriches investors, benefits society and preserves the environment — for current generations and those to come.

To achieve this, we integrate ESG (Environmental, Social and Governance) in our investment decisions and stewardship to deliver sustainable outcomes and further investment insights across our investments. We believe that one size does not fit all therefore, our ESG and stewardship integration is customized to each investment strategy, resulting in diverse approaches to regions, sectors and portfolio construction. However, we do believe that there are guiding principles to a good integration approach. Hence, our best practice responsible investing is achieved by undertaking four mutually reinforcing strands of activity: advocating in the beneficiaries' interest, active ownership via engagement, ESG integration, and behaving as a responsible firm.

EOS IN-HOUSE STEWARDSHIP TEAM TRACKS PROGRESS AND HISTORY VIA ENGAGEMENT PORTAL

When researching investments, we only use third-party ratings at the initial research stage and, thereafter, carry out proprietary, transparent ESG analysis to conduct fundamental company research; this includes qualitative analysis of material ESG issues and also integration of any engagement insights from our in-house stewardship team. As part of our investment decision-making, we also benefit from stewardship insights to embed a forward-looking view in ESG analysis. Once we have invested in a company, we continue to monitor and engage on material issues including ESG, where relevant.

We do this by leveraging the engagement information that our in-house stewardship team, EOS at Federated Hermes, obtains in its engagement meetings with investee companies. As well as accessing EOS' engagement portal — which includes the engagement history and progress against live objectives — portfolio managers attend engagement meetings with the engagers. The benefit of these joint meetings is substantial and results in more robust engagement that focuses on the relevant and material risks and opportunities including ESG.

RESEARCH IS FACILITATED VIA TOOLS FOR CARBON, CORPORATE GOVERNANCE, AND ENVIRONMENT

In addition to making use of third-party research which looks across a range of E, S and G factors, we also have a range of in-house proprietary tools which include:

- **ESG Dashboard:** Identifies stocks with positive ESG characteristics and/or stocks demonstrating positive ESG performance change.
- **Portfolio Snapshot Tool:** Assesses a portfolio's ESG performance via ESG scores, controversies and effectiveness of engagement.
- **Carbon tool:** Enables fund managers and engagers to identify carbon risks in portfolios and companies that are or might become more exposed to carbon risks in the future; also incorporates stewardship activity and identifies companies that are priorities for engagement and their progress against objectives.
- **Environmental Tool:** Provides information on a portfolio's and company's temperature alignment and exposures to fossil fuels, mining, coal, carbon, pollutants, waste and water, and offers engagement activity and progress on environmental themes.
- **Corporate Governance Tool:** Provides information on board independence, diversity, audit tenure and more, and flags any companies that fall below our expectations.

DEDICATED RESPONSIBILITY OFFICE EVALUATES LEVEL AND QUALITY OF ESG INTEGRATION BY INVESTMENT STRATEGY USING ASSESSMENT MATRIX OF 86 KPIS

Our dedicated Responsibility Office, led by the Head of Responsibility, reports to our CEO and hosts quarterly meetings with each of the investment teams to review and assesses their ESG integration approach using a matrix of 86 Key Performance Indicators across 28 sub-indicators, including:

- **Investment Process and Philosophy:** how well the team understands material ESG factors for its universe and how they stay abreast of developments, where in the process the team integrates ESG and stewardship insights and how this impacts investment decisions to the benefit of clients and their investors.
- **Communication:** how clearly the team articulates — for clients and their investors — the ESG and stewardship approach of an investment strategy, and how it reports on its ESG performance.
- **Advocacy:** how actively the team is involved in initiatives in clients and their investors' interests, both internally and externally, on ESG themes as well as ESG and stewardship integration in asset management.

The value of investments and income from them may go down as well as up, and you may not get back the original amount invested.[1]

GIC

GIC

LIM CHOW KIAT | CHIEF EXECUTIVE OFFICER

IMPORTANCE OF A LONG-TERM APPROACH TO PARTNERSHIPS

WHY PARTNERSHIP?

As Singapore's sovereign wealth fund, GIC's job is to protect and add to the international purchasing power of the reserves under our management over the long term. We cannot and do not do this all by ourselves, but with the help of our many partners, including external fund managers, peer investors, investee companies, service providers and community organizations such as FCLTGlobal. They expand our investment universe, widen our perspectives, and provide competencies that we do not have.

GIC'S APPROACH TO PARTNERSHIP

It is essential to have a long-term mindset to partnerships rather than a transactional one, right from the start. Time and consistent experiences create trust between partners. For example, our enduring presence in developing markets through crises has enhanced our reputation as a committed global investor, giving us first calls on opportunities. Our long-term approach can be seen in the following ways:

Life-cycle Collaboration: Our long investment horizon gives greater certainty to our partners to commit to ventures which may take time to see results. Our flexibility in deploying capital across private and public markets supports our partners' capital needs through different phases of growth. This also extends to supporting, curating, and in some cases, launching new investment products such as long-hold private equity mandates. These efforts strengthen our partnerships, and also allow us early entry into new markets.

Reliable and Responsive Co-investor: Having a long history of co-investing with select external managers and direct investing capability positions us to respond to co-investment opportunities, especially across real estate, private equity, credit and infrastructure. Typically, our partners source attractive opportunities via their own networks, with us supporting part of the required capital through responsive due diligence, clarity of decisions, fair terms and additional research. In recent years, we have extended more co-investing invitations to our partners, thus expanding the opportunity set further.

Synergies Through Multi-faceted Investment Partnerships: We prefer to do more with long-time partners both in size and dimensions. For example, we may have multiple asset-class exposures to the same external manager, while for investee companies, we can be their shareholder, bondholder, and even landlord or joint-venture partner. Such partnerships are often strengthened through varied collaborations involving the full benches of our organizations.

Constructive Engagement: We engage partners in areas like digital disruption and sustainability which we expect will affect the longer-term prospects of assets and companies. For example, we support our investee companies in their transition towards long-term sustainability, and do this in a way that recognizes the respective dynamics of the markets that they operate in, and not in a "one-size-fits-all" way. Last year we collaborated at the industry level, with 12 members of the AIGCC (Asia Investor Group on Climate Change) and launched the Asian Utilities Engagement Program to engage with utility companies in Asia.

Global-Asia Connector: We are a useful partner to US and European-based companies for their Asian ventures, and likewise for our Asian partners looking to other markets for expansion or business solutions. We do this via bilateral introductions and exclusive networking initiatives. For example, our annual flagship event, GIC Insights, brings together top business leaders to discuss relevant long-term issues. Our Silicon Valley-based Bridge Forum, a collaboration with the Singapore Economic Development Board (EDB), has to date connected nearly 200 business leaders within GIC's network and facilitated over 450 one-on-one meetings among innovative start-ups and Asia-based corporations.

CONCLUSION

Working well with like-minded partners by increasing our opportunity set and gaining new capabilities, has been critical to our growth. These partnerships show up in many ways, but what is central is the long-term approach we take. This approach builds trust and understanding, which in turn delivers enduring relationships and maximum mutual benefits.

IFM INVESTORS

DAVID NEAL | CHIEF EXECUTIVE OFFICER

WORKING WITH INVESTEE INFRASTRUCTURE COMPANIES TO HELP ENSURE THEY OPERATE IN A NET ZERO WORLD

IFM Investors' purpose is to protect and grow the long-term retirement savings of working people. To keep delivering on our purpose, we believe that it's vital that we have a plan to mitigate the risks of climate change. This includes working closely with our investee companies to help ensure that they can continue operating in a net zero world and continue generating risk adjusted returns for our investors.

USING INFLUENCE AND CAPITAL TO REDUCE EMISSIONS

As one of the largest infrastructure investors in the world, our approach centers on long-term ownership and the active management of essential community assets, such as water management services, tolls roads and airports. For IFM, long-term ownership means holding an asset for 20, 30, or 40-years or more. With an investment-horizon that is measured in decades, we think it is vital that we use our influence, capabilities, and capital to help our assets reduce emissions and remain viable and useful in a lower carbon operating environment — thus maintaining, and potentially increasing, value. By way of example, as a shareholder in Melbourne Airport, we have supported the construction of a recently completed onsite solar farm, which is expected to generate up to 15 percent of the airport's annual electricity consumption — enough to power all four passenger terminals. We are taking similar steps at our other portfolio assets.

NET ZERO 2050 TARGET REQUIRES CRITICAL PROGRESS BY 2030

Building on the work we are already doing with our assets, in October 2020, we announced our commitment to reduce greenhouse gas emissions across all of our asset classes, targeting net zero by 2050. We established a multi-disciplinary taskforce to identify how each asset class would contribute to our net zero commitment. What became clear was that while the journey to net zero would require decades of effort, action in the years leading up to 2030 is critical. So, in September 2021, we announced an interim 2030 emissions reduction target of more than one million metric tonnes of CO_2e for our infrastructure asset class. This reflects an emissions reduction target of 40% of our infrastructure portfolio from 2019 levels.

EXISTING ASSETS TO SEEK MOST EFFECTIVE TRANSITION PATHWAY FOR DECARBONIZATION

The task we, and other like-minded investors, are taking on is complex and challenging. Infrastructure assets provide essential services that underpin communities and economies around the globe. Starving these assets of capital or shutting them down risks health, wellbeing and livelihoods, and would make it harder to achieve net zero. Not taking appropriate steps to align assets with net zero also could mean transition risk is not being well managed for investors. So we must transition these assets at a pace and in a manner that is prudent and methodical. IFM already has a value creation thesis and a track record of active engagement at the asset level, and believe we are well placed to support these assets to transition. Conversely, divesting would just shift the problem to others. This undertaking calls for detailed and strategic long-term planning, because it is likely that decarbonization pathways will vary between assets. In many cases, our existing assets are the best resource in finding the most effective transition pathway — they are the ones that often have the relationships, the construction skills, and the project management skills to develop and execute the move to renewable energy and help to drive the economy wide transition.

As responsible long-term owners, we are in the position to work closely with the management teams to identify and support these opportunities. At IFM, we recognize that the quality of the returns for long-term investors is a function of the quality and sustainability of the economy and financial system, now and in the future. That's why we will keep working closely with our portfolio assets to generate positive returns for our investors over the long term, while supporting the environment, economies, and communities where we invest and operate.

J.P.Morgan

JP MORGAN

PAUL QUINSEE | GLOBAL HEAD OF EQUITIES

DEVELOPING A PROPRIETARY STANDARD PROCESS FOR ASSESSING ESG

As we think about the future of our business, we believe it is essential to have a proprietary approach to sustainable investing in order to remain competitive and deliver for our clients over the long-term. Existing tools in the marketplace used to assess a company's sustainability on the environmental, social, and governance (ESG) pillars have many widely acknowledged data flaws, such as being largely backward looking and lacking consistency.

We sought to leverage our global research team using their sector expertise and company insights to take a more fundamental approach to evaluating companies from a sustainability perspective. In addition to further aligning portfolios with client values, we believe that more explicitly incorporating ESG considerations as part of our investment process can help to deliver enhanced risk-adjusted returns over the long-run for our clients.

GLOBAL WORKING GROUP DEVELOPS 40-QUESTION CHECKLIST TO EVALUATE AND GRADE ESG FACTORS

At the heart of our process is the partnership between our team of global research analysts and our portfolio managers. As we thought about how to best approach improving our ESG process we kept to that core, forming a global working group involving key stakeholders from each investment team and our regional heads of research. We also leveraged the expertise of our Sustainable Investing team, coming together to brainstorm and agree upon key issues. The product of this working group was a proprietary 40 question checklist completed for all companies under coverage.

This questionnaire encompasses issues across the E, S, and G pillars, including questions related to the impact of environmental regulation, quality of labor conditions, and board diversity. To give an example from the environmental pillar, we ask: "Is the business vulnerable to regulation aimed at limiting greenhouse gas emissions?" An important characteristic of our questionnaire is that it allows analysts to grade the severity of a company's exposure or transgressions. On the other hand, it also allows analysts to flag companies that are positive ESG outliers and identify those that are currently less strong, but are making demonstrable efforts to improve in the changing environment.

We use this questionnaire as the backbone of our own proprietary scoring system, which leverages the knowledge of our fundamental research team and our quantitative research capabilities.

ESG CHECKLIST ULTIMATELY ENHANCES OVERALL RESEARCH PROCESS AND INFORMS COMPETITIVE LANDSCAPE

Outside of our original goal of creating a proprietary, best in class approach to sustainable investing, the work we've done as part of achieving that goal has influenced the way our analysts and PMs think about companies and their long-term competitive advantage and landscape. Analysts and PMs partnered to look at companies they've known for years through a different lens, picking up on different nuances and insights along the way.

A key lesson we learned through this process is the importance of giving the analysts the tools to differentiate the impacts of key E, S, and G issues on companies. Incorporating a level of gradation really helped the analysts and PMs to identify the outliers on both the positive and negative sides of ESG issues and ultimately companies' long-term positioning in the competitive landscape. In addition to helping us meet our clients' needs and comply with increasing regulation in Europe, this process has also helped us to continue to deliver on our ultimate goal of delivering the best performance possible for our clients.

KEMPEN CAPITAL MANAGEMENT

ERIK VAN HOUWELINGEN | CHIEF EXECUTIVE OFFICER

Kempen

CREATING A SUSTAINABILITY CENTER WITH A NEW SUSTAINABLE BOARD

Our parent, Van Lanschot Kempen, is the oldest independent financial institution of the Netherlands, established in 1737 and we feel not only grounded in this heritage but also able to take a long-term view. Kempen itself dates its lineage to the turn of the twentieth century. Since almost all our clients have long-term goals and ambitions, we feel very connected to the goals of FCLTGlobal.

SUSTAINABILITY PLAN ACCELERATES TO INCLUDE EVERYTHING

As a firm our sustainability ambitions are a strategic priority and a key area of focus. Although our sustainable journey has been underway for 15 years, we have accelerated this throughout the whole firm, creating a groupwide Sustainability Center with a new Sustainable Board. The clear goal of the Board is to integrate sustainability in everything we do, to continuously improve our products and solutions and to make them greener. We have committed ourselves as a Net Zero asset manager, with multi-year goals set for reducing the carbon footprint of our portfolios in-line with the Paris Agreement by 2025 (for our liquid strategies), 2030 (for our illiquid strategies) and 2050 (Net Zero).

RISING IMPORTANCE OF NON-FINANCIAL GOALS TO TRANSFORM REAL ECONOMY

Non-financial goals in the next 5-10 years will become as important as financial goals. The challenge is to create the win-win between them. This will have a profound impact on our financial sector and within asset management, and it will probably be more transformational than the rise of passive has been in the last 20 years — this is about the reconnect between the financial sector and the real economy; what we term the *real active*.

ALLOCATING CAPITAL OVER MULTI-YEAR PERIODS TO SUSTAINABLE FARMLAND

One of the privileges at Kempen is to work in partnership with our clients to help them achieve their long-term objectives, not only in investment terms but also with regard to long-term sustainability. One particular case we would like to highlight is sustainable farmland, where have worked with our clients to co-create a long-term strategy that seeks to deliver investment return and deliver on key goals of biodiversity and the development nature-based solutions to the climate challenge. The strategy purposefully takes advantage of the illiquidity premium by allocating capital over multi-year periods, building partnerships with underlying owner-operator farmers around the globe.

USING REGENERATIVE FARMING TECHNIQUES TO SEQUESTER CARBON

Nature can store carbon dioxide. Nature can restore or regenerate degraded lands. Nature can restore a badly functioning water cycle and nature can restore rapidly degrading biodiversity. It can do all this while at the same time nourishing 10 billion people with more nutritious food. One of the most positive initiatives for tackling climate change today is to use soil to store 1 trillion tons of carbon from the Earth's atmosphere and bring concentrations of greenhouse gases back to pre-industrial revolution levels. Using our soils to sequester carbon is a natural climate solution and can be achieved through regenerative farming techniques that allow for plants to store carbon in the soil, for soils to infiltrate water and for biodiversity to thrive above and below the ground.

KEMPEN SDG FARMLAND FUND LAUNCHED IN 2021

At Kempen we believe that farmland offers an appealing, stable, yet relatively unexplored asset class. But investing in farmland passively is not a sustainable solution. An active focus on ESG is essential, both to explore solutions such as its role as a carbon sink, and to manage risks such as use of pesticides, soil erosion and biodiversity.

In conjunction with a number of our clients, the Kempen SDG Farmland Fund was launched in early 2021. Our aim is to allow the fund to grow in step with a deployment pace that aligns with our strategy and agreed targets with promising sustainable angles that add to our SDG targets. We are also making great strides in designing and completing our bespoke sustainability plans per acquired asset together with a team of local specialists and to be able to report the first results of these plans in our first sustainability report next year.

ENVIRONMENTAL PROFIT & LOSS ACCOUNT — A TOOL FOR MEASURING IMPACT

At Kering, we want to take a leading role in supporting the transformation of our entire industry, Luxury, as it evaluates and reduces its environmental impact. To achieve this vision, we are convinced that we must continually exceed our limits, support our Houses and engage with the entire sector and its stakeholders. Discussions with investors confirm the importance of defining indicators and tools which fully account for a long-term outlook, and the need for Kering to be increasingly transparent and candid when it comes to its own performance. With this in mind, we developed and improved our Environmental Profit & Loss account, or EP&L, over the past decade.

EXPRESSING ENVIRONMENTAL FOOTPRINT IN MONETARY TERMS

Kerning's EP&L allows us to measure our impact on natural capital throughout our value chain — from the production and transformation of raw materials to the products' use and end of life — and assign a monetary value to each of these steps. Expressing our environmental footprint in monetary terms, we translate our impacts (GHG, air pollution, waste, water consumption, water pollution and land use) into a shared business language, with a view to facilitating understanding and comparative performance. The EP&L approach goes beyond standard environmental reporting, producing a richer, much fuller picture of the impact of Kering's activities. The results should not be seen as a liability or a cost for Kering. Rather, they represent a way of assessing the cost to society of environmental changes stemming from the activities of the Group and its suppliers.

USING THE EPL TOOL TO INFORM CAPITAL ALLOCATION DECISIONS

For Kering and each of our Houses in hard and soft luxury, the EP&L represents a new way of looking at our activities, enabling us to assess the magnitude of an impact for different locations (particularly useful for water availability, an eminently local issue) and facilitate comparisons. Over the past decade, the EP&L has become a strategic tool fully embedded in our strategy and daily operations, allowing our businesses to make informed decisions regarding capital allocation. It reveals areas for improvement where the Group can deploy solutions, using innovative new technologies and materials that significantly reduce the environmental impact from raw materials processing and goods manufacturing.

As we continue to integrate our EP&L findings into our day-to-day operational decisions and strategy, we are seeing positive results and recognize its inherent value to help inform our R&D, product design, sourcing decisions, and manufacturing. To further leverage it, we continuously enhance our EP&L coverage and methodology—starting in 2020, for example, we added product use and end of life to the analysis.

LOOKING AHEAD: ON TARGET TO REDUCE EP&L FOOTPRINT BY 40% IN 2025

Within our sustainability strategy, we include quantifiable targets we aim to reach by 2025. A cornerstone of our environmental pillar is the target to reduce our EP&L footprint by 40% across our supply chain by 2025 and relative to our growth, using a 2015 baseline. We are more than on track on our reduction pathway, having achieved a 33% reduction in our EP&L intensity between 2015 and 2020.

True to its commitments to transparency and the sharing of its practices, Kering publicly discloses its EP&L results, methodology and research work on an open-source website accessible to all.

KPMG

BILL THOMAS | GLOBAL CHAIRMAN AND CEO

EMBEDDING ESG IN EVERYTHING THAT WE DO AND OFFER

The world faces crises on multiple fronts and businesses have an opportunity to lead. That is why we are changing how we do business and helping our clients transform theirs by putting environmental, social and governance (ESG) issues at the heart of everything we do.

We believe the ESG agenda and how we measure progress against it is a key driver of long-term value creation for all businesses. To hold ourselves to account, we brought together our firm's ESG commitments under one umbrella called *KPMG: Our Impact Plan*. We then separately announced a multibillion-dollar plan for our firm to help others achieve their ESG goals by embedding ESG in everything that we do and offer.

CATALOGING DATA ACROSS OUR GLOBAL ORGANIZATION TO MEASURE, SET GOALS, AND REPORT

KPMG: Our Impact Plan provides a roadmap for our organization to become net-zero by 2030, to create inclusive and fair workplaces, to drive sustainable and purposeful growth for our clients, and to build trust in and harness the power of the capital markets to spur needed innovations.

Mindful that you can't change what you can't measure, we cataloged current data across the global organization. We reported against metrics outlined in a report created by the World Economic Forum (WEF) and drafted in consultation with its International Business Council (IBC), titled Measuring Stakeholder Capitalism, which KPMG had a key role in shaping.

KPMG member firms throughout our organization are working towards these goals to change for better, and we will continue to strengthen the commitments outlined in Our Impact Plan and improve reporting on our progress in the months and years to come.

INVESTING $1.5 BILLION TO HELP CLIENTS ACHIEVE GOALS ON THEIR OWN ESG JOURNEYS

We also plan to spend more than US$1.5 billion over the next three years specifically to focus on ESG and support our clients in making a positive difference. The collective investment will focus on training and expanding KPMG's global workforce, harnessing data, accelerating the development of new technologies, and driving action through partnerships, alliances and advocacy.

The key to the transformation will be embedding ESG in the organization and client solutions to drive measurable change, and our global ESG investment will help equip our people to make a difference, as well as mobilize data and technology in support.

ESG WILL BE THE WATERMARK RUNNING THROUGH KPMG

It is incumbent on all of us — as businesses and as individuals — to play our part in tackling the challenges that threaten the future of our planet and the quality of life of people throughout the world.

KPMG has a responsibility to help shape and lead on the many critical issues facing the world and to use our capabilities to make a difference. We have a rare combination of scale, expertise and technology that can help drive positive and lasting change throughout the world. To help us reach that goal, ESG will be the watermark running through our global organization; from empowering our people to become agents of positive change, to the services with our clients and our partnerships with critical stakeholders.

MASTERCARD

SACHIN MEHRA | CHIEF FINANCIAL OFFICER

INFUSING FINANCIAL INCLUSION INTO WHO WE ARE AT MASTERCARD

Today, approximately one in five people around the world lacks access to basic financial services according to the World Bank. With more than 2.9 billion cards, 80 million merchants and 20 thousand banks around the world the reach of the Mastercard network is expansive and yet some are still left out. Such a network creates great opportunity to deploy inclusive innovation at scale and bring those financially excluded into the digital economy. But it also comes with great responsibility to infusing our approach to inclusion into how we develop and deploy technology, leverage and share our insights and ensure that everyone has access and opportunity in the digital economy.

DEVELOPING COLLABORATIVE PARTNERSHIPS TO ENSURE A MORE EQUITABLE ECONOMY

For Mastercard, building an inclusive economy means promoting financial independence and security, ensuring all small businesses can grow, assisting cities through an inclusive recovery, and helping close persistent racial and gender opportunity gaps.

To accomplish this, partnerships are crucial. We're working collaboratively with governments, nonprofit organizations, community leaders, financial institutions, fintech's, and digital platforms, applying all our resources — from technology and philanthropy to insights and expertise — to ensure individuals and small businesses can access and thrive in a more equitable economy. While the digital economy has improved the quality of life for many and lifted millions into the middle class, the acceleration of the accelerated shift to digital has also exacerbated inequities in our financial systems.

MEASURING IMPACT — 500 MILLION FINANCIALLY EXCLUDED INDIVIDUALS BROUGHT INTO THE DIGITAL ECONOMY

Ensuring the longevity of our financial inclusion focus means holding ourselves accountable, putting financial resources behind our commitments, embedding a focus on inclusion throughout the organization, measuring impact along the way so that we can rebuild an economic foundation that serves everyone, everywhere.

Globally, Mastercard achieved the goal of bringing 500 million financially excluded individuals into the digital economy, and has doubled down on those efforts raising the bar to 1 billion by 2025. We've also committed to engaging 50 million small businesses in the digital economy and have a concentrated focus of 25 million women entrepreneurs. To support these goals, we've committed $250 million over five years to support small businesses around the world and $500 million toward addressing the racial wealth and opportunity gap. And we are working with 200+ cities across the US to enable digital financial aid disbursements, providing data science expertise to help channel investments to underserved communities, providing cybersecurity and fraud assistance, and increasing access to vital city programs.

MCKINSEY & COMPANY

BOB STERNFELS | GLOBAL MANAGING PARTNER

BUILDING LONG-TERM APPROACHES INTO EVERY ASPECT OF OUR WORK

McKinsey is committed to helping organizations create sustainable and inclusive growth. We help them innovate more sustainably, achieve lasting gains in performance, and build workforces that will thrive for this generation and the next.

TAKING A LONG-TERM APPROACH TO INVESTING IN PEOPLE: 115,000 DAYS OF TRAINING TO CONSULTANTS

Consistent with this aspiration, McKinsey has historically taken a long-term approach to investing in our own people and capabilities, and to contributing to society more broadly. We invest more than $800 million in research, learning, and skill-building, and we provide 115,000 days of training to our consultants each year. We have pledged to invest $2 billion in cash and in-kind support toward social responsibility efforts by 2030. We have been carbon neutral since 2018, and we will reach net zero within the decade.

INTEGRATING LONG-TERMISM INTO OPERATIONAL BUDGETING

We also integrate long-term thinking into our core budgeting and investment-planning activities. Rather than follow traditional annual and quarterly budgets, McKinsey operates according to rolling multi-year plans, which our executive committee reviews and refines quarterly. Planning against a longer time-horizon ensures our decision-making is not beholden to transitory economic shifts. It allows us to "bet on ourselves" and invest with an eye toward our clients' and people's future needs. For example, we increased recruitment during the pandemic-induced recession of 2020.

AUTONOMY FOR LOCAL OFFICES AND PRACTICE AREAS ON RECRUITMENT GOALS AND INVESTMENTS IN NEW SERVICE LINES

As a global firm operating in more than 65 countries, a flexible, long-term planning framework empowers regional offices and practice areas to make needed investments based on local context. For example, if a regional office sees opportunities in its talent market, they are free to adjust recruitment goals within broad parameters set by the Firm. Similarly, our practice areas have the autonomy to invest in new capabilities or service lines based on their needs and the needs of their clients.

McKinsey's dual mission — to help clients drive sustained improvements and create an unrivaled environment for exceptional people — has never been a short-term one. These aspirations have guided us for nearly 100 years and will continue to do so as we help our clients, and our people, thrive in the years ahead.

HENRY FERNANDEZ | CHAIRMAN AND CHIEF EXECUTIVE OFFICER

ESG QUESTIONS PROJECT: SHAPING THE INVESTMENT LANDSCAPE OVER THE NEXT DECADE

From the push to reduce carbon emissions, to the regulation of environmental, social and governance (ESG) issues, to gender parity on corporate boards, investors are increasingly factoring climate change and other sustainability risks into their decision-making. Against that background, MSCI ESG Research launched the 10 ESG Questions Project, which explores challenges that could affect the investment landscape over the coming decade.

The 10 questions are:

1. Who will lead the race to cut carbon?
2. What if antibiotics stop working?
3. What if public companies stay privately controlled?
4. What if we can't balance people and planet?
5. What if ESG risks transcend politics?
6. What if gender parity is out of reach for corporate boards?
7. Who will regulate ESG?
8. What if we cut down all the forests?
9. What if ESG disclosures become standardized?
10. Who cares about the UN Sustainable Development Goals?

The project draws on MSCI ESG Ratings and metrics along with datasets covering climate change and other sustainability controversies for nearly 14,000 listed companies to illustrate how ESG considerations can help investors build better portfolios.

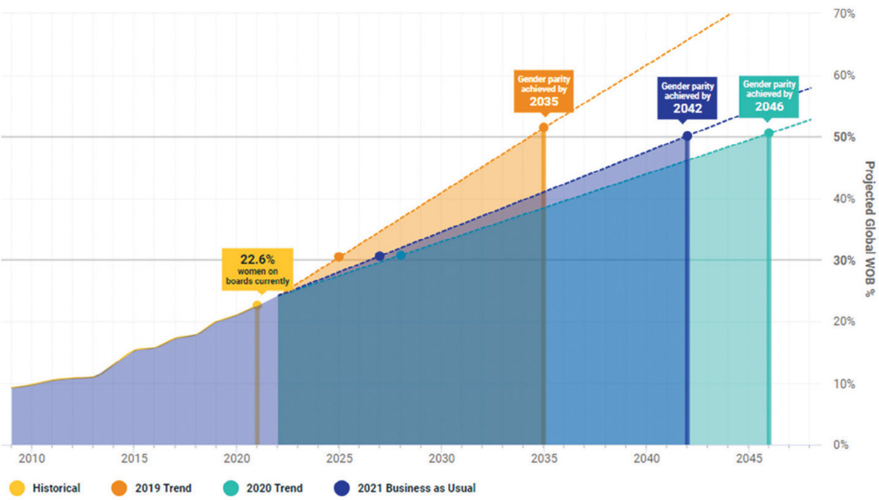
To determine whether gender parity is out of reach for the boards of listed companies, for example, researchers modeled when such boards might comprise equal numbers of women and men, based on three different scenarios.

If the rate of increase in recent years continues ("business as usual"), it could be 2042 before there are equal numbers of men and women on corporate boards. Achieving the goal sooner would require an increase in the number of board seats that open each year and/or the appointment of women to a higher percentage of the seats that become available. Our research has found that companies with a critical mass of women on their board have been more likely to manage talent effectively, to innovate, to emit less carbon, and to outperform peers with less diverse boards.

The 10 ESG Questions Project highlights the value of ESG and climate data in analyzing the potential long-term resilience of companies to financially relevant environmental, social and governance risks and other macroeconomic trends.

We continue to update the findings, which inform the questions that MSCI researchers will examine as the decade unfolds.

When Corporate Boards Could Reach Gender Parity[2]



NASDAQ, INC.

MULTIPLYING BEST PRACTICES WITHIN OPERATIONS AND ACROSS COMMUNITIES AND CLIENTS

We are focused on building the next generation Nasdaq as a leading technology, analytics and infrastructure provider to capital markets. For us, that lies in integrity: integrity in the markets, across the financial system, and in broader society. By combating market manipulation and financial crime, by advancing corporate sustainability and governance best practices, and by planting seeds for inclusive growth and prosperity across the communities in which we operate, we can continue to redefine the role of corporations in society for the better. In doing so, we believe that we are well-positioned to facilitate safe, inclusive markets that catalyze long-term economic growth.

Nasdaq is deeply devoted to being a multiplier of best practices — within our own operations, within our communities, and with our clients who we serve every day. Examples include:

- **Driving ESG Adoption:** Nasdaq's position at the intersection of the financial, corporate, and regulatory communities gives us a unique perspective on corporate sustainability. From this vantage point, we're actively engaging with clients to help them navigate the complex and fast evolving ESG landscape. This includes our voluntary ESG reporting guide and investor targeting solutions, as well as supporting the buy-side with tools to integrate ESG into their decision-making process.
- **Sustainability Reporting:** Nasdaq is a champion of strong ESG practices, underpinned by our commitment to transparency and disclosure. We are continually improving our ESG reporting and performed a strategic analysis to identify our key topics that form the foundation of our corporate sustainability strategy.
- **Diversity, Inclusion, and Culture:** When it comes to our core mission and values, we embrace the role of diversity, inclusion, and culture as a fundamental driver of our corporate growth, workplace culture and market development. One prominent example is a new listings rule for companies on our US exchange to publicly disclose consistent, transparent diversity statistics regarding their board of directors and choose whether to meet recommended board diversity objectives or explain their reasons for not doing so, which could include describing a different approach. In addition, in April 2021, Nasdaq joined alongside other technology companies to launch the **Alliance for Global Inclusion**, an industry coalition to develop shared D+I metrics to accelerate the adoption and measurement of inclusive business practices.
- **A Long-term Outlook:** Nasdaq has established mid-term growth targets of three-to-five years as we pursue our strategic repositioning as a leading technology company, and a long-term strategy of five-to-ten years.
- **Purpose Initiative:** In 2020, Nasdaq launched its new Purpose Initiative, which brings together our philanthropic, corporate sustainability, and community outreach programs under one strategy aimed at advancing inclusive growth and prosperity.
- **Nasdaq Foundation:** The Nasdaq Foundation was relaunched in September 2020 with two primary goals: to reimagine investor engagement to help ensure that underrepresented communities can share in the wealth that markets create; and to leverage the Nasdaq Entrepreneurial Center alongside new strategic partnerships to build a deeper, data-driven understanding of where the challenges are greatest and how we can maximize our impact.

The impact markets have in catalyzing innovation and facilitating faster innovation and job growth has never been clearer, nor more important. The changes brought on by the global pandemic reveal just how vital it is to support a marketplace ecosystem that is resilient, equitable, and sustainable.[3]

COMMITTING TO NET ZERO BY 2050 FOCUSES TIAA AND NUVEEN ON MANAGING CLIMATE (AND INVESTMENT) RISK

The climate crisis is one of the foremost challenges facing our society. We are already seeing the effects on our daily lives, ranging from intensifying wildfires to more frequent flooding along coasts and rivers. These climate events affect us all, including our clients and the communities in which they work and live. As part of our efforts to help mitigate this crisis, TIAA has made a bold commitment to Net Zero by 2050 by reducing carbon emissions in our investments in the TIAA General Account, which holds ~$300B in assets that supports the firm's flagship TIAA Traditional annuity.

ESTABLISHING CLIMATE RISK BELIEFS CLARIFIED OUR OBJECTIVES

We believe that climate risk is investment risk, so managing climate risk is critical to delivering returns that provide guaranteed lifetime income for retirees. In order to effectively manage this risk, we developed a set of supporting beliefs that have guided our decision-making. Crucially, these climate risk beliefs establish our view that our Net Zero efforts are focused on managing the impact of climate risk on our investments, while also providing positive benefits for the environment. Our beliefs include:

1. **The shift to a low-carbon economy is inevitable, and the associated transition risks are significant.** Physical risks from climate change are also relevant to many of our investment assets. If regulators don't act, or if transition risks are ignored, these physical risks are likely to become more intense.
2. **Asset pricing will react to that shift, although the timing of the reaction is unpredictable.** We believe this repricing is already underway — as certain sectors and industries are negatively impacted by changes in policy and consumer sentiment.
3. **While the General Account does not seek to time the market, acting quickly will provide us with an opportunity to hedge against those risks now.** As a multi-asset class investment plan with significant investment in long-dated assets and illiquid alternatives, we must move quickly to stay ahead of climate and regulatory changes.
4. **Regulators will likely act soon, and if we move quickly, we may be able to play a constructive role in designing policies to decarbonize the economy and manage risk.** Understanding the exposure of our investments to material climate risks will be essential, and regulators can support the development of enhanced disclosures that add to our investment process.

PROGRESS AGAINST NET ZERO REQUIRES A LONG-TERM MINDSET

Currently, climate change isn't definitively priced in capital markets. We are dealing with a complex and relatively unknown set of risks without much historical precedent, which makes it difficult to model as we would with other risks. As a result, we must take a long-term view that allows short-term flexibility in our approach to implementing Net Zero.

The General Account's strategic asset allocation process is built around allowing us to adapt and manage through different market environments over time. Setting a long-term carbon target, aligned with the current science and the global Paris Agreement, with flexible interim targets allows us to do the same. As the world acts and reacts to climate change, we want to be able to create resilient portfolios that will be able to deliver risk-adjusted returns over many different scenarios, not a portfolio optimized for a specific set of circumstances.

We are also committed to transparency, and published our first TIAA Climate Report in December 2021. Going forward, we expect to share our pathway toward Net Zero in subsequent communications, including publishing our short-term interim targets and demonstrating progress against them.

ONTARIO TEACHERS' PENSION PLAN

JO TAYLOR | PRESIDENT AND CEO

ONTARIO TEACHERS' PENSION PLAN

IN-HOUSE EXPERTISE DRIVES INFLUENCE TO ACT AS RESPONSIBLE CUSTODIANS AND INVESTORS

At Ontario Teachers', long-term thinking is more than a business philosophy. It is critical to our ability to pay pensions to 331,000 current and retired teachers, many of whom draw benefits longer than they teach. This long-term focus has compelled us to take a global approach to investing, to expand the asset classes that we invest in, and to embark on an ambitious plan to reach net zero by 2050.

We believe long-term thinking means delivering retirement security for our members by investing to shape a better future for the teachers we serve, the businesses we back, and the world that we live in. As a global investor, we look to achieve this through the active management of the companies that we own.

INVESTING WITH PATIENCE HELPS PORTFOLIO COMPANIES PROSPER OVER THE LONG TERM

Our long-term approach also requires in-house expertise that is both deep and broad. Roughly 80% of our investment activity is managed in-house, and we have built a team of 350 investment professionals with the skills and experience to help our portfolio companies prosper. This internal expertise, combined with our long-term focus, gives us significant influence and enables us to act as responsible custodians of the companies that we invest in.

While some investors focus on cost reduction to deliver immediate growth, we invest with patience and flexibility, to improve the profitability and sustainability of companies over the long term. Cadillac Fairview, a real estate company we have owned for more than 20 years, is a good example. It has expanded beyond North America and is setting new standards for sustainable real estate on a global scale. Busy Bees, a leading childcare provider, is another. Through our partnership over the last eight years, Busy Bees has set the standard for quality childcare services around the world, growing operations from one country to nine while expanding its services to 55,000 children world-wide.

USING INFLUENCE TO REDUCE CARBON INTENSITY, ADDRESS INEQUALITY, AND ADVOCATE FOR POSITIVE CHANGE

As an allocator of capital, a builder of businesses, and an active engaged investor, we believe generating sustainable returns relies on a sustainable foundation. Active management of environmental, social and governance issues is central to our investment philosophy. Our commitment to a greener future prompted us to adopt industry-leading interim net zero targets and a 67% reduction in the carbon intensity of our investment portfolio by 2030. Equally, our commitment to address inequality is reflected through our investments in education, online healthcare and more accessible personal finance. More broadly, we use our significant influence through proxy voting to advocate for positive change across listed corporations.

Fundamentally, as a global investor, we believe it is our responsibility to deliver long-term retirement security for the teachers that we represent by creating a better future through the investments we make and the partners that we work with.

RUSSELL REYNOLDS ASSOCIATES

CONSTANTINE ALEXANDRAKIS | CEO

IMPROVING THE WAY THE WORLD IS LED BY IDENTIFYING SUSTAINABLE LEADERS

At Russell Reynolds Associates our mission is to improve the way the world is led. We know that who leads an organization matters, influencing everything from the enterprise's financial success to the experience of its employees, its customers and suppliers, and, importantly, the health of our planet and societies.

DEFINING LEADERSHIP COMPETENCIES THAT DELIVER TANGIBLE SUSTAINABILITY RESULTS

We believe that meeting the Sustainable Development Goals is more than a matter of strategy, policy, and process — it is fundamentally about leadership and people.

While signaling a commitment to sustainability was commonplace a few years ago (and has only increased since then), sustainability experience was not a core leadership requirement. In 2019, our research showed that only 4% of executive and supervisory board roles required sustainability acumen. And so, while businesses spoke about sustainability and embedded it in their marketing materials, they fell short integrating it into decisions about which leaders to hire or appoint.

We wanted to change this reality. In 2020, we partnered with the United Nations Global Compact to create a first-of-its-kind Sustainable Leadership Model, revealing specific competencies that business leaders need to deliver tangible sustainability results alongside financial success. We identified 55 Sustainable Leaders — CEOs and board members of successful companies who had a notable track record of making sustainability core to business strategy and operations — and analyzed what made these leaders different. How were they able to move the dial on sustainability?

We found that these Sustainable Leaders all had a sustainable mindset — a purpose-driven belief that business is not a commercial activity divorced from the wider societal and environmental context in which it operates. And they possessed four specific capabilities that enabled them to drive transformation within their organizations and industries:

- **Multi-level systems thinking.** Understands the broader ecosystem in which their business operates.
- **Stakeholder inclusion.** Considers a wide range of viewpoints to drive decision-making and value creation.
- **Disruptive innovation.** Identifies novel solutions that do away with the tradeoff between profitability and sustainability.
- **Long-term activation.** Set audacious goals and rigorously drive action and investment in their pursuit.

EMBEDDING SUSTAINABILITY ACUMEN THROUGH OUR SUSTAINABLE LEADERSHIP MODEL

In 2020, we launched our Global Sustainability Practice, which is focused on challenging and enabling organizations to make sustainability core to their leadership DNA.

Drawing on our Sustainable Leadership Model, we developed a diagnostic framework that helps clients accurately predict whether an incoming business leader, such as a CEO, board leader, or Chief Sustainability Officer, has the right competencies to deliver tangible sustainability results.

When we help companies identify executives and board directors, we now encourage clients to include our Sustainable Leadership Model in the role description. By mid-2021 the proportion of role specifications that included sustainability acumen had risen to 30% (from 4% in 2019).

As well as helping to place Sustainable Leaders in companies around the world, we also work with CEOs and board members to develop their sustainable leadership competencies and advise on leadership pipeline development, culture, and board composition.

Since launching our Sustainability Practice we have increased the amount of work we do in this space by 300%, and to date, we have worked with over 200 clients across a wide range of industries, sectors, and geographies on sustainability-related projects.

SCHRODERS

PETER HARRISON | GROUP CHIEF EXECUTIVE

Schroders

TRANSITIONING PORTFOLIOS TO A NET ZERO PATH THROUGH ACTIVE ENGAGEMENT

The threats and consequences of climate change are defining our era. Meeting the net zero goals of the Paris Agreement will demand a reversal of our carbonising journey in under a generation. The arguments playing out at the most recent COP26 conference in Glasgow showed that the necessary realignment of the global economy will call for human ingenuity on a scale as yet unseen. But a clear message emerged, investment managers can be the catalyst for that change.

NGOs, pressure groups and scientists are ratcheting up calls for climate action – but so too are individual investors. Each year, we gather the views of thousands of people across dozens of countries in our Global Investor Study. I've watched each year as opinion around the importance of tackling climate change has grown.

The challenge is immense but I am optimistic that by channelling capital into sustainable and durable businesses, we can play a fundamental role in revealing the creativity needed to safeguard our future.

PORTFOLIO DECARBONISATION – ENGAGEMENT OVER DIVESTITURE

As an industry we have significant exposure to climate related risk through our clients' investments. Around one in five of the dollars invested in the global real economy is controlled by the asset management industry. Collectively we have an opportunity and responsibility to push those investments to transition.

Schroders manages over £700bn of clients' assets and the emissions from those investments are around 6,000 times greater than from our own business operations. To address the true impact of our business on climate change, ultimately all of the portfolios we manage need to transition to a net zero pathway.

In principle, there are two ways we can do that; reallocate investments from high- to low-carbon sectors, or engage companies to decarbonise their business models. In many ways the former path would be easier but would do little to reduce real world emissions and would limit our ability to navigate the transition to our clients' maximum benefit.

EXERTING INFLUENCE OVER PORTFOLIO COMPANIES TO CREATE MORE VALUE OVER TIME

Currently, companies representing less than a fifth of the value of global equity markets have established the demanding decarbonisation plans that will be needed. Engagement can be slow and challenging but we believe in the importance of engaging with the portfolio companies that are facing the most pressure to decarbonise. We believe that this will create more value for our clients over the long term. Our approach centres on multi-year and intense engagement programmes reflecting the circumstances and progress of each company.

NEW PRODUCT SOLUTIONS TO HELP CLIENTS REDIRECT CAPITAL – FROM CLIMATE TRANSITION TO MITIGATION TO CARBON CAPTURE

Meeting long term climate goals will rely on huge capital reallocation ($2T annually globally according to UN estimates), which can only happen if there are attractive opportunities for investors to find returns. So as well as influencing portfolio companies, we are also developing innovative climate-focused investment vehicles.

For some clients that means targeting investments that are actively transitioning to a low-carbon business model, for others it's about having portfolios with specific objectives to contribute to environmental solutions, aligned to climate-related Sustainable Development Goals (SDGs).

One of the most important developments is the emergence of opportunities to invest in natural capital assets (for example woodlands, oceans and mangroves), which are the biggest and most efficient way of capturing and storing carbon.

In 2021, we announced a strategic partnership with Natural Capital Research (NCR), along with Oxford Sciences Innovation (OSI). NCR is a data-led science-based organisation which specialises in measuring natural capital assets globally. Using leading modelling and data techniques, NCR enables landowners, utility companies and corporates to map the natural capital provided by their landholdings. Through this innovative partnership, NCR's mapping tool will enable us to strengthen our solutions approach and support clients as they seek to pursue net zero portfolios.

We recognise that our clients' interests are not served by a simplistic, short-term approach. We aspire to become the world's leading green investment company because our clients look to us for help with their own climate change mitigation efforts. We will continue to respond across everything we do, with our clients' long-term interests in focus.

STATE STREET

STATE STREET

RONALD P. O'HANLEY | CHAIRMAN AND CEO

STRATEGIES FOR ADVANCING DIVERSITY AND IMPROVING SUSTAINABILITY PERMEATE HOW WE INVEST, SERVICE CLIENTS, AND MANAGE OUR PEOPLE

State Street's purpose is to help create better outcomes for the world's investors and the people they serve. Fulfilling that purpose is inseparable from focusing on investing over the long-term.

State Street has a leading position in two businesses, investment management and investment servicing. In the first, we manage portfolios for institutional clients. In the second, we provide services for investors such as risk analytics, trading technology, custody, and fund administration. In both cases, our clients are long-term investors. Therefore, we think about running our firm with a long-term lens in three categories:

1. How we invest
2. How we service investors
3. How we manage our firm

ENHANCING STEWARDSHIP AND ENGAGEMENT TO ADVANCE DIVERSITY AND MOVE TO NET ZERO

As an investor, we utilize innovative tools to create portfolio strategies for sustainable investment. State Street Global Advisors (SSGA) also acts as a steward, engaging with company management and boards and casting proxy votes. Our stewardship is a critical tool and in 2022 we are building on our engagement to address climate risk and diversity on boards and in the workforce.

At SSGA, we have made a commitment to Net Zero. As part of this commitment, SSGA partners with our asset-owning clients on decarbonization goals, sets interim targets for specific assets under management (AUM) that will be managed in line with net zero, and keeps track of its progress with an eye to achieving one hundred percent net zero AUM by 2050. Net Zero is an ambitious and important goal for SSGA and this April, SSGA will report its progress for the first time since announcing that commitment.

NEW ESG RISKS ANALYTICS PLATFORM HELPS CLIENTS MEASURE, MANAGE, AND REPORT RISKS

As a service provider, we help investors understand, measure, and manage sustainability risks relating to climate change and other environmental, social, and governance (ESG) concerns. Last year, for example, we introduced our ESG risks analytics platform to enable clients to address new global reporting requirements, including the Task Force on Climate-related Financial Disclosures (TCFD) and the EU Sustainable Finance Disclosure Requirements (SFDR), and to measure their carbon footprint and intensity.

CORPORATE-WIDE INITIATIVES INCLUDE 10 STATE STREET ACTIONS AIMED AT REDUCING RACISM AND INEQUALITY

As a global corporation with more than 39,000 employees we pursue operational initiatives to address the spectrum of sustainability issues. That includes everything from acquiring meaningful carbon offsets — which we done for over a decade — to obtaining renewable energy credits, to geographic mapping of our organization's environmental impact. Disclosure is critical to sustainable finance and State Street has adopted and endorsed the disclosure framework created by the TCFD. We regularly engage with groups working to improve transparency such as the International Sustainability Standards Board (ISSB) and regulators including the SEC. In 2020, we introduced 10 State Street Actions aimed at reducing racism and inequality with measurable goals and reporting on progress towards those goals. Specific actions range from improving Black and Latinx employee representation, talent development, supplier spend and Board representation — to conducting anti-racism conversations and training and increasing civic engagement and reflection.

The recent confluence of crises — the COVID-19 pandemic, social protests, and America's reckoning with an often-painful racial history — has only reinforced our belief that a comprehensive focus on the long-term is essential. By bringing long-term thinking to the fore we are increasing the value of our business and building sustainable, shared prosperity for future generations.

UNILEVER

PURPOSE LED AND FUTURE FIT

At Unilever, our vision is to be the global leader in sustainable business. We will demonstrate how our purpose-led, future-fit business model drives superior performance, consistently delivering financial results in the top third of our industry.

We believe that the winning businesses of tomorrow will be those which anticipate and respond to the huge changes shaping people's lives across the world. It will be the businesses and brands which capitalize on the power of data and biotechnology; which adapt to changing demographics and shifting consumer needs; and which contribute to tackling the twin challenges of climate change and social inequality, which will have the greatest success over the long term.

To bring our vision to life we systemically embed purpose and sustainability across the organization:

- **Governance:** Our approach to sustainability is governed by the Corporate Responsibility Board Sub Committee and we receive expert advice from our external Sustainability Advisory Council.
- **Strategy:** Our sustainable business strategy, the *Unilever Compass*, includes 5 strategic choices and 30+ sustainability targets. These include winning with our brands as a force for good — powered by purpose and innovation, built on advanced science — and taking action on social and environmental issues that our consumers care about.
- **Structure:** Executives have responsibility for areas most relevant to them, such as our Chief Supply Chain Officer overseeing Climate Action, and our Chief Research & Development Officer overseeing Plastics.
- **Remuneration:** Remuneration linked to the achievement of sustainability targets is a key part of our reward framework. For management, reward packages include eligibility to participate in a long-term management incentives plan linked to business performance, of which the Sustainability Progress Index accounts for 25%.

We have a long tradition of being a responsible and pioneering business. It goes back to the days of our founders, including William Lever, who launched one of the world's first purposeful brands, Sunlight Soap "to make cleanliness commonplace" more than 100 years ago. And it is this foundation of purposeful business that is at the heart of how we run our company today.

VISTA EQUITY PARTNERS

ROBERT F. SMITH | FOUNDER, CHAIRMAN, AND CHIEF EXECUTIVE OFFICER

EMBRACING ESG AND DE&I AS CORE STRATEGIES OF SUCCESS

Vista Equity Partners ("Vista") was founded over 20 years ago with the belief that the transformative power of technology is the key to an even better future — a healthier planet, a smarter economy, an inclusive community and a broader path to prosperity.

A long-term view has always been central to how we operate, and we have made meaningful strides to accelerate this work, including via new systematic approaches to environmental, social and governance (ESG) and diversity, equity and inclusion (DE&I).

ADVANCING ESG PRACTICES AT SCALE ACROSS FIRM AND PORTFOLIO OPERATIONS

With ESG risks increasing and value creation opportunities multiplying, we continue to look for ESG solutions across our firm's activities and portfolio companies. For example, in recent years, we've worked to integrate ESG into our private equity and permanent capital investment diligence process and strengthen our portfolio companies' ESG best practices. In 2021, Vista became one of the first large North American private equity firms to join the Net Zero Asset Managers Initiative — pledging to emit net zero greenhouse gas (GHG) emissions across our private equity and permanent capital portfolio by 2050 and reduce our emissions by 50% across our portfolio by 2030. As part of our commitment, we are focusing our 2022 efforts on helping portfolio companies set science-based emission-reduction targets and repeatable processes for GHG measurement.

A DE&I STRATEGY FOCUSED ON THE ENTIRE SOFTWARE ECOSYSTEM

We're also deeply focused on the long-term benefits of a more inclusive economy and society. Our DE&I vision is to transform the worlds of technology and investing by providing access and opportunity to traditionally underserved communities. We execute our DE&I strategy across four pillars focused on the entire software ecosystem — firm, portfolio, industry, and community engagement. Together, these pillars ensure we maximize our efforts where we can have the most reach. Vista is a member of the Corporate Call to Action (CCA), a coalition of 18 companies that align closely with our DE&I goals and has pledged to the CCA's commitments which include: Diversifying Suppliers and Business Partners; Investing in Underserved Communities; Building a Diverse Talent Pipeline; Improving Workforce Equity and Transparency.

ACHIEVING PORTFOLIO DIVERSITY FROM THE TOP DOWN

Since 2017, we've had an External Board Program to achieve greater diversity across our portfolio board members. We've also established partnerships with Diligent's Modern Leadership Initiative, the Board Challenge, and the Board Diversity Action Alliance and participated in FCLT's report, "Best Practices to Improve Board Diversity." Last year, we launched the Audit Committee Pipeline Program with the National Association of Corporate Directors to provide first-time board members from underrepresented backgrounds with 12 months of detailed board preparation curriculum. Sixty-nine percent of our portfolio company boards have at least one woman and 85% have at least one person of color as of December 2021.

INCLUSION AS A RECRUITMENT, RETENTION AND CULTURE IMPERATIVE

Systemic change requires a new approach from both the bottom up and the top down. Through our firm's Conscious Inclusion program, we list inclusion as a competency for each role and tie employee education of conscious inclusion to their performance reviews. Since 2015, we've partnered with Girls Who Invest, a nonprofit dedicated to increasing the number of women in the asset management industry. Vista also launched its Frontier Fellows program in 2019 to provide undergraduate students from underrepresented backgrounds with full-time, paid internships.

CLOSING THE DIGITAL DIVIDE WITH THE EDISON ALLIANCE BOARD

Enterprise software can have an outsized impact on our world — it can make us more efficient, more productive, more connected and more considerate of the world we live in. However, lack of access to technology can also widen the socioeconomic divide. As a founding member of the World Economic Forum's EDISON Alliance Board, we are working to prioritize digital inclusion for all.

ESG and DE&I efforts can drive meaningful business and investment results for our investors and all our stakeholders. As we consider how we can solve today's environmental, social and economic challenges, we believe Vista's size and expertise can help create solutions that move our economy forward and sustain positive change for the long-term.

VOTORANTIM

JOÃO H. SCHMIDT | CHIEF EXECUTIVE OFFICER

VOTORANTIM

RENEWABLE ENERGY INVESTMENTS FUELED BY ENTREPRENEURIAL SPIRIT AND GROWTH MINDSET

LEVERAGING 100+ YEARS OF RENEWABLE ENERGY EXPERTISE

At Votorantim, as a permanently capitalized holding company with more than 100 years of business activities, our capital allocation strategy aims to deliver superior financial returns in the long run aligned with a positive social and environmental impact. The concept of being stewards of sustainable businesses has always been part of our DNA, with the introduction of pioneer practices since our foundation, including powering our manufacturing operations with renewable energy sources. Such approaches and expertise have led us to the creation of one of the largest renewable energy platforms in Brazil today.

Historically, our portfolio companies have invested in the development, construction, and operation of renewable generation assets, resulting in Votorantim being positioned as the largest "self-production" platform in Brazil. In the 1950s, for example, Companhia Brasileira de Alumínio — CBA invested in the construction of the first Brazilian integrated aluminum business, including hydroelectric power plants designed exclusively to supply the company's power needs and make it energy-independent, which to this day remains a core part of the company's strategy. That same approach was taken across our industrial businesses, from cement to steel, zinc, pulp, and paper. Over the years, with the expertise in renewable energy development, implementation, and operation, Votorantim has significantly expanded its generation footprint as well as its trading and services capabilities, and eventually this internal unit became an independent company investing and servicing new clients beyond our companies.

NEW BUSINESS MODEL AND STRATEGIC PARTNERSHIP ACCELERATE GROWTH AND YIELD BRAZIL'S FIRST HYBRID WIND-SOLAR PROJECT

In 2017, Votorantim alongside CPP Investments created a new joint venture focused on investing in Brazil's power generation market over the long term. Both partners have contributed in a meaningful way, with industry knowledge, investment skills and capital, building on top of Votorantim's long-established expertise locally. Since then, the partnership has developed and acquired several wind, hydro, and solar assets. In 2021, for example, the joint venture announced Brazil's first hybrid wind-solar project, which became a case study for the regulation over future hybrid energy projects that could bring significant efficiencies to the power grid.

As an evolution of this partnership, in 2021 Votorantim and CPP Investments announced the combination of the joint venture with other Votorantim renewable generation assets to create one of the largest renewable energy platforms in Brazil, with an installed capacity of c. 3.5 GW and a significant pipeline of projects for further growth. Once the transaction is completed in 1Q22, the new combined company will be listed in the Novo Mercado segment of the B3 Stock Exchange in Brazil. This new business model translates the combination of Votorantim's and CPP's long-term investment approach with a spirit of entrepreneurship fueled by an ESG agenda.

ENERGY TRANSITION, DECARBONIZATION, AND NEW INVESTMENT OPPORTUNITIES

Votorantim and CPP Investments have also announced in 2021 the intention to create a new venture focused on the energy transition, decarbonization, and new technologies, with an early-stage bias and broad investment objectives beyond traditional greenfield renewable projects. This new venture will also leverage on potential synergies with Votorantim portfolio companies on their journey to reduce emissions and transition to a net-zero world.

USING NATURE-BASED SOLUTIONS TO PRESERVE THE LARGEST PRIVATE ATLANTIC FOREST RESERVE IN BRAZIL

Votorantim had, early on, the view that to secure water for its hydroelectric dams in the long term, the whole ecosystem around the rivers would have to be highly protected. Since the 1950s, Votorantim owns and conserves the largest private Atlantic Forest reserve in Brazil, with close to 80,000 acres, where seven hydroelectric power plants were built originally to supply energy to the above mentioned aluminum plant. In 2012, this area was transformed into Legado das Águas ("Water Legacy"), and it is managed by Reservas Votorantim, a wholly owned subsidiary with a business model focused on nature-based solutions, proving that the conserved forest has the resources to sustain itself and the communities around it.

WASHINGTON STATE INVESTMENT BOARD

THERESA WHITMARSH | CEO

INVESTING WITH A 15-YEAR STEERING PERIOD CHANGES TEAM CULTURE

In practice, the discipline of long-term investing creates a wide range of distinctive characteristics for the Washington State Investment Board (WSIB), among them a nearly fifty percent allocation to private assets, a sober understanding of volatility across our risk-management practice, and the encouragement of tailored strategies in each of the organization's asset class units. Behind the scenes, the strong relationship between WSIB's trustee board and staff makes these practices possible. This board mandates a long-term focus, and staff encourage this focus through the way that we frame information and construct choices for the board.

LONG TERM FOCUS STEMS FROM 15-YEAR TIME HORIZON AND INDEPENDENCE FROM POLITICAL PROCESS

Our long-term focus dates to our founding in 1981. The legislature enabled our trustee directors to have this focus by giving them a high degree of independence from the partisan political and policymaking process and by allowing them to take risk without having to remain within a tracking-error threshold.

But our long-term focus also has grown since then. Even the best informed and aligned board members and staff are subject to behavioral biases, and the tech bubble showed us how some short-term loss aversion could cost us meaningful returns. The board learned from this experience by setting a time horizon of 15 years for its capital market assumptions, putting on record its belief in reversion to the mean, and committing to staying the course in a crisis. This disciplined perspective has proved extremely valuable, repeatedly.

MONTHLY PERFORMANCE REPORTING REPLACED BY 20-YEAR AND SINCE-INCEPTION REPORTING

One implication of this post-tech bubble set of decisions is that the board agreed to discard monthly performance reporting, added 20-year and since-inception reporting, and introduced a comprehensive risk framework that shifted emphasis from volatility generically and toward a custom view of risk relative to our purpose. Constructing investment choices in these terms has influenced our behavior to be longer-term in many ways.

INVESTMENT DIALOGUE SHIFTS TO ASSET ALLOCATION VS. SHORT-TERM PERFORMANCE

At the board level, directors' questions now tend to be about asset allocation and managing over that fifteen-year steering period, not about shorter-term performance. In other words, questions are more focused. This is not because staff have taken any prerogatives away — quarterly data are still part of the materials — but because our materials and discussions tend to frame our minds toward the long term and because our dialogues prime this focus consistently for us.

LONG-TERM MINDSET YIELDS CULTURE CHANGE AND FUELS INNOVATION LABORATORY

At a staff level, the mandate to manage risk relative to our purpose required us to invest in our Risk Management and Asset Allocation team. The team grew, its standards rose, portfolio managers accepted risk input more willingly because of this competency, and recruits were increasingly attracted to risk jobs at WSIB. Technical adjustments to our risk metrics ultimately helped reinforce a culture change, and WSIB is a tighter team as a result. Today we can do something rare even for long-term investors: we have an "innovation portfolio" that works like a laboratory for pioneering long-term investment strategies, and our risk team runs this portfolio so that, if warranted, they can learn exactly how to fit new strategies into portfolio construction and asset allocation.

All these long-term investment behaviors begin with our board and the type of relationship we have with directors who serve on it. Governance matters. Long-term investors begin their work there and find that a universe of opportunity opens as a result.

WELLINGTON MANAGEMENT

JEAN HYNES | CHIEF EXECUTIVE OFFICER

WELLINGTON MANAGEMENT®

LONG-TERMISM AND THE POWER OF SUSTAINABLE INVESTING

As an independent, private partnership, Wellington Management focuses on long-term results, sustainable business practices, and aligning our interests with those of our clients. Two examples of Wellington's long-termism are our 40-year Future Themes research tradition and our ongoing commitment to climate research.

STRUCTURAL RESEARCH ENVISIONS TOMORROW'S WORLD TODAY

Every six to eight years, we challenge investors via Future Themes to step back from the daily focus on markets and think about structural trends reshaping markets and economies for the next five to 10 years. Future Themes stimulates internal debate and collaborative critical thinking about nascent ideas that could have material, long-term implications for our clients. This past year, we crowdsourced Future Themes and received more than 650 ideas from partners and employees around the world. Using data analytics, we identified patterns and commonalities to create a taxonomy that made it easier to decide where to focus. More than 100 of the submitted ideas related to the environment and climate change.

USING CLIMATE SCIENCE TO ENHANCE FINANCIAL ANALYSIS

We have long believed climate change will affect economic and market outcomes. Climate research has been part of Future Themes since 2004, and we have offered climate-focused investment approaches since 2007. In 2018, we began a collaboration with Woodwell Climate Research Center to bridge the gap between climate science and finance. Together, we study heat, drought, water scarcity, and other physical climate perils. We integrate climate-science projections with investment analyses to create geospatial maps, dashboards, and other tools our investors can use to assess climate risks to their capital-market exposures.

DRIVING CAPITAL TOWARD CLIMATE CHANGE SOLUTIONS

This work also enables us to uncover future market needs and investment opportunities. For example, while researching water scarcity and climate migration as part of Future Themes, our cross-functional teams identified innovations like water-capture technology, precision irrigation, and desalination — should they reach scale — as attractive investment ideas that could benefit our clients over time and help channel capital toward solutions. As more climate migrants seek temperate places to live, investment opportunities related to urban infrastructure and affordable housing may arise, while sovereign bonds in equatorial regions could see downside pressure. Our climate research has revealed the enormous need to invest in climate resiliency and the gross undercapitalization of adaptation solutions. We believe we can add value by providing capital to companies developing climate solutions and potentially deliver attractive risk-adjusted returns for clients over time.

Long-term thinking is integral to the fiduciary mindset at Wellington. To us, investing in ideas that align with a sustainable future is more than a thematic exercise. It is a path toward long-term value creation and helping our clients reach their investment objectives.

Learn more about Future Themes in this recent episode of FCLTGlobal's *Going Long* podcast, featuring an interview with Wellington's Head of Investment Research, Mary Pryshlak.

APPENDIX

1. Issued and approved by Hermes Investment Management Limited which is authorised and regulated by the Financial Conduct Authority. Registered address: Sixth Floor, 150 Cheapside, London EC2V 6ET.

2 Source: MSCI ESG Research, November 2021. Universe: MSCI ACWI Index. Business as usual 2021 assumes a constant annual increase of 1.3% in the number of female directors, based on the average rate of increase in the number of women directors in the period 2018 to 2021.

3 This communication contains forward-looking statements relating to Nasdaq's operations that are based on management's current expectations, estimates and projections. Words or phrases such as "believes," "can," "enables," "strategy" and similar expressions are intended to identify such forward-looking statements. Nasdaq cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Therefore, the actual conduct of our activities, including the development, implementation or continuation of any program, policy or initiative discussed or forecasted in this report, may differ materially in the future.

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