

IMPROVING SOCIETY

DECEMBER 2024

For institutional, professional and wholesale investors only

IMPACT REPORT 2024



Dear Investors,

Hello and welcome to the 2024 Impact Report for the Martin Currie Improving Society strategy. The previous publication of the baseline Impact Report at the end of 2023 set out the ethos and aims of the strategy. We are pleased to be able to report to you for the first time the social impact our portfolio companies are creating versus their Key Performance Indicators (KPIs). It is our hope that this and future Impact Reports will allow you, our investors, to continue to see the evolution of the positive impact our portfolio companies are having on society.

The Improving Society strategy was developed to bring to the market our vision of impact investing which we believe can help solve some of the world's biggest social problems by investing in public equities. It utilises a robust process with impact at its heart. This allows the Impact Equities Team to identify those companies with innovative products and solutions which are both helping to make the world a better place as well as creating an opportunity for long duration growth and financial returns. This focus on products and services as a driver of impact also allows us to measure the change being created in the real world through company-specific KPIs. In the coming pages you will get the chance to see how each stock in the portfolio is stacking up against its specific Impact KPIs. And, whilst we know a year is not a long time in impact terms, we are delighted to report to you that 77% of Impact KPIs are being met or exceeded by the companies to which they are assigned.

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Another important element of this report is the focus on Stewardship. When we launched the Improving Society strategy, we made a commitment to engage with every company in the portfolio to facilitate improvements in corporate behaviour and to amplify the level of impact being generated. We believe publicly listed companies can deliver social impact at scale and we are delighted to present to you the types and outcomes of engagement work we have been doing over the past year as well as the plan for future progress in this area.

We hope you find the 2024 Impact Report for the Improving Society strategy useful and informative. We believe it is absolutely vital that you, our clients, are clear on the impact being generated by companies in the portfolio today and over time. This report represents the first in what we hope will be a long line of annual updates on the social progress the strategy has helped create in global communities. We are very happy to have you on this journey with us and we continue to look forward to a long and impactful relationship.

Warm Regards,

Lauran Halpin

Head of Impact Equities

John Gilmore

Portfolio Manager, Impact Equities

Eoghan McGrath

Investment Analyst, Impact Equities

The Martin Currie Impact Equity Team

We are a team of three, brought together with the explicit goal of launching impactful investment solutions. Coming from diverse professional backgrounds and experiences, we all share a passion for investing and driving real-world change. It is our privilege to be able to bring you our combined vision of Impact Investing in public equities – doing our part to help solve the world’s biggest social problems.



Direct experience in managing sustainable mandates



Significant experience in global/international investing



Different backgrounds for diverse insights



Research coverage

Templeton Global Climate Change Strategy
Glenfinlas Global Healthcare Strategy

Martin Currie
FT Global Equity Group
Edinburgh Partners
Baillie Gifford

Biology and Ecological Economics



Lauran Halpin

Portfolio Manager,
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Climate Change, EAFE,
Healthcare
18 years' experience

BNYM Sustainable US Equity Strategy

Martin Currie
Newton Investment Management
Aegon Asset Management
Alliance Trust

International Relations



John Gilmore

Portfolio Manager,
Impact Equities
Global, Sustainable
20 years' experience

Martin Currie

Actuarial Studies



Eoghan McGrath

Investment Analyst
3 years' experience

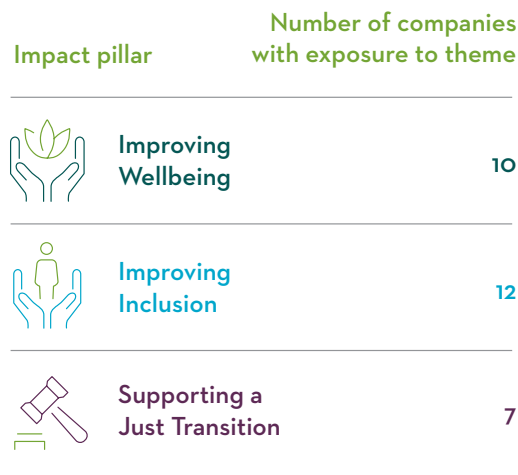
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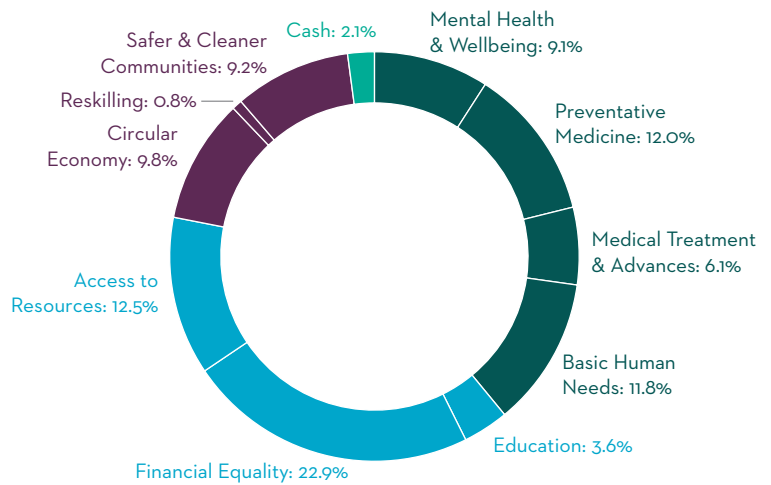


The Improving Society strategy at a Glance

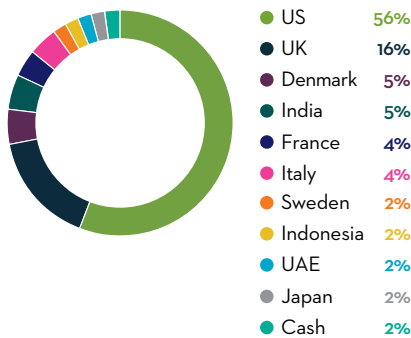
Improving Society Portfolio Exposure



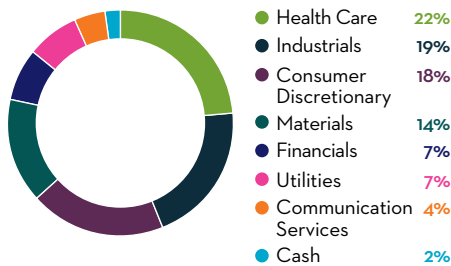
Impact Focus



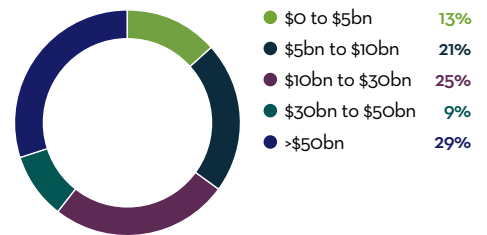
Geography



Sector



Market Cap



Top 10 Stocks Held	Impact pillar	Impact focus	Weight (%)
MercadoLibre	Improving Inclusion	Financial Equality	6.9%
Intuitive Surgical	Improve Wellbeing	Medical Treatment & Advances	6.1%
Xylem	Improve Wellbeing	Basic Human Needs	5.7%
Novonosis*	Just Transition	Circular Economy	5.4%
Revvity**	Improve Wellbeing	Preventative Medicine	5.4%
HDFC Bank	Improving Inclusion	Financial Equality	4.9%
Ecolab	Improve Wellbeing	Basic Human Needs	4.8%
Valmont Industries	Improving Inclusion	Access to resources	4.8%
Veolia Environnement	Just Transition	Circular Economy	4.4%
Deere & Co	Improving Inclusion	Access to resources	3.9%

The information provided should not be considered a recommendation to purchase or sell any particular strategy / fund / security. It should not be assumed that any of the securities discussed here were or will prove to be profitable.

It is not known whether the stocks mentioned will feature in any future portfolios managed by Martin Currie. Any stock examples will represent a small part of a portfolio and are used purely to demonstrate our investment style.

*Formerly Novozymes. **Previously PerkinElmer Inc.

Source: Martin Currie, as of 30 September 2024. Data presented is for the representative Martin Currie Improving Society account.

Improving Society: Contributing to Positive Social Change

Societal and social challenges remain chronically underfunded

In its most recent status report on the Sustainable Development Goals (SDGs), the UN estimates that they remain chronically underfunded and as such are behind schedule. 48% of targets are behind schedule and 35% have not progressed at all or gone backwards since they were established in 2015.¹ We think equity markets and particularly impact products can have a role in solving these social challenges. Our premise for this strategy is two-fold:

- The private sector and equity markets are instrumental in incentivising innovation, accelerating investment and providing scalable solutions to support these challenges; and
- The biggest funding gap is on social issues. This is because impact capital to date has predominantly been directed towards environmental or climate challenges rather than social challenges.

We choose to focus on the seven SDGs which we believe to have the most significant shortfall in delivery, SDGs 1, 2, 3, 4, 5, 6 and 10.² We want to play our part in promoting solutions to these areas.

Progress assessment for the 17 Goals based on assessed targets, 2024 or latest data (percentage)



Source: United Nations, 'The Sustainable Development Goals Report 2024'.³

¹Source: UN Sustainable Development Goals, The Sustainable Development Goals Report, 28 June 2024 - Special Edition. <https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf> p6.

²For further information, please refer to our publication 'The Seven Sustainable Development Goals', 2024. This is available upon request.

³Source: UN Sustainable Development Goals, The Sustainable Development Goals Report, 28 June 2024. <https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf> p.8.

Investing to improve lives

Our aim for the Improving Society strategy is to deliver long-term capital growth while positively addressing the problem of human inequity. To achieve this, we invest in companies whose products and services fall into one of three **Impact Pillars**.



Improve Wellbeing



Improve Inclusion



Just Transition

As purposeful stewards of capital with a focus on social impact, we have a commitment to engage with each company to improve fair treatment, access, opportunity, and accelerate impact.

Impact at scale through public markets can be achieved by investing in companies whose innovative products and services contribute to solving societal challenges while, as investors, we do our part to accelerate that impact through engagement with our investee companies. In doing so, we help develop the wider impact investing ecosystem - creating a response function in public markets that rewards companies solving key societal challenges and creating a step change in allocations to social impact.

Impactful companies can deliver exceptional long-term returns

A focus on impact should not lead to a sacrifice of returns for investors. In fact, we firmly believe that impact and financial performance are positively interrelated. Companies that create impactful and innovative products which meet the unmet societal needs of consumers, businesses and governments, can access attractive growth opportunities through the scale that only public markets can offer. Quality companies should attract additional capital, thereby expanding as a force for good in the world with profit generation allowing for reinvestment to generate further impact and compound returns for shareholders.

For impact investors, 'additionality' has typically been tied to financial additionality – the provision of new capital in the form of equity or debt to companies. This narrative has developed over time though, and the role secondary market investors can have in generating additional impact is becoming more defined. We see our additionality manifesting in three key areas.

- 1 The additional impact of investee companies:** Company additionality can be viewed as the effective deployment of innovative business models to create products and services that provide a meaningful, additive, and measurable contribution towards identified societal challenges. Our research is organised by, and focuses on, businesses that help achieve the socially-focused SDG targets.
- 2 The additional impact from our actions as investors:** We see ourselves as supportive long-term capital partners to the businesses in which we invest. We commit to engage with every investee company to accelerate impact, increase the transparency of delivered impact and drive meaningful and measurable impact outcomes. We report these engagement topics and outcomes clearly and transparently to you, our end investors.
- 3 The additional systemic impact from impact investing in public equities:** The size of the public equities market provides a unique opportunity to deliver impact at scale. While private markets have a clear role in providing catalytic capital for companies solving societal challenges, it is within secondary equity markets that a path is often created in which companies and solutions can grow and more effectively scale to meet unmet societal needs. From an impact perspective, the role of a well-functioning market is to help better direct flows of capital to those businesses that can both achieve attractive returns and effectively contribute to societal challenges. This is delivered through greater transparency and visibility of impact, and through internal reinvestment. Reinvestment allows these businesses to grow and expand the impact footprint, and to ultimately be rewarded by attracting new capital – it drives down funding costs and creates an enduring competitive advantage. We play our part within a system which rewards companies that are growing and creating impact at scale by intentionally committing the capital to operators best placed to achieve this. The more interest and investment that impactful companies attract, the larger their potential for growth, and, importantly, the greater impact they can make in improving society.



How do we achieve this impact?

We think deeply about best practice and how to be intentional in our own actions and product design to maximise impact that can be delivered. We have therefore aligned many of the specific actions that define our process with the four key characteristics of impact investing as set out by Global Impact Investing Network (GIIN).⁴

These four characteristics are:



Intentionality



Evidence and impact data in investment design



Manage impact performance



Contribute to the growth of impact investing

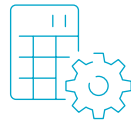
These characteristics are the foundation of our strategy, process and behaviours as investors. We set out to achieve intentional, additional and measurable change in the real world through the actions and products of our investee companies. Our actions as investors aid this aim through engagement, support and ecosystem building. Key elements of our process⁵, which evidence these four characteristics, are detailed opposite.

⁴Source: Global Impact Investing Network, Core Characteristics of Impact Investing, December 2023. <https://thegiin.org/characteristics/>

⁵Please refer to our strategy guide for an overview of our process. This can be accessed online here: https://www.martincurrie.com/_data/assets/pdf_file/0018/32526/ImprovingSocietyStrategyGuideDB-June.pdf

“ We set out to achieve intentional, additional and measurable change in the real world through the actions and products of our investee companies. ”





Intentionality

Evidence and impact data in investment design

Manage impact performance

Contribute to the growth of impact investing

Impact focused objective:

Intentional and measurable social impact to address fairness and inequity alongside financial returns.

Solutions focus:

We only invest in businesses whose products and services make a clear and measurable contribution to solving societal challenges.

Impact first:

Our process starts with the identification of material and measurable impact as a pre-condition for inclusion. We then optimise for the highest combination of impact and returns.

SDG-focused research:

Both the creation of our research universe and how we cover potential investments is organised by SDG.

Detailed impact analysis:

We address five dimensions in our analysis which focus on the key elements of impact (what, who, how much, contribution and risk).

Portfolio construction:

Impact conviction and investment conviction drive position size and are weighted 50/50.

Tailored KPIs:

We set meaningful and measurable impact KPIs for each investment.

Impact conviction ratings:

We express the outcome of our impact research with an impact conviction rating which captures proximity to impact, materiality of impact, and performance against impact KPIs. These directly impact portfolio construction.

Engagement:

We engage with 100% of portfolio, covering sustainability issues and impact performance.

Transparency:

We report the progress of our engagements and KPIs through our annual impact report.

Outcomes focus:

Optimise portfolio outcomes for contribution of impact at scale, measurement of impact and delivery of compelling financial returns. Success is a positive outcome for all stakeholders.

Transparency:

We are transparent with our investors around the challenges and successes we face in delivering impact and financial returns.

Innovation:

Be innovative in our thinking about how to broaden the appeal of impact investing and its focus in public equities to include a more significant consideration of social impact.

Partnership:

Be a long-term capital partner for businesses and seek to reward long-term impactful decision making by the companies in which we invest.

We commit to share the progress that we and our investee companies have made over time. Our impact reporting charts our progress towards generating measurable societal outcomes. This report sets out our progress one year into the journey of our strategy through stock stories, highlighting the impact KPIs and key areas of impact for each company.

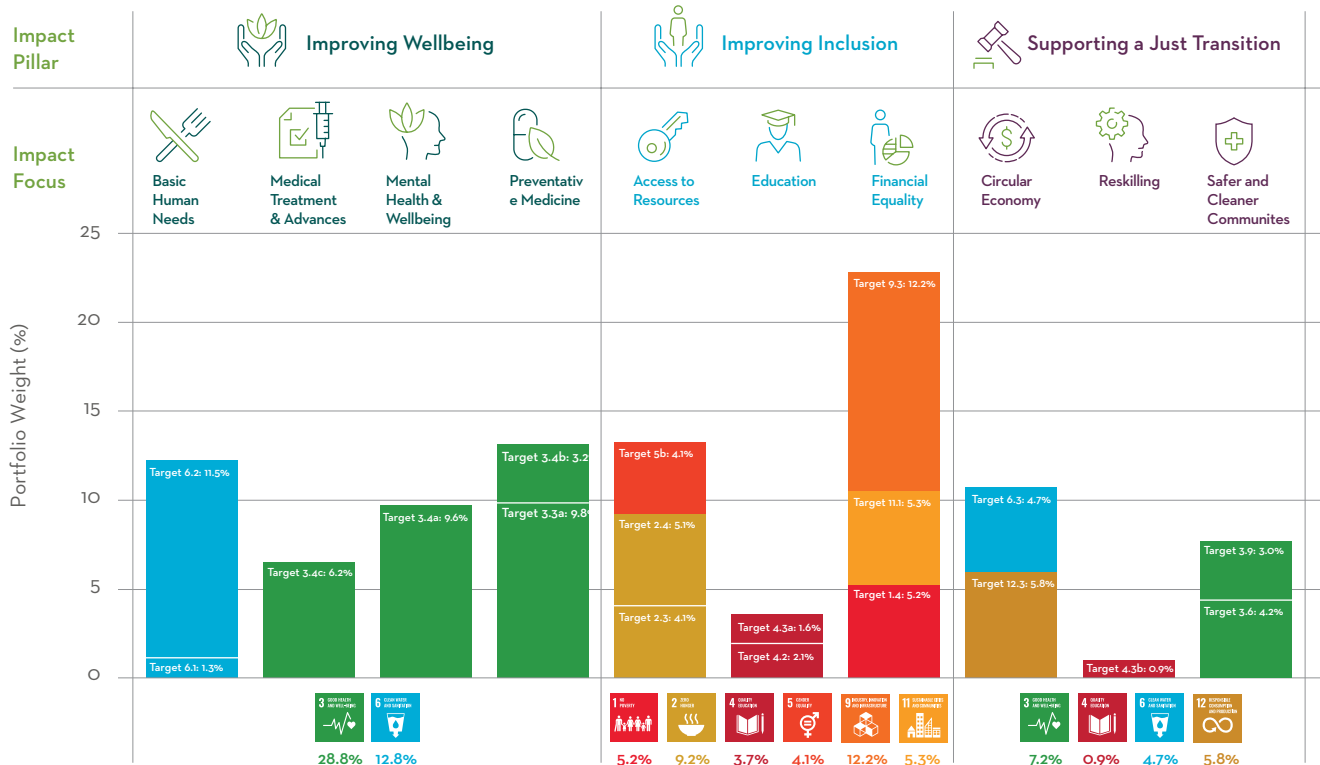
The SDGs and How We Use Them

When we talk about the SDGs it is important to understand the perspective we are coming from. The SDGs were framed in 2015 as the blueprint to achieving a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice.⁶ This takes the form of a series of 169 targets covering 17 goals, focused on delivering specific and measurable progress by 2030.

We use the SDGs to make our actions as investors more specific and intentional.

- 1 **Constructing our primary research universe:** we identify companies whose products and services make a significant contribution to the SDGs.
- 2 **Research coverage:** Many investors split coverage by sector or geography - this is misplaced in an impact fund. We organise our research by SDG so we can find businesses that effectively solve the identified challenges rather than simply exhibiting broad alignment.
- 3 **Outcomes focus:** We use the underlying SDG targets to be more specific about the outcome being targeted and to identify where this should fit within our broader impact framing for the strategy. For each investee company, we focus on a 'primary' SDG target so we can be specific about the impact outcome and how we will go about measuring this. We combine the contributions to the primary SDG targets to address ten impact focus areas within the three impact pillars. This framework enables us to assess whether we are meeting our ambition of delivering broad based social impact across our impact pillars. We show these in more detail below.

Our Impact Framework



Source: Martin Currie, 30 September 2024. Representative Improving Society portfolio shown.

As can be seen in our impact framework above, the companies in which we invest help to contribute to several SDGs. By virtue of synergies between the underlying targets, this means our portfolio also contributes to goals outwith those seven, highlighted here. In the following section we describe our framework in more detail.

⁶Source: UN Sustainable Development Goals, The 17 goals, December 2023. <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Three impact pillars drive our approach

The Improving Society strategy seeks to generate broad-based positive social impact across seven key areas. We ensure a wide reach by sorting our investee companies into three key impact pillars according to the primary SDG each company contributes to. These three pillars are: **Improving Wellbeing**, **Improving Inclusion**, and **Supporting a Just Transition**. Ensuring adequate exposure to each of these pillars allows us to avoid drifting towards a particular theme or impact area. However, we do not target a specific distribution among the pillars – this is an outcome of our impact-led investment process. The dispersion reflects where we identify the companies to have the highest impact, and our investment conviction.

We want to engender positive change for people and communities across all stages of their biological and economic lives and the three impact pillars allow us to view the impact the portfolio creates in an holistic way.

Improving Wellbeing is comprised of companies which help individuals get to the starting line in life – the basic necessities needed to ensure people feel safe and well enough to think about accessing opportunities available to them. Companies in this pillar are those contributing to positive mental and physical health and wellbeing as well as providing basic human needs such as clean water, reliable sanitation, and access to nutritious food.



After individuals gain access to safe and effective healthcare and reliable basic needs, they can begin to think about self-actualisation – what type of life do they want to lead and what tools are required to make this a reality? **Improving Inclusion** aims to provide everyone with the tools and resources needed to make the most of their opportunities – education, access to reliable and reputable finance, and access to resources which improve economic circumstances. Improving inequalities in modern finance, education, and access stimulates economic growth, creates jobs and helps in breaking the vicious cycle of exclusion and poverty.



In a changing world, economic actualisation can become precarious. One of the greatest challenges currently facing society is how to support the transition towards a more climate aware society without leaving people behind economically. **Supporting a Just Transition** acknowledges that climate change-related adverse weather events are likely to continue, and policy makers will continue to act to ‘green’ the economy in response. Companies in this pillar help society adapt and become more resilient – physically and economically speaking – to the uncertainty that lies ahead. They do this by re-skilling workers, increasing the efficiency of resource usage, and improving the safety and resiliency of communities.

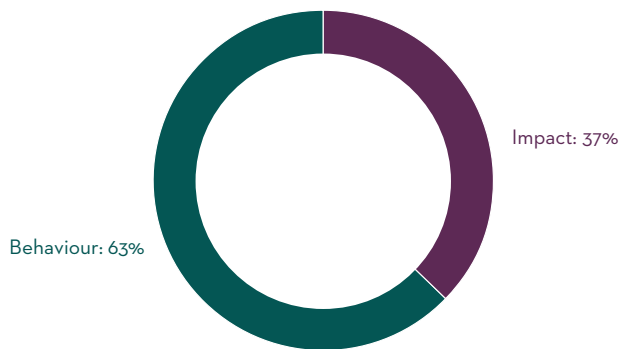


Using Our Voice to Accelerate Impact

We recognise the power of active ownership including engagement and voting practices to generate change. As a long-term capital partner with our investee companies, it is our responsibility to do what we can to encourage positive change. In the pursuit of this, we use objective-led stewardship to engage across two lenses:

1. Engaging to accelerate the positive impact being created by the company's products and services, and
2. Engaging to improve corporate behaviour.

Lens split for engagements to date

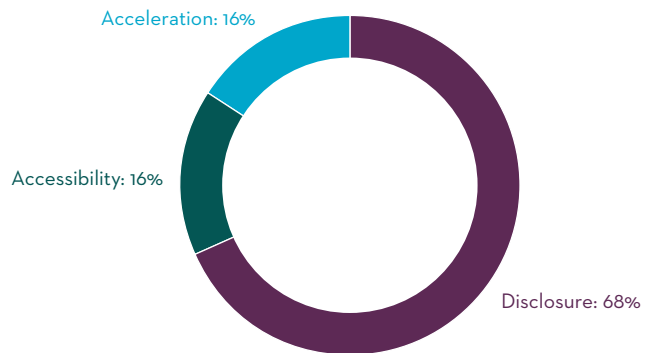


Source: Martin Currie, 30 September 2024.

Since launching the strategy, we have set out our engagement priorities for each company and written letters to each of them, outlining specific objectives where we would like to see change. In total, we have recorded 41 engagements with investee companies, with the split between the two lenses shown below.

Our engagement on impact can be broadly split into three main axes of impact. We describe each in the following pages, why we see them as important, and provide a real-life example of what these types of engagement entail.

Breakdown of impact-focused engagement work



Due to percentages being rounded up, absolute value may not equal 100%
Source: Martin Currie, 30 September 2024.





- i) **Impact Disclosure:** We set impact KPIs for each portfolio company. These KPIs form a vital part of the impact case and impact conviction, and influences how we consider the company within our portfolio. What is not measured, is not managed - consistent measurement and transparency around impact is a valuable tool for us. It allows us to contextualise the scale of a company’s real-world impact, build a time series of this data for accountability, and create a more tangible metric that we see as critical to high impact conviction.

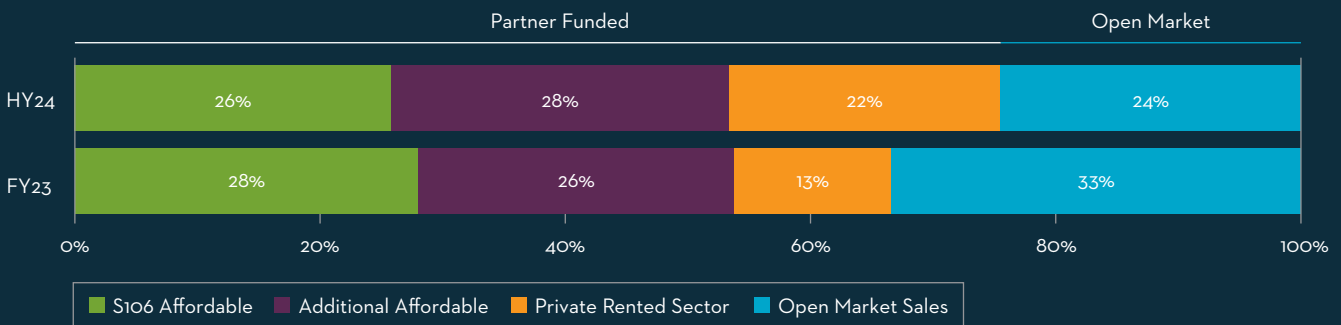
Case Study: Vistry

One example of the symbiotic nature between enhanced disclosure, and our ability to better analyse a business from an impact and investment perspective was our engagement on improved disclosure with UK affordable home partnerships business Vistry.

Objective: Engage with Vistry to further enhance their reporting by disclosing comparable data on their social and affordable housing activities.

Scope and Process of Engagement: We set out our priorities in an initial letter to the company. This engagement was of particular significance given that the business has performed a strategy shift to focus on 100% partnerships* with an emphasis on affordable and social housing versus being a classic homebuilder. We followed up our initial letter with a company meeting to discuss their strategy shift and also to request that as part of this they disclose the breakdown of units sold by type so that we could better assess not only the social impact of their operations but also the drivers of the new strategy from a demand perspective. They indicated during our discussions that they were open to disclosing such information. This was followed up when the company disclosed the breakdown of what it calls ‘tenure mix’ at its full year results for 2023 in March 2024. They now clearly disclose the proportion of homes that are affordable (by planning regulations and ‘additional affordable’ as well as the proportion sold explicitly for the rental sector). This is shown below. We will consider this engagement to be successful as we see more data over time from the company that allows us to look at this as a time series of data.

Total completions by tenure



Source: Vistry Full Year Results, 31 March 2024.

Outcome: Current Stage of Completion 4 – Company sets out plan to address issue

The disclosure of the tenure mix data combined with the number of housing completions the company has made, allows us to better track the impact of the business in terms of the affordable and social houses built. As well as gain greater insight into the progress in their partnership model shift as they seek to move all their operations to a partner funded model. For example, during H1 of 2024 there was incremental progress versus 2023 year end from an impact perspective with 76% of completions being partner funded.

*Vistry are developing the land ‘in partnership’ with another body e.g. a local authority or housing association but also bespoke developments for rental sector providers.



ii) **Accessibility of Impact:** One of the five components of our impact analysis is, “Who is the focus of the impact?”. While we recognise that scale of impact is important, it is vital that solutions be directed to those that stand to benefit most. This may not only be an individual, but a community or other cohort. Our engagements focused on impact are done with the intention of supporting access to products and services to those who can benefit from those services most.

Case Study: Amplifon

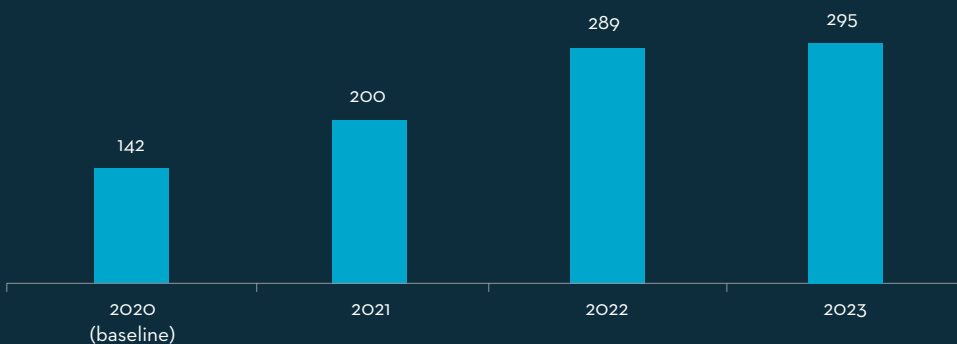
Amplifon, an Italian domiciled hearing care retailer, has prioritised access to its products through the provision of free hearing tests to its customers. It recently expanded into Latin America, and as an area of particular need we would like to see revenues from this region growing at a faster rate than the overall group. Additionally, the company provides free hearing tests to all prospective customers, reducing an important barrier to adoption.

Objective: We are engaging with Amplifon to ensure its products and services are reaching areas of highest need in a timely and economical fashion.

Scope and Process of Engagement: We set out our focus on this area in our introductory letter to the company. We follow this up with a meeting where we asked for greater detail in terms of the number of patients treated rather than the company’s existing metric of measuring the economic value of hearing tests administered. We believe this would help humanise that statistic and provide greater clarity on the impact the company is making.

Amplifon believes presenting the free hearing tests as an overall monetary value better models the economic benefit to healthcare systems in the markets in which it operates. It has taken on board our comments on humanising the figures. We will continue the discussion.

Value of hearing care provided (EUR millions)



Source: Amplifon and Martin Currie analysis, November 2024.

Outcome: Current stage of completion 3- Discussion on issues takes place

We will continue to monitor the value of free hearing tests administered, and a priority when speaking with management is the assurance that this initiative is rolled out across acquired stores, as well as its existing store footprint. We will also continue our engagement to push for patient numbers as a preferable way to track and assess growth of impact for this business.



iii) **Acceleration of Impact:** Finally, part of our role as investors is to understand capital allocation decisions at a company and how this is likely to influence long-term impact achievement. This is much simpler for a company that produces a single good or service, and much more challenging for companies whose impactful product or service represents only a portion of their total revenue.

Case Study: Valmont Industries

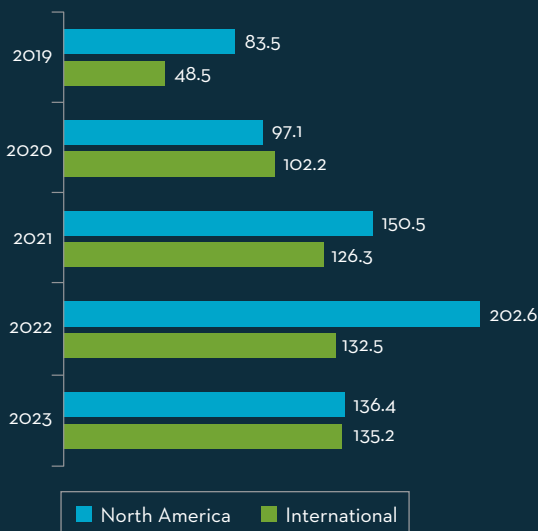
Objective: In the case of our investment in infrastructure and irrigation company Valmont, we wanted to understand the process for allocating capital to growing their irrigation business in high impact areas such as Brazil and Africa (as well as encouraging greater investment here due to the financial opportunity).

Scope and Process of Engagement: We are in the early stages of our discussions with Valmont on this issue. We want to be as supportive as we can of growing the potential impact of the irrigation business where it can have the greatest impact on issues such as food security. Our discussion firstly addressed the initial motivation of creating the international division – now greater in size than their US business – which was to find areas of business and geographies that would operate on a different cycle to that of US agriculture. Over the years they have entered the European market and also invested in a manufacturing joint venture in Brazil which has subsequently become fully owned. Even more interesting to us has been their recent activity in Africa with large scale projects that support food security and the conversion of desert into farmland that have been a key source of growth for the business. These markets are now served by their irrigation factory in Dubai; their local presence allows them to serve customers more effectively. Adoption is key in these markets as water saved when using center pivots* instead of traditional agriculture methods such as flood irrigation can reduce water use by up to 40%.**

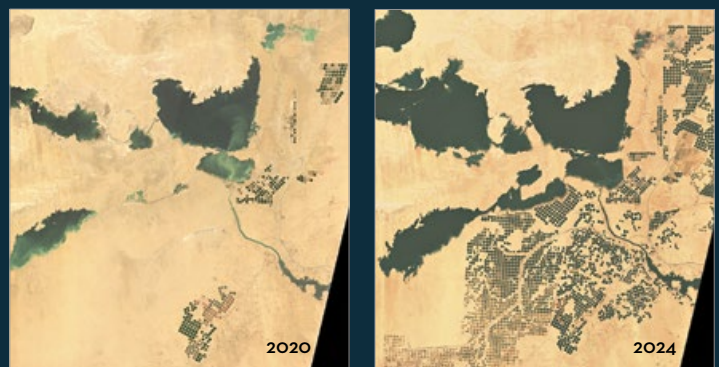
Outcome: Current stage of completion 3 – Discussion on issues take place

While this engagement does not have a single metric where we can measure success, part of what we want to see is long-term growth in the international segment where their products can have the greatest impact in water saved and also in driving greater food security. Agriculture is inherently cyclical so we would measure this over an extended period. The progression of their international business against their US agriculture business is shown below alongside a photo illustrating the type of impact this can have when deployed. We will continue to argue for patient, long-term deployment of capital in support of the long-term irrigation opportunity (both impact and financial) at Valmont.

Valmont irrigation revenues split by geography (USD millions)*



Satellite images from the South of Egypt showing the changing face of earth through pivot irrigation 2020-2024*



*Source: Valmont financial reports and Martin Currie analysis, November 2024.

*Source: Valmont Sustainability Report 2024.

*Center pivot irrigation is a method of watering crops using a large steel structure that rotates around a central point, or pivot, and sprays water onto the crops. It's also known as water-wheel or circle irrigation.

**https://webassets.valmont.com/valmontstaging/docs/librariesprovider161/sustainability-2024/2024-sustainability-report.pdf?_gl=1*ixvj6a*_ga*MTM4MzlwNjc3MjY0ODg5MjM.*_ga_G4CBRMPC85*MTczMDcyNDY4Ni41LjAuMTczMDcyNDY4Ny41OS4wLjA

An Anthology of Impact Stories

Measuring impact is nuanced – it is difficult, and to compare across different investee companies can be misleading. There is no broad way of aggregating social impact to a single measure in the way we could focus on an item like avoided emissions if we were a climate strategy. The specific actions of our investee companies are varied by the focus, intensity and breadth of the impact being generated. How does one compare lifesaving orphan drugs that may only have patient numbers in the hundreds with technology that enhances food security for billions of people across the world? Generic data may tell a story but it may be wholly irrelevant for the impact aims of our strategy.

Our focus is real-world, measurable social impact from products and services. That is why we have bespoke measures, tailored to each company, in order to gauge progress. And why we provide transparency on our impact measurement metrics for each company in which we invest. We use these to measure and report on the nature and quantum of impact being generated by our investee companies. We showcase changes in the metrics over time because we believe that accountability and transparency of an impact-focused process are vital.

We therefore present to you the collection of ‘short stories’ on social impact which make up the Improving Society strategy. Each company tells the story of the positive impact it is making in the world through its own specific impact analysis and key performance indicators. In the following pages, we share these short stories with you, providing an overview of each portfolio company and key information:



Primary SDG the company is contributing to,



Impact pillar and focus area within that, and



Company-specific impact KPIs and their progress to date.

Companies are grouped by the Impact Pillar their products, and services positively impact: **Improving Wellbeing**, **Improving Inclusion**, and **Supporting a Just Transition**. The measurement of T in the companies’ KPIs below reflects the most recently reported data and is typically measured on an annual basis.



Why do we own this business?

Amplifon is an Italian hearing aid manufacturer and retailer. It's the largest hearing aid company in the world with a 12% market share and operating in 29 countries around the world with nearly 10,000 hearing professionals. Its products improve the lives of people with hearing loss and the company is publicly committed to expanding access and inclusion by breaking stigmas and running outreach programmes to reach more people with hearing loss. Growth trends such as an ageing global population, newer technology making hearing aids smaller/easier to wear, and changing views about hearing care are likely to drive attractive organic revenue growth. Organic growth is likely to be augmented by continued mergers and acquisitions (M&A) roll-up as other operators with less scale continue to sell up to Amplifon as labour costs increase. An excellent operator in terms of rapid integration of newly purchased retail branches and extracting scale benefits, which should support margin expansion over the coming years.

Impact Pillar:

Impact Focus:

UN SDGs:



3.4: Reduce premature mortality from non-communicable diseases



Improve Wellbeing



Mental Health & Wellbeing



Product innovation is bringing next generation hearing care to individuals across the spectrum of hearing loss



Amplifon personalises the offering at its branches to maximise efficacy and affordability



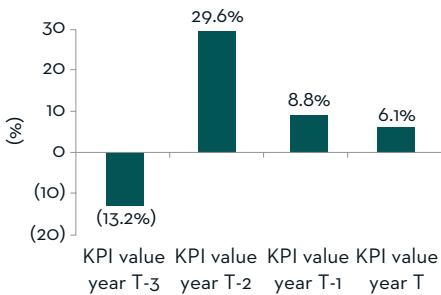
The company conducts community outreach through the Amplifon Foundation which helps bring hearing products and services to underprivileged individuals

Impact KPIs:



Group revenue growth of at least 7% per year

Is the business continuing to grow its organic sales and generating positive growth from M&A?



Lagging



Revenue growth of Americas and Asia growing faster than group

These regions are all significantly less penetrated and represent areas of greater social need than the developed markets in which Amplifon operates.

KPI Value T-2	Yes
KPI Value T-1	Yes
KPI Value T	Yes

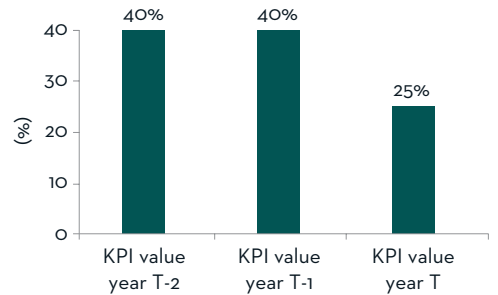


Meeting



5% growth in value of free hearing tests offered each year

Amplifon's commitment to its customers and communities is evidenced through the provision of thousands of free hearing tests each year. We'd like to see this programme grow each year, especially in underserved markets.



Exceeding

Amplifon lagged slightly on one of its KPI's given weakness in demand in important European markets driven by cost of living concerns and high interest rates. We believe this is a temporary situation and were pleased with revenue progress in the Americas/Asia Pacific regions as well as the work Amplifon continues to do in providing access to free hearing tests within the communities it serves.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Croda is a British high-performance ingredients company that primarily serves the Consumer Care and Life Sciences industries, with the latter generating 33% of firm revenues in 2022. This segment is involved in the development of high-grade ingredients, including components that deliver the active Pharmaceutical ingredients of next generation drugs and vaccines, and where we are most interested from an impact perspective.

The company was instrumental in the delivery of the Covid-19 mRNA vaccine, providing the nanolipid delivery systems that made the vaccine possible. This served as a proof-of-concept, for this vaccine type, with an array of lipid-based mRNA vaccines and drugs in clinical trials, the consistent synthesis of high-quality lipid nanoparticles for these will be essential. The mRNA category of vaccine has the potential to prevent or treat many diseases prioritised by the World Health Organisation (WHO).

Impact Pillar:

Impact Focus:

UN SDGs:



3.3 End key communicable diseases by 2030



Improve Wellbeing



Preventative Medicine



Manufacturer of vaccine adjuvants, which increase the body's immune response and vaccine effectiveness



Innovator of high-quality drug delivery systems



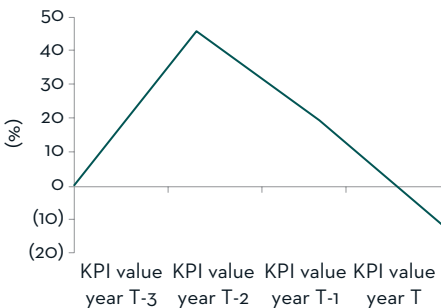
Solar protection ingredients help prevent skin cancer and other related illnesses

Impact KPIs:



Growth in impact revenue

The Life Sciences segment can be split into Pharmaceuticals and Crop Science. Both are impactful, and we therefore track revenue growth in this segment.



Lagging



WHO-prioritised vaccine projects

We expect the company to continue to contribute to the development of vaccines aiming to address WHO-prioritised diseases. This is integral to achieving the SDGs.

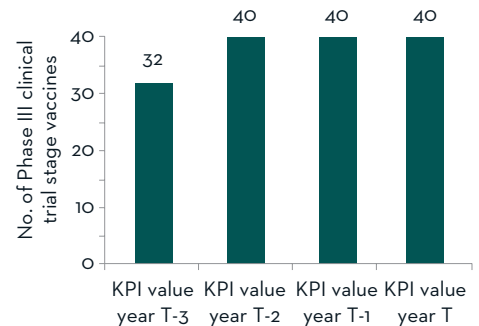
KPI Value T-2	15/24
KPI Value T-1	15/24
KPI Value T	15/24

Meeting



Phase III clinical trial stage vaccines

By increasing the number of vaccines reaching Phase III stage, there is clear indication of the successful developments that Croda is involved in.



Meeting

Croda experienced a year of reduced demand due to a destocking cycle at many of its end customers. While Pharmaceutical demand remained robust, we saw impact revenue decline and lag our expectations. The company remains involved in vaccine trials though, which we want to see continuing, and we continue to work to better triangulate the impact the company is having.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Ecolab is a global leader in products and services for water management, food safety, and hygiene/sanitation. From an impact perspective, we are most interested in Ecolab's institutional segment which provides specialised cleaning and sanitising products, foodservice utensils, and kitchen equipment as well as the Healthcare and Life Sciences segment which provides sanitisation and sterilisation products to the Healthcare, Personal Care, and Life Science industries. The products and services from these business segments allow improved cleanliness, safety across a variety of industrial and institutional settings and reduce wastage in food and water supplies. The company will benefit from increasingly stringent regulations regarding resource intensity and evolving hygiene and sanitation standards. Furthermore, increasing its efforts to innovate in areas such as digitisation, customer productivity, and Healthcare should continue to drive further sales growth.

Impact Pillar:



Improve Wellbeing

Impact Focus:



Basic Human Needs

UN SDGs:



6.2: Achieve access to adequate and equitable sanitation and hygiene for all



Ecolab's products and services keep workers and customers safe across Institutional, Hospitality, Healthcare, and Life Sciences industries



The company has a significant and growing footprint in Emerging Markets (EM) where availability of sanitation and hygiene may lag



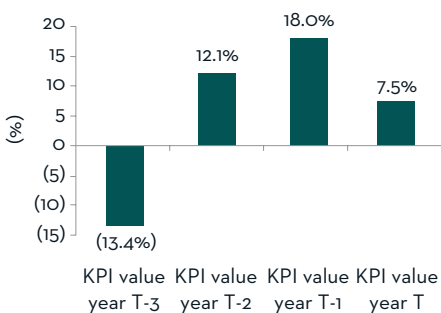
Places significant importance on innovating to underpin future growth and this focus on the future is likely to continue to drive the impact story going forward

Impact KPIs:



Impact revenue growth at least 4% p.a.

Impact revenue is comprised of Ecolab's cleaning, sanitation, and sterilisation segments. Future growth here is key to the evolution of the impact story.



Exceeding



EM revenue growth faster than group

Engagement with the company to more fully report on EM sales growth will be a priority.

KPI Value T-2	Yes
KPI Value T-1	Yes
KPI Value T	Yes

Meeting



ROIC of at least 8% pa

Ecolab conducts regular M&A, and understanding the level to which they generate returns on these acquisitions could help bolster future impact.

KPI Value T-3	8%
KPI Value T-2	8%
KPI Value T-1	8%
KPI Value T	8%

Meeting

Ecolab continues to perform well against its KPI's with revenues growing well in areas of positive impact such as sanitation solutions for Hospitality and Healthcare settings. The company also continues to invest positively in its future ability to generate impact as evidenced by its ongoing strong performance against its return on invested capital (ROIC) target.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

The US industrial engineering company has been groundbreaking in the development of large scale 'megaproject' seawater desalination plants (>50k litres per day), through its prized technology, the PX pressure exchanger. With operations in 11 countries, its business allows large scale, efficient, and economic desalination of seawater to bolster the supply of fresh water. An increasingly stressed resource due to climate change, desertification, severe weather events, and population growth. It is the leading player in desalination, a market that should continue to grow strongly given increased recognition of the need to shore up water supplies. This is combined with the attractive economics, and political certainty of desalination versus transporting water potentially across borders via pipeline or roads. The company has recently been moving its PX technology into other fluid-based industrial uses which it believes will create a sustained platform for long-term growth, and making inroads into newer growth areas of wastewater treatment and CO2 refrigeration.

Impact Pillar:

Impact Focus:

UN SDGs:



6.1 universal and equitable access to safe and affordable drinking water for all



Pressure exchange technology allows for affordable desalination at scale due to extremely low electricity needs, virtually non-existent fail rates, and low ongoing servicing



Localised desalination dramatically improves the long-term stability of a country's drinking water supply



Improve Wellbeing



Basic Human Needs

Impact KPIs:



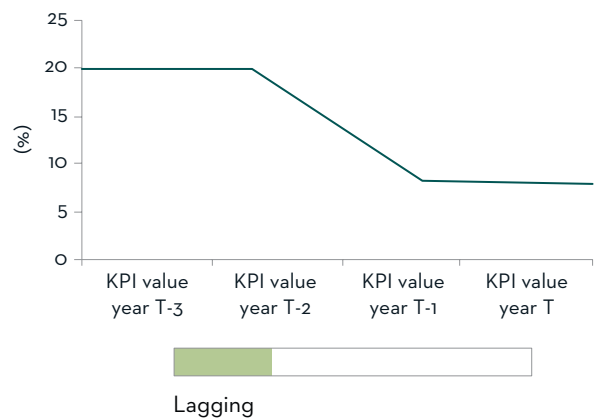
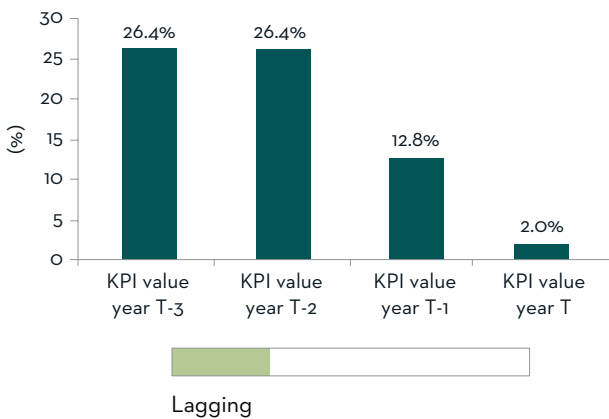
Impact Revenue growth of at least 10% per year

Impact revenue is comprised of the sale of pressure exchangers for desalination which currently accounts for almost all of group revenue.



Growth in pressure exchange unit installed base of at least 10% per year

Allows quantification of new project developments and customer wins. Monitors whether volume continues to lead price as a constituent of revenue growth.









Energy recovery lagged its KPI's this year due to delays in key large scale desalination projects. The company continues to retain market dominance in pressure-based desalination which provides fresh water at lower cost and lower energy intensity than other desalination methods and we believe demand remains strong for large scale projects - especially in water-stressed regions of the world.

Source: Martin Currie and company published data, as at 30 September 2024.


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Why do we own this business?


Illumina is an American genetics and genomics company which provides sequencing machines, reagents/consumables, and services to over 9,000 customers worldwide. The company is the leader in the genomic sequencing market with 90% of all data ever generated from genomic sequencing delivered on an Illumina machine. Revenue is highly recurring with 68% of sales generated from consumables, 17% from services (machine servicing and outsourced sequencing), and 15% from hardware. The machines and reagents have been highly influential in developing the field of 'third generation' genomic sequencing which has enabled advances in many key areas of population science and Healthcare. These advances have led to breakthroughs in understanding the molecular basis of diseases, the development of more targeted diagnostic and treatment regimes, and, as a result, more positive health outcomes for those patients with a variety of different diseases and conditions. Illumina machines are highly accurate and result in high volume, economical sequencing. The scale and scope of the organisation aids Illumina in continuing its history of innovation by investing for the future growth and impact of the business.

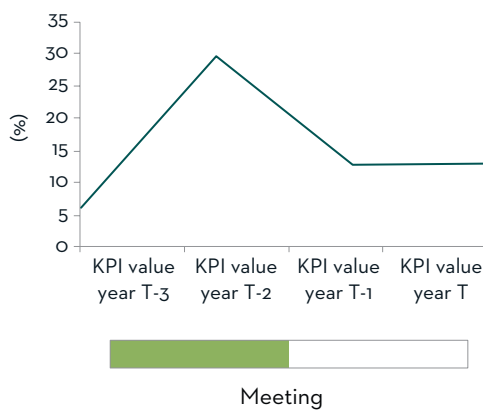
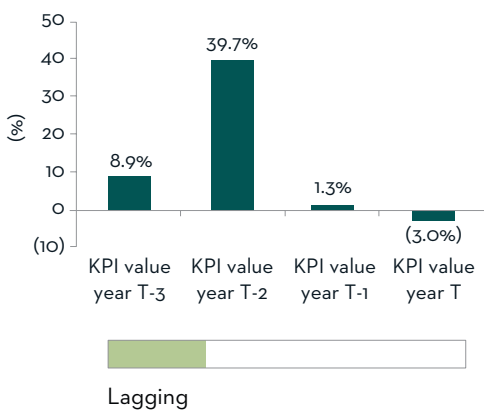
<p>Impact Pillar:</p>  <p>Improve Wellbeing</p>	<p>Impact Focus:</p>  <p>Medical Treatment & Advances</p>	<p>UN SDGs:</p>  <p>3.4: Reduce premature mortality from non-communicable diseases</p>  <p>Genomic analysis allows improved understanding of the basis of disease</p>  <p>Clinical applications of genomics generate faster, more accurate diagnoses</p>  <p>Genomic studies can help Life Sciences companies create more effective, more individualised treatments</p>
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Impact KPIs:

 **High single digit group revenue growth**
Continuing to grow with the market.

 **R&D investment growing at high single digit rate**
Reinvesting for the future success and impact of the business.

 **Success of new products**
Revenue derived from newer focus areas such as oncology and clinical genomics growing at a rate faster than those of the group as a whole.



KPI Value T-1	Yes
KPI Value T	Yes

Illumina had a difficult year in terms of revenue growth – a key indicator of its ability to expand access to genomic technology and advances in Healthcare – due to a challenging macro environment affecting customer purchasing decisions in major geographical markets. However, the company continues to invest in new areas such as clinical testing and recently launched products continue to perform well in the market.

Source: Martin Currie and company published data, as at 30 September 2024, and Illumina company data.

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Why do we own this business?

Intuitive Surgical is the global leader in robot assisted surgery with c.80% of the market share and over 8,600 da Vinci systems installed in 69 countries. The company still has room to grow through consistent R&D spending and expanding the range of surgical operations it can carry out, all of which will help increasing its total addressability in the market.

The da Vinci system remains its flagship product, however continued innovation has led to the release of the Intuitive Ion and the da Vinci SP. Its surgeon-partnership method of going to market, coupled with its ergonomic design means it should remain the preferred system for hospitals globally.

All this serves to unlock surgical potential, expanding the range of procedures it can be used for and improving the likelihood of better patient outcomes.

Impact Pillar:

Impact Focus:

UN SDGs:



3.4: Reduce premature mortality from non-communicable diseases



Improve Wellbeing



Medical Treatment and Advances



Pioneering robotic surgery system manufacturer enhancing capabilities globally



Continuing product development to open up new procedures to laparoscopic alternatives



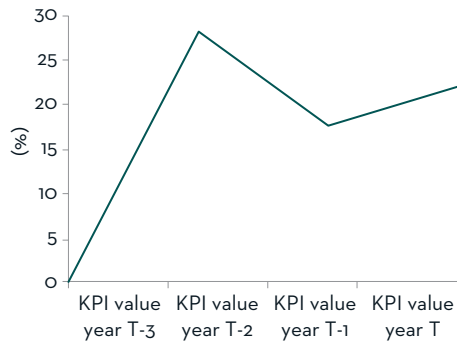
Surgeon training and support creates partnerships that ultimately benefit patients

Impact KPIs:



Procedure growth

We would like to see procedure growth continuing at its current pace.

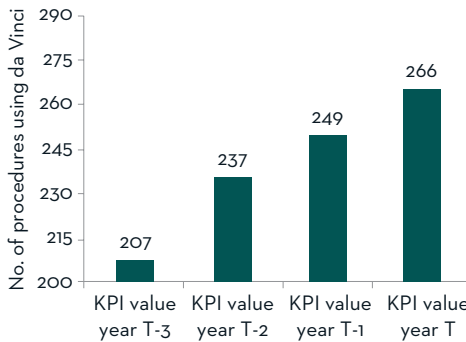


Exceeding



da Vinci utilisation

Machine utilisation increasing as surgeons become more adept at using the equipment.

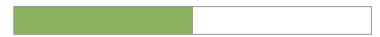
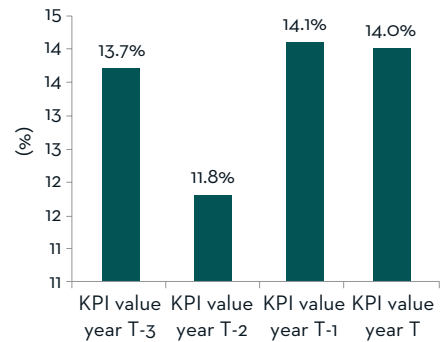


Exceeding



R&D intensity (R&D spend as a percentage of revenue)

An indicator of Intuitive's innovation pipeline to increase future impact.



Meeting

Intuitive Surgical continued to exhibit its dominance in the area of robotic-assisted surgery. Year-on-year procedure growth across all surgical systems exceeded expectations, as did da Vinci system utilisation. We see this as an indication of increasing penetration of company in the operating room. R&D intensity was in line with expectations during a year in which the latest da Vinci system was launched with new and improved features, exemplifying the company's continued innovation.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Planet Fitness is an American fitness company which owns and franchises gyms in all 50 US states, Canada, Panama, Mexico, and Australia which cater to over 18.7m customers. The company operates a mission-based model aimed at creating a welcoming, 'judgement free' zone in which first-time gym members can work out for around USD10 a month. The company's model is aimed at bringing fitness to everyone to drive improvements in physical and mental health. The previous CEO is quoted as saying 'we're going after the 80% of the population that doesn't have a gym membership.' Planet Fitness has attractive scale, a high-quality franchisee base, an excellent market reputation, and plenty of opportunities for domestic and international expansion.

Impact Pillar:



Improve Wellbeing

Impact Focus:



Mental Health & Wellbeing

UN SDGs:



The low-cost membership model allows people of all demographics to access the benefits of gym memberships in an inclusive environment

3.4: Promote mental health and wellbeing



Physical activity is not only good for the body but also benefits mental wellbeing



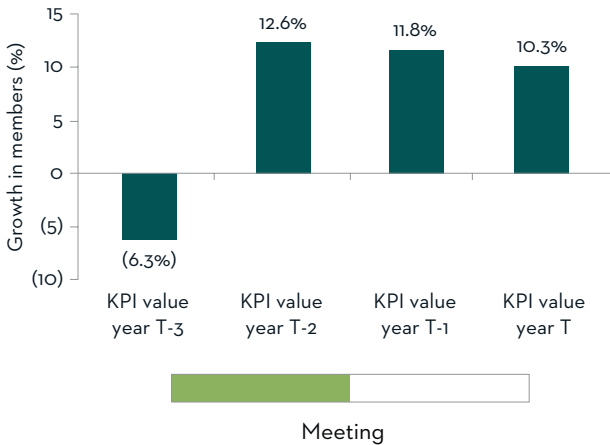
Location growth in the US and internationally will allow Planet Fitness to bring low cost inclusive fitness to many more people in the coming years

Impact KPIs:



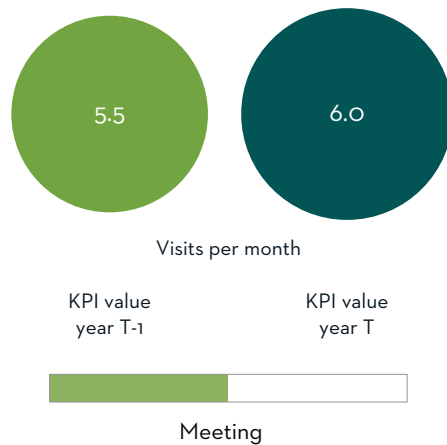
Group-wide membership growth

Helps us judge whether Planet Fitness is attracting and keeping members.



Growth in member visits per month

Increasing gym usage by the average member is an important indication of expanding impact.



The low-cost gym chain continues to maintain consistent KPI outcomes, with growing number of locations and steady membership numbers. Gym visits per member per month has increased which is a good indication that members continue to feel engaged with the company's ethos and offering.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Revvity is a US Medical Technology company with segments devoted to diagnostics and Life Sciences research. The company's products and services function to directly Improve Wellbeing. They allow more diseases and genetic conditions to be diagnosed efficiently and cost effectively, allowing intelligent and timely treatments. They also aid the Biopharmaceutical industry develop drug therapies which improve and/or prolong patients' lives.

Even in this age of extreme technological progress, the diagnosis and treatment of disease is not always straightforward or effective. Diagnoses are often still based on physical examination, symptom analysis, family history, etc. taking time to deliver a 'best guess' rather than a firm, final answer. Treatment regimens often lack effectiveness. Either allowing the patient to live with the disease rather than eradicating it, or are tailored to population-level needs rather than the specific needs of more specific patient groups. Therefore treatments are not as optimised as they could be, resulting in lower response rates and the burden of higher side effects.

Impact Pillar:

Impact Focus:

UN SDGs:



3.3 End key communicable diseases by 2030



Improve Wellbeing



Preventative Medicine



Test kits allow quick and accurate diagnoses to allow treatments to begin as soon as possible



Life Sciences products allow new, targeted drug therapies to be developed to combat an increasing array of diseases and conditions



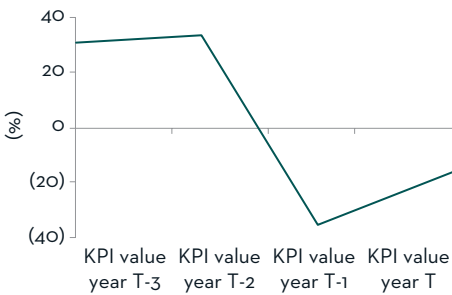
A strong focus on R&D is coupled with strategic M&A, continuing new product launches and magnifying impact

Impact KPIs:



Group revenue growth

Essentially all Revvity's revenues are related to providing impact by Improving Wellbeing, so it is relevant to track group revenue growth year-on-year.

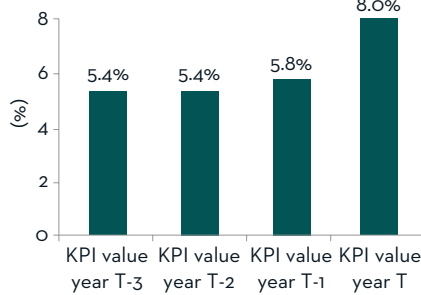


Lagging



Continuing focus on R&D

New product development and release is an important driver to Revvity's long-term impact, therefore it is important to track R&D spend as a percentage of revenues.

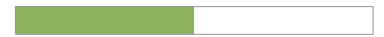
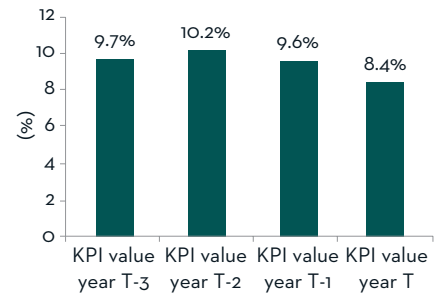


Exceeding



Strong return on incremental invested capital

M&A spend is tracked on an absolute and an incremental return basis to track acquisitiveness over time as well as the success of each acquisition.



Meeting

The company faced lower than expected revenue growth given a roll-off in Covid-related sales as well as a tough operating environment in both its Life Sciences and Diagnostics businesses. This continues a period of revenue volatility of the business following the sell off of its applied science, food and enterprise service businesses. The most recent revenue decline is due to higher interest rates and lower research and development (R&D) productivity which drove lower than expected customer spend. However, we believe this situation is temporary and Revvity continues to invest appropriately in new products which put it in good stead to continue to grow its positive impact in the future.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Veeva is an American cloud computing company focused on Pharmaceutical and Life Sciences industry applications. The company provides end-to-end SaaS systems to Healthcare companies to improve the efficiency of the entire Life Sciences value chain. This takes place from early molecule screening right the way through to post-approval commercialisation and ongoing quality management. Products include software to streamline clinical operations, clinical data management, patient and trial site management, and real-time intelligence analytics. Life Sciences research, particularly drug discovery and development, are difficult to approve, highly technical, and, often, a lengthy process. It is estimated that, on average, it takes 10-15 years and US\$1bn to bring a new drug to market and that only 10% of all drug candidates that enter trials gain final regulatory approval. Veeva's software products help life sciences research, product development, regulatory approval, post-approval safety and quality monitoring. This increases the amount and speed of safer drugs being brought to market for less total investment.

Impact Pillar:

Impact Focus:

UN SDGs:



3.4: Reduce premature mortality from non-communicable diseases



Improve Wellbeing



Mental Health & Wellbeing



Software products allow an holistic view of the entire drug development process, allowing real-time assessment of progress



The knowledge gained from these data tools allow smarter, faster, more efficient decisions to be made in the development, approval, and monitoring process



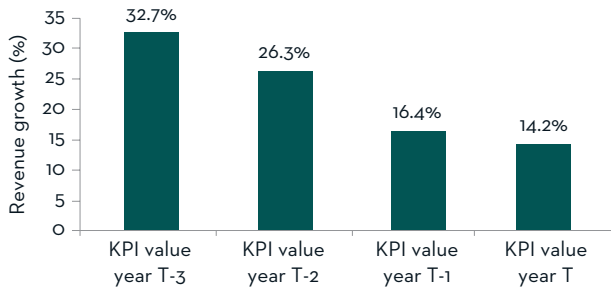
A long history of product innovation and focus on R&D should allow future impact growth to be underpinned by new products and technologies

Impact KPIs:



Impact revenue growth

The entirety of Veeva's revenue base, which consists of software to improve drug development efficiency and safety, is impactful. With regards to growth, we have a preference to see revenue driven by volume as opposed to pricing increases.

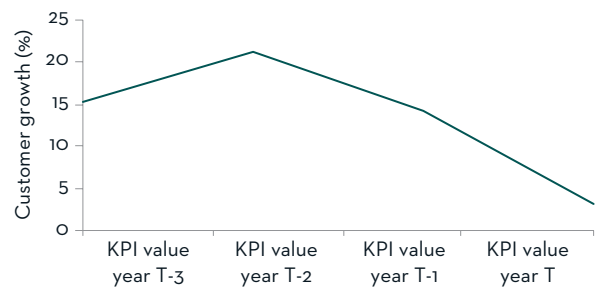


Lagging



Net new customer growth

This KPI attempts to illustrate the scope of Veeva's impact by examining the evolving size of the customer base.



Lagging

The Healthcare software company had a difficult year versus its KPI's as its customers in the Biopharmaceutical industry cut back on R&D Capex in the face of a tough operating environment driven by higher interest rates and lower R&D productivity. However, the company continues to perform well in upselling existing customers to newer, higher value products such as Vault CRM. We believe the operating environment will improve as lower rates and the natural productivity cycle in drug development become more benign.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Xylem is a US water company which supplies products and services across the entire water cycle. The company reports revenues across three segments which include water infrastructure (40%), measurement and control solutions (30%), and applied water (30%).

Xylem supplies to three main customer groups: utilities, industrial, and commercial and residential. Products and services revolve around three main long-term trends to ensure adequate supply, the protection and improvement of water infrastructure, and decreasing wasted water. These trends should support the company in becoming a leader to many of its end markets and provide sustained demand for its solutions in the future.

Impact Pillar:



Improve Wellbeing

Impact Focus:



Basic Human Needs

UN SDGs:



6.2: Achieve access to adequate and equitable sanitation and hygiene for all



Provides users with reliable, resilient access to water and sanitation



Reduced wastage improves efficiency and lowers costs for all users



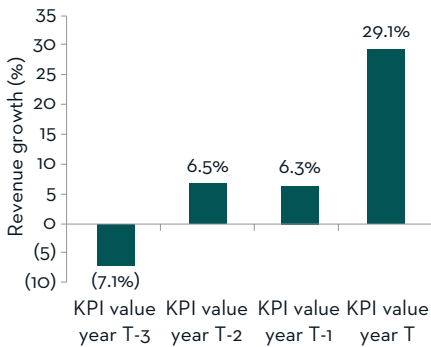
Increased resiliency and reduced waste will allow communities to support those negatively impacted climate change

Impact KPIs:



Mid-single digit revenue growth per year

We want to see steady organic growth from stronger competitive positioning and bolt-on M&A.



Exceeding



Increase growth in water, sanitation and hygiene (WASH) access per year

Provided by Xylem and NGO partners. We want to see an expansion of this initiative, which improves infrastructure and distributes essential supplies to underserved communities.

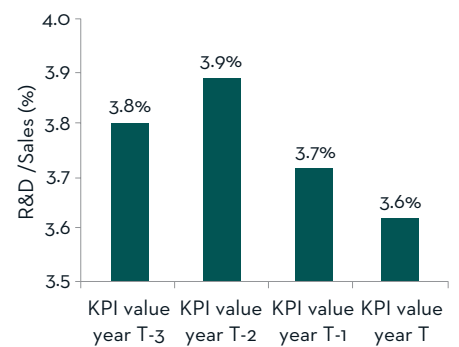
KPI Value T-2	1.0m people
KPI Value T-1	1.8m people
KPI Value T	2.4m people

Meeting



R&D/Sales at least 3.5% per year

This demonstrates whether the company is reinvesting in its future revenue and impact growth through its profit and loss.



Meeting

Xylem had a strong year in terms of providing access to clean water, reliable sanitation, and resilient infrastructure to people all over the world. The company was bolstered by the acquisition of Evoqua which increased its ability to help industrial water customers find efficiencies in their water usage, safety, and monitoring. The company continues to invest in the future through the development of new products such as intelligent monitoring systems to help improve the resiliency of water infrastructure and provision for all customers in the communities it serves.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Providing access to affordable telecommunications and money services across 14 African countries, Airtel Africa is driven by a vision to bridge the digital divide and increase financial inclusion in the markets where it operates. Africa's second largest telecommunication provider primarily operates in sub-Saharan Africa, bringing communication and financial services to populations often lacking essential infrastructure. Although penetration rates remain low, Airtel Africa currently has 140 million customers, and it is investing to produce a high quality, reliable network, offering 4G communications in each of the markets it serves. The mobile money service includes digital wallet payment systems microloans, savings and international money transfers. These are helping economic development by allowing more people to participate in employment and commerce.

Through expanding the network and increasing its products and services, millions of people have access to digital communications, banking and payment solutions, and education resources for the first time in their lives. The company has a strategic goal of increasing financial inclusion through affordable products, key to driving equality and economic growth. This includes extending the services to women, enabling greater independence, security and the opportunity to develop businesses.

Impact Pillar:



Improving Inclusion

Impact Focus:



Access to Resources

UN SDGs:



5b Access to technology



2nd largest mobile network provider in Africa



Ability to communicate and transact helps build businesses and supports communities



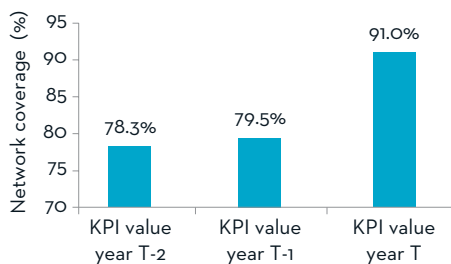
Access to low-cost networks and provision of mobile money services enable women to contribute equally in trade and society

Impact KPIs:



Network coverage

Network coverage to be 90% by 2030 including rural coverage to rise from 67.1% to 80% by 2025.

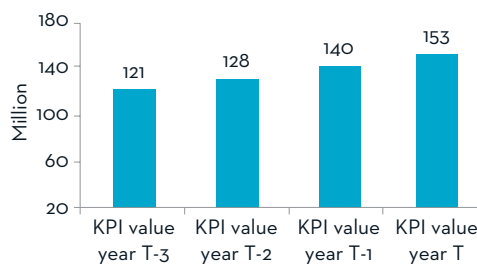


Exceeding



Customer numbers

Consistently grow the number of users able to access their services.

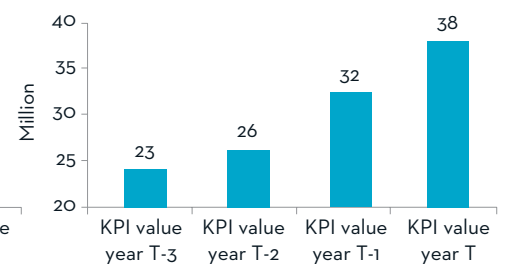


Exceeding



Airtel Money users

Almost double Mobile Money users from 2021 to 2025, including 20m female users of the service.



Exceeding

Airtel Africa exceeded our Impact KPIs during the year ending March 2024. This was particularly evident in the significant increase in network coverage for the business rising to 91% which is a key pillar of our impact thesis of the transformational power of access to communications to stimulate economic development. This was borne out in significantly increased customer number both in terms of overall subscribers which rose to just under 153m and Airtel Money users which increased to 38m.

Source: Martin Currie and company published data, as at 30 September 2024. *Statista and Internet World Stats. (April, 2022). Internet penetration rate in Africa as of December 2021, compared to the global average.

The information provided should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the securities discussed here were, or will prove to be, profitable.

Why do we own this business?

The MSME (Micro Small and Medium Enterprises) segment in Indonesia is highly important to sustainable development, accounting for 96.9% of employment and over 60% of gross domestic product. Bank Rakyat helps support this key section of the economy by providing MSME loans of 849.2trn Indonesian Rupiahs (IDR) to 14m micro entrepreneurs. The bank has multiple empowerment platforms and credit schemes tailored to the development of micro-entrepreneurs to support their business growth towards a feasible and bankable level. They also provide various financing products that are in accordance with the customer's business capacity.

Through various platforms and products, they seek to present a complete and integrated banking ecosystem to accelerate the potential of micro-businesses and empower the communities as business actors at the same time. Through the distribution of PNM Mekaar (pre-prosperous micro lending) financing, the company has empowered more than 13.9m underprivileged women customers, supporting the achievement of SDG 5 of gender equality in addition to the primary SDG impact we have identified of supporting equal rights to economic resources and financial inclusion as part of SDG target 1.4.

Impact Pillar:



Improving Inclusion

Impact Focus:



Financial Equality

UN SDGs:



1.4 Equal rights to economic resources



Reaches 14m micro borrowers and 144m micro depositors



MSME loans make up 82.5% of loans and is the main focus of Bank Rakyat



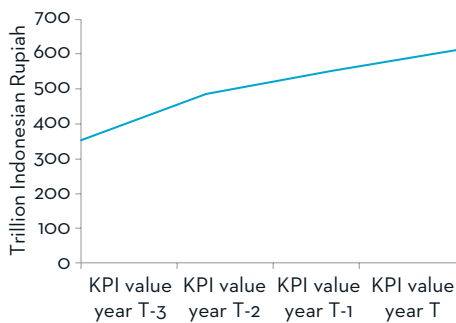
Supports base of pyramid with savings and loans products

Impact KPIs:



Value of micro loans

IDR 449.6trn of micro loans disbursed in 2022. We want to see the absolute value growing.

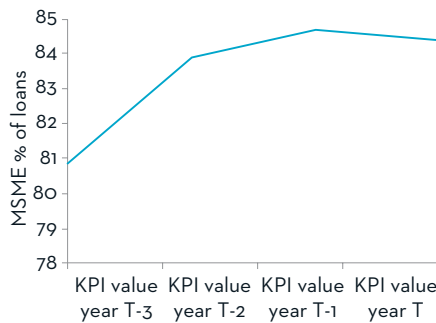


Meeting



MSME (inc. consumer) loans as a % of total loans

This currently sits at 84.4% and we would like to see this maintained.

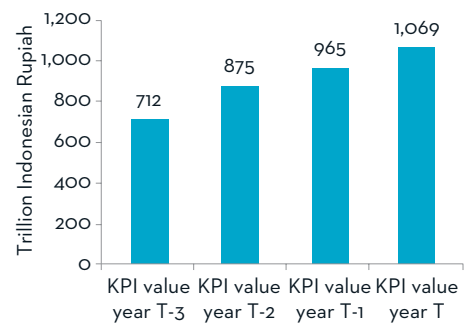


Meeting



MSME loans

MSME loans total IDR 1,069trn and we would like to see this grow.



Meeting

Rakyat¹ continues to grow its Micro loan book increasing to just over IDR 611trn in 2023. This combined with growth in the small and medium enterprise segment has meant that overall micro, small and medium enterprises make up just over 84% of lending. All three KPI's remain meeting our expectations despite a shift in the micro loan book from Peoples Business Credit – a government supported scheme known as KUR to Kupedes which is an alternative micro lending product without subsidy.

¹Not held in Canada portfolio.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Coursera is a US-based Massive Open Online Course (MOOC) provider, hosting a range of courses from well-known industry partners, in fields such as data science, project management, and AI. The company is capitalising on two major trends including online learning and a skills-based economy. Coursera broadens access to high-quality educational content, allowing learners to upskill and reskill. Many learners report positive career and personal outcomes, increasing the conviction of impact.

Through its degrees segment, the company offers fully online degrees from respected universities around the world. This allows additional flexibility for students and provides savings versus the additional costs associated with attending university.

Impact Pillar:

Impact Focus:

UN SDGs:



4.3 Equal access to quality and affordable tertiary education



Improving Inclusion



Education



Online access to quality education from recognised companies and universities



Accredited courses in demanded skills such as data and computer science



Online access to degrees from leading universities

Impact KPIs:



Number of registered learners

The growth of the 'top of funnel' is an important metric in considering the reach of the company.



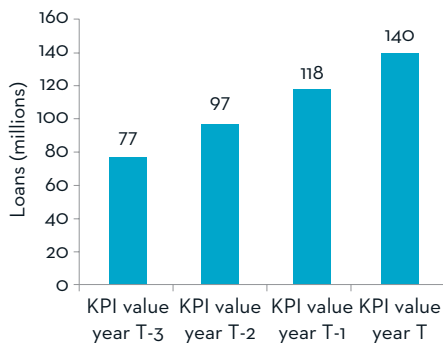
Number of education partners

Additional partnerships lead to increased growth in quality content available to learners on the platform.

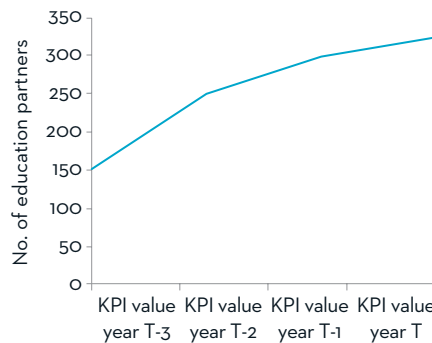


Number of degrees students

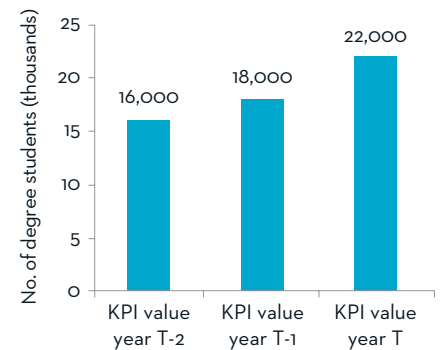
An important indication of the number of students accessing third-level education.



Exceeding



Meeting



Exceeding

The MOOC provider continues to attract new learners and education partners to its platform. Our KPIs tracking total number of registered learners and degrees students, have exceeded our expectations. Management have continued to attract leading companies to provide content, thus bolstering its educational credentials, and driving the flywheel. We are also pleased to see many learners reporting benefits they've experienced after enrolling in Coursera's courses in the company's Learner Outcomes Report.

Source: Martin Currie and company published data, as at 30 September 2024.

The information provided should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the securities discussed here were, or will prove to be, profitable.

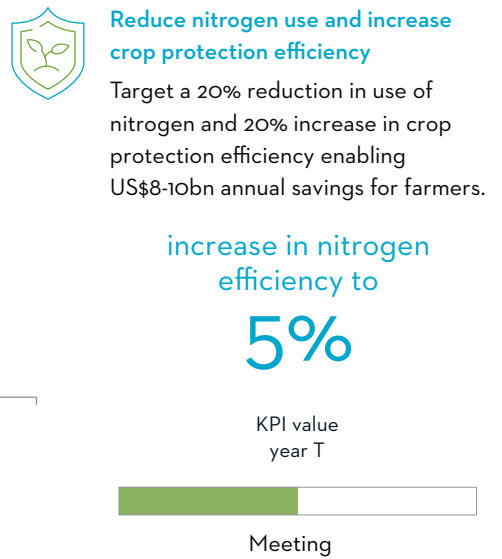
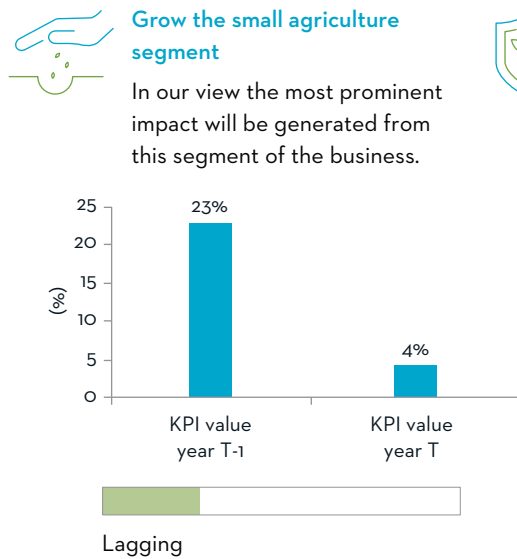
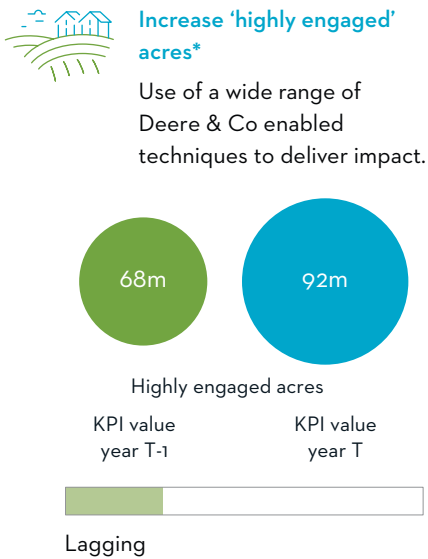
Why do we own this business?

Deere & Co is a farm technology company which has a broad and significant impact in addressing food security, zero hunger and agricultural productivity. The company also has a construction equipment business that helps build modern and safe infrastructure, but our key interest resides in its farm technology segment. This is split between precision agriculture (c.40% sales) and small agriculture (30% sales). These support SDG target 2.3 to double the agricultural productivity and incomes of small-scale producers, which is key to the social aspect of delivering better wellbeing and also better inclusion through access to resources. This is augmented by the social climate resilience aspect of SDG target 2.4 by 2030, ensuring sustainable food production systems and implementing resilient agricultural practices that increase productivity and production, help maintain ecosystems, and strengthen capacity for adaptation to climate change.

Resilience of food supply has wider benefits. They impact this through production tools that help increase yields and reduce resource use. This helps mitigate the problem of high food prices through increasing production and reducing variance in crop yields to extreme weather.

<p>Impact Pillar:</p>  <p>Improving Inclusion</p>	<p>Impact Focus:</p>  <p>Access to Resources</p>	<p>UN SDGs:</p>  <p>2.3 Double agricultural productivity of small scale producers</p>  <p>Efficiency benefits for small farmers</p>  <p>Increased efficiency and support to farm incomes drives better food security</p>  <p>Reduced need for pesticides and nitrogen – positive for farm income and environment</p>
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Impact KPIs:



Deere has committed to delivering what it terms a smart industrial strategy – these are a series of goals that should both improve farm productivity, support food production and security as well as making farms more sustainable. The most relevant of these in relation to productivity is 'Highly Engaged Acres' where the correlation with productivity should be highest. During 2023 this rose from 68m acres to 92m acres but progress has been slightly slower than expected, partially because of a slower equipment sales market. Their ambitions to reduce nitrogen use and increase crop protection efficiency where they aim to improve both by 20% by 2030 showed good progress however.







*Highly Engaged Acres: Documentation of multiple production steps and the use of digital tools to complete multiple, value creating activities over a 12 month period.

Source: Martin Currie and company published data, UN SDG Indicators as at 30 September 2024.

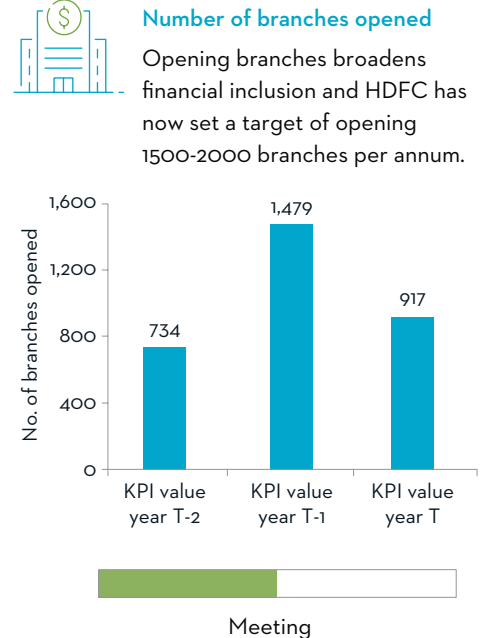
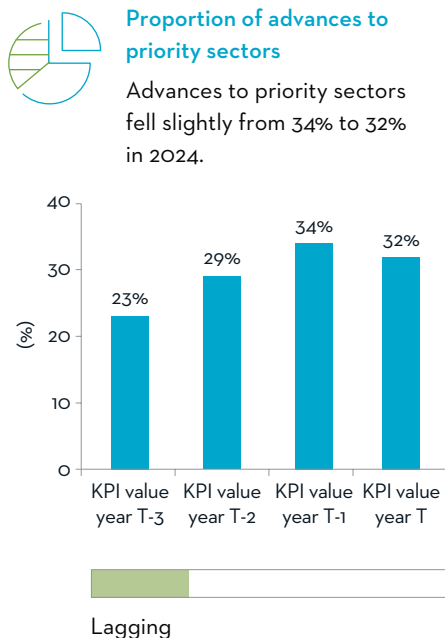
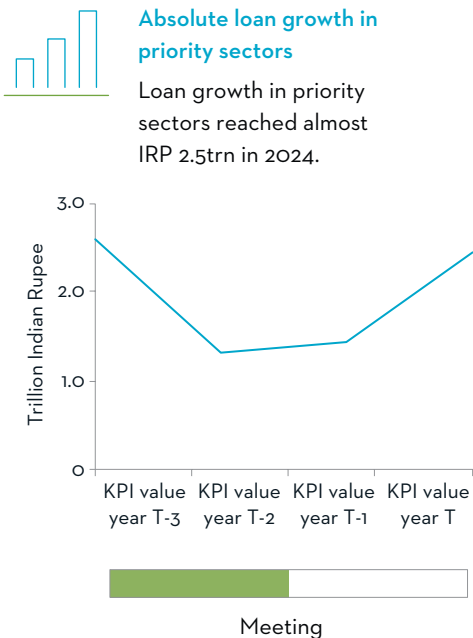
The information provided should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any of the securities discussed here were, or will prove to be, profitable.

Why do we own this business?

HDFC exists to help every Indian person make better financial decisions, today and tomorrow. The pursuit of long-term value creation for all stakeholders involves a strong focus on rural finance and accounts for over 12,000 companies, 20,000 banking outlets and a fifth of its branches. This has had positive influence on increasing financial inclusion by providing access to finance, both in loans and in terms of rapid expansion of the branch network, particularly in rural communities. The impact from their priority loan provision is clear, intentional and direct. Their unique position in rural banking puts them in a strong position to be one of the most significant players in expanding access to finance and its associated benefits to rural and semi-rural India. In addition, the bank's commercial and rural banking group was set up 2021 to cater to the needs of the Micro, Small and Medium Enterprises (MSMEs), emerging corporates, commercial agriculture, small and marginal farmers, healthcare finance, equipment finance and commercial transport companies. While these businesses are diverse in nature, the common thread binding them together is that they all have a huge footprint in semi urban and rural (SURU) India.

<p>Impact Pillar:</p>  <p>Improving Inclusion</p>	<p>Impact Focus:</p>  <p>Financial Equality</p>	<p>UN SDGs:</p>  <p>1.4 Equal rights to economic resources</p>  <p>Support financial inclusion</p>	 <p>Strong rural focus for banking</p>	 <p>Significant overall impact growth with assets growing 20% per annum</p>
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Impact KPIs:



HDFC Bank continues to expand its impact. During 2024 the bank expanded total lending in 'priority' economic sectors that support positive impact by 2.4trn Indian Rupee although the proportion of these loans fell from 34% to 32% during the year - short of the 40% target for the bank. In addition the bank continues to expand access to financial services by expanding its branch network which rose by 917 branches during the year. This is particularly important for driving access in rural and semi-rural areas of India.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

LITALICO is a Japanese company that offers work and educational support, with the vast majority directed at people with disabilities. It operates through its service centres primarily located in major urban areas such as Tokyo and Osaka. Through the services it offers, the company is able to actively combat the historic culture of shame that has existed around disability. The government has been supporting this through legislation and quotas and LITALICO is instrumental in achieving these by helping disabled people to enter the workforce. Another key area of its business is around child welfare, providing additional learning support and skills development for children.

Impact Pillar:



Improving Inclusion

Impact Focus:



Education

UN SDGs:



4.3a Equal access to quality and affordable tertiary education



Educational facilities for disabled children



Day and after-school child development support

Impact KPIs:



Cumulative number of people employed (LITALICO Works)

We continue to observe consistent impact growth that meets our expectations in the Welfare division as the company expands the number of centres it operates and users avail of its services.



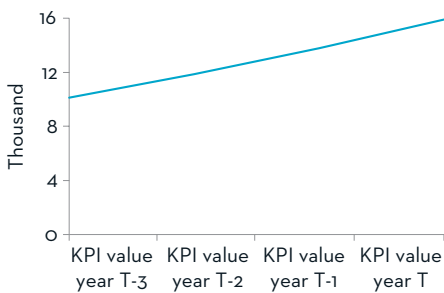
Six Month Retention Rate (LITALICO Works)

The quality of service is reflected in the six-month retention rate post employment which continues to broadly track our minimum expectation.

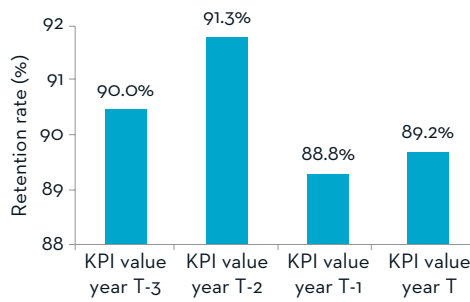


Number of Registrants (LITALICO Junior)

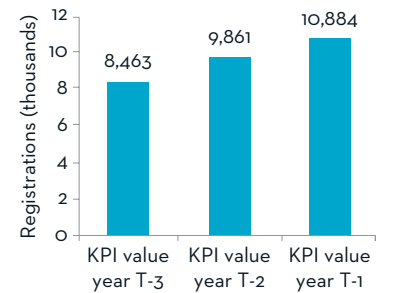
Changes in the reimbursement rates have impacted utilisation in the Child Welfare divisions, resulting in impact lagging where we expected it to be. The company continues to adjust to this in an effort to improve utilisation and increase the number of registrants in the centres.



Meeting



Meeting



Lagging

LITALICO grew its impact across its Works and Junior segments, however changes to the government prescribed reimbursement structure impacted utilisation in the Junior division resulting in delivered impact lagging our expectations slightly. We see this as temporary, with the company enacting initiatives to drive utilisation higher. For users of the LITALICO Works centres, the staff retention rate of placed users remained high amid elevated activity levels, which we see as encouraging.

Source: Martin Currie and company published data, UN SDG Indicators as at 30 September 2024.

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Why do we own this business?

Mears is the largest social housing management and maintenance contractor in the UK. The firm works with central and local government to tackle homelessness and poor living standards. Mears has always operated with a strong social purpose and a compelling impact story exists with all revenue directly linked to affordable housing services.

The business model is underpinned by an emphasis on quality, this is paramount considering the company houses particularly vulnerable individuals such as asylum seekers. The company is working to provide accommodation beyond hotels, which are widely acknowledged as a suboptimal solution. Its impact expands well beyond this though. It maintains and manages a portfolio of at least 750,000 homes in the UK. Ensuring that vital repairs are completed, its residents, such as ex-military and rehabilitating offenders, have the amenities they require.

Impact Pillar:

Impact Focus:

UN SDGs:



11.1: Access for all to affordable and safe housing



Improving Inclusion



Financial Equality



Housing assurance and support for vulnerable tenants



Maintenance activity ensures social housing stock remains safe and habitable



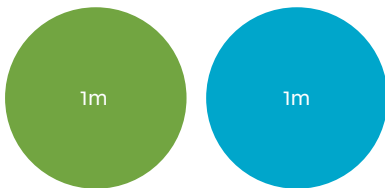
Planned and unplanned maintenance includes retrofitting to improve energy efficiency of UK's old housing stock

Impact KPIs:



Reported service users

The service users metric is a direct measure of how many lives Mears' services are impacting.



Service users

KPI value year T-1

KPI value year T

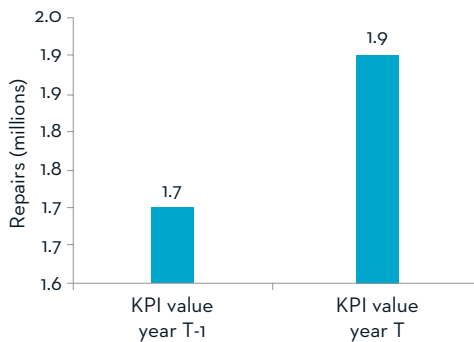


Meeting



Repairs

This measures the number of repairs conducted across both planned and unplanned maintenance.



KPI value year T-1

KPI value year T

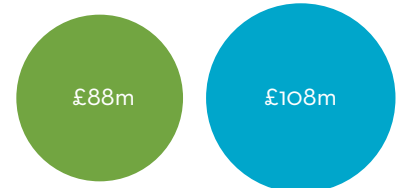


Meeting



Delivery of social value

Mears reports annually the social value delivered according to independent metrics.



KPI value year T-1

KPI value year T



Meeting

All three of Mears' impact KPIs have trended positively over the period, as the company served a greater number of users, and performed a greater number of repairs on the accommodation it maintains. This resulted in an increase in the social value generated by the company that we expect will continue to grow over time, as more contracts are awarded to Mears given its standing within the industry.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

MercadoLibre began as an online marketplace in Latin America. It has since expanded to become a driving force behind the digitalisation of commerce in the region. With small and medium-sized enterprises (SMEs) representing approximately 90% of businesses in the region, the broader economy is dependent on the health of local enterprises.

It has inserted itself into the ecosystem and reduced friction for these key operators. This is through both its e-commerce division, which expands the market available for SMEs to sell into, and its fintech segment. This is where our impact focus lies. Through on-platform data collected, the company has a greater ability to underwrite loans to these businesses, many of which have had no previous access to credit. This allows them to expand and generate new employment opportunities. While the recipient of the loan is the core beneficiary of MercadoLibre's products and services, its impact spreads well beyond a single business into the wider economy. With significant optionality on how it can expand going forward, we see a company that can continue to build out its offering to maintain its dominant market position.

Impact Pillar:



Improving Inclusion

Impact Focus:



Financial Equality

UN SDGs:



9.3: Access to financial services



Facilitating entrepreneurship in a region with a thriving small business economy



Provider of first-time business loans for many SMEs



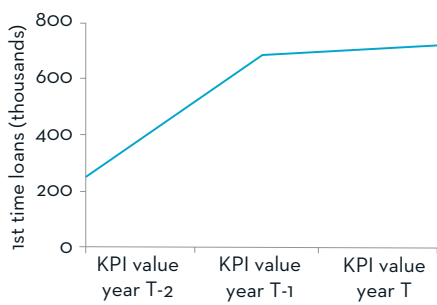
Encouraging banking adoption in an underbanked region

Impact KPIs:



Entrepreneur first-time loans granted

SMEs represent a large proportion of the economy, but without readily accessible credit options. Provision of credit is the first time many businesses access a loan to expand.

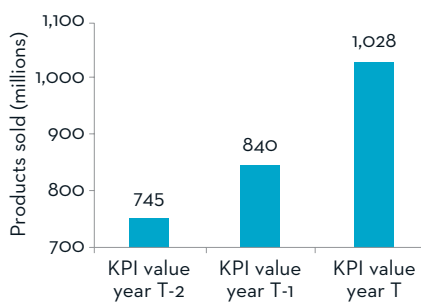


Exceeding



Items sold by SMEs and entrepreneurs

We would expect to see the number of products sold by SMEs and entrepreneurs to increase, indicating more income for these sellers.

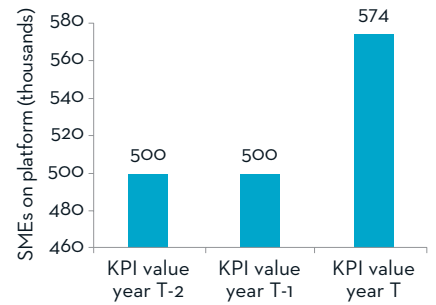


Exceeding



SMEs on the platform

MercadoLibre reduces friction for SMEs, with many using the platform as their primary source of income. This is used as a broad proxy for scale of impact.



Exceeding

It was another strong year operationally, and this is reflected in it exceeding our expectations across its KPIs. The company continued to build out its credit offering, allowing SMEs to expand their businesses that would not have had access to credit elsewhere. We estimate that the number of SMEs selling on the platform continued to grow, as did the value of items sold, indicating the strength of the SME economy and the importance of MercadoLibre's marketplace as a source of income for these entrepreneurs.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

While virtual education remains a niche part of the broader education system, the Covid-19 pandemic accelerated its adoption and served as something of a proof of concept for an alternative to traditional schooling. As the largest provider of online schools in the US, Stride has a core role in providing quality virtual or blended education to students of all ages, through both public and private channels.

Through Stride’s general education segment (a direct substitute for the typical school curriculum), and career learning (focus on developing skills to succeed in specific industries), students are taught and assessed in much the same way as their peers. The company has begun to offer adult learning in fields such as healthcare and technology, and we continue to monitor this development, but the core impact remains in the education of children in kindergarten to grade 12 (K-12).

We are excited by the innovation the company brings to an industry that moves relatively slowly, and provides an alternative to students that are not as well served by the in-person school system, as they would be in a virtual or blended environment.

Impact Pillar:

Impact Focus:

UN SDGs:



4.2 Access to early education



Improving Inclusion



Education



The company provides virtual and blended learning for all ages



It provides a valuable alternative to traditional brick-and-mortar schools



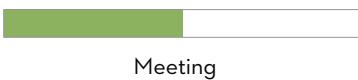
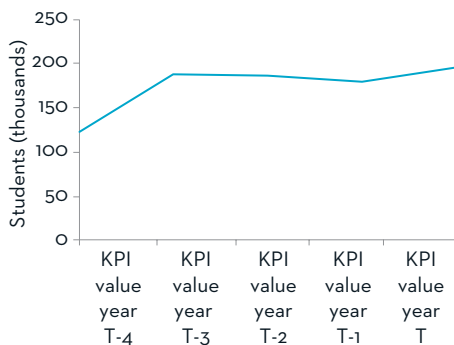
It offers career learning options for students that benefit from a more job-specific education

Impact KPIs:



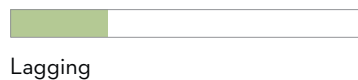
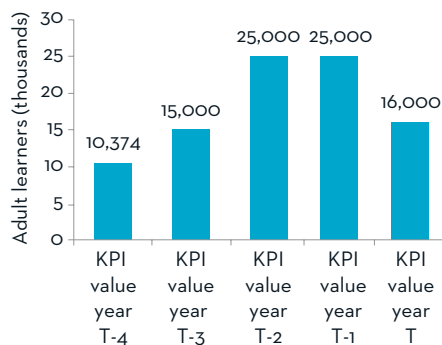
Number of students enrolled in K-12

The number of students enrolled in kindergarten through to grade 12 across general education and career learning.



Number of adult learners

Most students are in grades kindergarten to grade 12, however the company is expanding into adult learning, which we also track.



Number of graduates

The company appears to have discontinued reporting on this. Resuming reporting of this metric will form part of our engagement agenda.



Stride’s core offering of K-12 education is performing strongly and continues to grow as per our expectations, with an expanding student population across its General Education and Career Prep programmes. While the company has stopped reporting on the number of adult learners that have enrolled in its programmes, we estimate that this number has fallen due to a reduced demand for coding ‘bootcamps’. We met with the company to discuss resuming reporting of its graduates, and the company appeared receptive to this. We will continue to discuss with management and monitor progress on their reporting.

Source: Martin Currie and company published data, as at 30 September 2024, and US National Education Policy Centre.

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Why do we own this business?

Tyler is a leading provider of integrated software and technology management solutions for the public sector whose solutions empower local, state, and federal government entities to create smarter, safer, and stronger communities. Their solutions deliver mission-critical technology to support the essential functions of government, ranging from public safety, justice, and public health, to taxation, outdoor recreation, and social services. Tyler provides both the back-office systems-of-record that serve the operational needs of specific government agencies, as well as platform technology solutions that are designed to integrate with back-office solutions and be deployed and connected across many agencies.

From a social impact perspective, Tyler is an essential part of delivering core public services across its software and payments infrastructure. It is domain-specific within the public sector and is solutions focused. From an investment perspective, they are well-positioned as a core provider as clients require technology upgrades and a partner to help them achieve this. Furthermore, as a market leader in an industry with limited moving options, a complex environment and nature of government, it has a strong client retention rate. This can help support cross-selling of products and solutions which should support organic growth and deliver additional positive impact.

Impact Pillar:



Improving
Inclusion

Impact Focus:



Financial
Equality

UN SDGs:



9.3: Access to financial services



Oversight and delivery of key
public services



Payment infrastructure to allow services and
benefits to flow effectively to end recipients

Impact KPIs:



Payment and Benefit volume processed

Measures the indirect impact in taking payments and funding purchases for government delivered services in key areas such as health, education, transport, etc.



Local and State Transaction Revenue

Measures the significance of this portion of the business within Tyler and is assessed alongside payment and benefit volume.



Disbursement Revenue

Measures the growth of the area which we believe has the most impact within Tyler as it is directly tied to the delivery of benefits.

US\$55bn

KPI value
year T



Meeting

US\$575m

KPI value
year T



Meeting

US\$420m

KPI value
year T



Meeting

The company is in the process of scaling up its payments and disbursements business. It manages payments to and from local and state government as well as the disbursements direct to end recipients of certain benefit payments.

We are most interested in measuring payment and benefit volume processed in US\$bn, and the revenue generated by the company from these activities to get a sense of their overall scale within the business.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Valmont Industries is the world's leader in providing irrigation solutions predominantly in the form of its irrigation business, Valley Irrigation. Valley creates products that save water, increase food security in vulnerable climates, and increase farm productivity. These impact not just the efficiency of agricultural production in developed markets but also crucially in increasing resilience and improving production profiles in developing nations. This can be seen in their case study on installing 1500 pivots in Sudan and their expansion into Kazakhstan. Finally, their equipment is not just used to help production of key US staples (soy/corn) but also has application in increasing efficiency of globally-grown crops. For example in rice production, which they make more efficiently from a water use perspective and safer due to reduced arsenic content when compared to flooded rice.

Impact Pillar:



Improving Inclusion

Impact Focus:

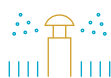


Access to Resources

UN SDGs:



2.4 Sustainable food production systems



Food security and water conservation from irrigation products



Reduces water use, increases yields, resilience and efficiency



Supports food security in climate stressed regions

Impact KPIs:



Gallons of water saved

Valmont's irrigation products save four trillion gallons of water annually.



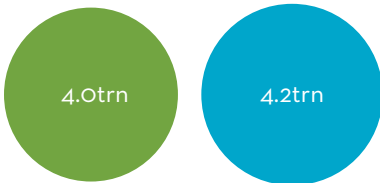
Acres irrigated

There are over 228,000 Valley center pivots operating globally.



Five year growth in agriculture segment

There continues to be evidence of long-term growth in the irrigation business.



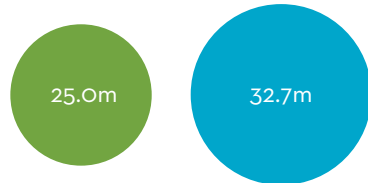
Water saved (gallons)

KPI value year T-1

KPI value year T



Meeting



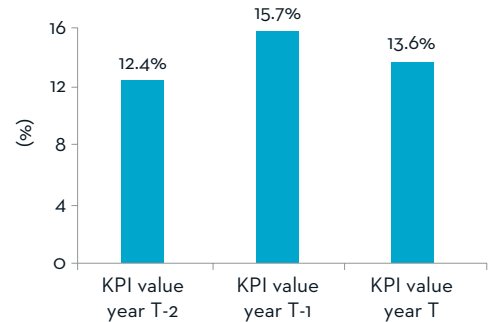
Acres irrigated

KPI value year T-1

KPI value year T



Meeting



Meeting

Within Valmont's operations we have focused our assessment of their impact within their irrigation business where they continue to show progress in expanding the acres irrigated by their equipment which rose to 32.7m acres (the area covered by almost 250,000 pivots). In total compared to flood irrigation the company estimate that their centre pivots saved an estimated 4.2trn gallons of water in 2023.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Vistry is the UK's largest builder of social and affordable housing and has undertaken a strategic pivot to become a pure-play social impact company, with 100% of revenue from the end of 2023 coming from its partnership operations. By focusing on the provision of affordable and social housing, Vistry makes a key contribution to SDG 11 to make cities and human settlements inclusive, safe, resilient, and sustainable.

The UK has two key housing-related issues which Vistry helps solve through its partnership business. These are affordability and access. The UK has a deficit of affordable housing with housebuilding increasingly reliant on private homebuilders. The cost of private sector housing that meets acceptable standards, compared with the level and distribution of incomes and assets, means significant numbers of households lack the resources to make demand for decent housing effective in the market. By solving these challenges, Vistry makes a significant social impact, generates robust growth, and targets a return on capital employed (ROCE) of 40%.

Impact Pillar:

Impact Focus:

UN SDGs:



11.1: Access for all to affordable and safe housing



Improving Inclusion



Financial Equality



Partnership businesses focus on the provision of affordable and social housing



Works alongside housing associations and local authorities on projects that fulfill critical housing needs and aid regeneration of communities



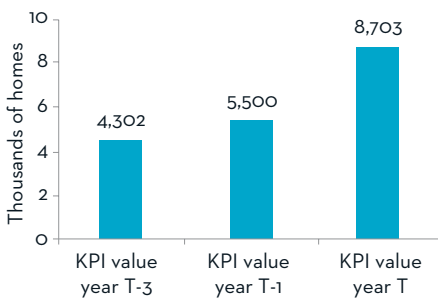
Provides land and expertise in constructing these communities

Impact KPIs:



Affordable homes built

The provision of new and upgraded affordable housing for communities is our key KPI.

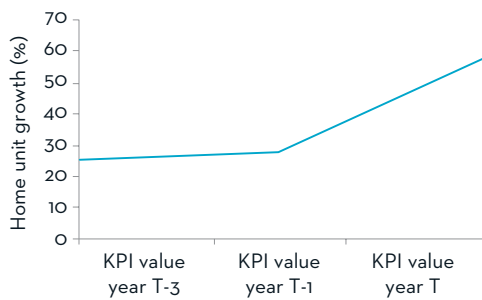


Exceeding



Affordable home unit growth

Assesses the growth rate of affordable home provision in addition to our absolute value KPI of affordable units built.



Exceeding



Private Rented Sector homes built

This is expected to grow 6-8% over the medium term as they expand their partnerships operations.

2,096
homes built in 2023

KPI value
year T

Meeting

Vistry following a pivot in their business model during 2023 to focus exclusively on a partnership model which prioritises building for affordable, social and private rented sector accommodation versus traditional homebuilding has led to a marked increase in affordable and social homes built to almost 9,000 during 2023. We expect this to continue to grow during 2024 and beyond as this shift completes and the company grows its overall capacity to build more affordable homes.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

With 80% market share in its domestic market of Dubai, Emirates Central Cooling Systems (Empower) provides efficient and sustainable cooling solutions for residential, commercial, and industrial developments. They use a network of underground pipes to deliver chilled water to cool multiple buildings simultaneously. District cooling of this type can be up to 50% more efficient compared to traditional cooling methods; this is an important factor in light of Dubai's decarbonisation ambitions and the fact that cooling can account for up to 70% of peak energy consumption in the region. It also enables more than 50% reduction in CO₂ and hazardous refrigerants when compared to traditional cooling methods.

Empower has a strong social impact by improving the lived environment and combatting extreme heat in an efficient way for communities. From an investment perspective it also has a strong economic model which has allowed them to grow, while operating in a growing industry in the gulf where they are well-positioned due to their large market share in Dubai and 50% market share in the wider region.

Impact Pillar:



Supporting a Just Transition

Impact Focus:



Safer and cleaner communities

UN SDGs:



11.6 Reduce adverse impact on environment of cities



Sustain communities as extreme weather becomes more prevalent



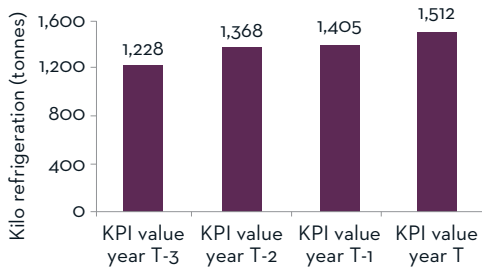
Lower CO₂ and other polluting emissions

Impact KPIs:



Connected capacity measured in kilo refrigeration tonnes

Shows the volume of district cooling the company provides and gives an indication of the scale of impact.

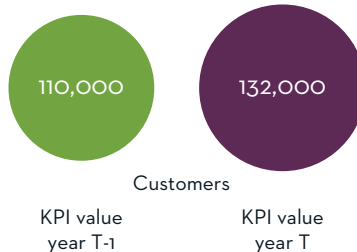


Meeting



The number of customers

Allows us to identify the mix of impact - we want to see breadth and growth in customers versus a focus on large scale infrastructure like hotels and airports.

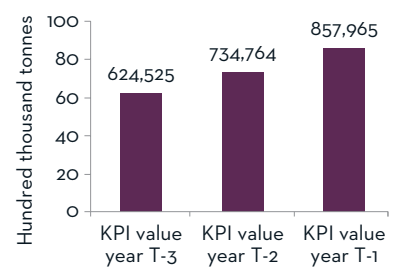


Meeting



CO₂ reductions from installation

Although not a social measure this gives a sense of the environmental impact of using district cooling instead of traditional cooling.



Meeting

Empower operates district cooling facilities primarily in Dubai. District cooling is a centralised form of producing and distributing chilled water for indoor cooling purposes through a closed loop pipe network. District cooling can be up to 50% more efficient compared to traditional cooling methods which is important in that cooling can account for up to 70% of peak energy consumption in the region. By making cooling cheaper and more energy efficient this increases the access to heat reduction/refrigeration technology in a heat stressed region. As such we measure progress on the total connected capacity of its cooling network which rose to 1,512 Kilo Refrigeration Tonnes during 2023. We also measure progress using the number of customers to assess breadth of impact which rose to 132,000.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

FDM is a UK-based global operator. It maintains robust processes around hiring and training to ensure that employees have the requisite skills to succeed in the modern workplace. What makes the company impactful is its hiring through a talent-led approach; it employs from diverse areas of the labour market, discovering individuals in untapped talent pools such as ex-military, those on a career break, or apprentices. Social mobility is even included as a factor in executive remuneration.

Alongside its graduate programme, these cohorts are trained and deployed at FDM's clients, earning while learning and integrating into the workforce. At the end of the consultation period, many FDM employees are hired directly by the client, providing opportunities they would otherwise likely not have had access to. As businesses modernise and digital skills continue to become more relevant in the workforce, FDM is well-placed to provide a skilled and diverse pool of talent with a view to improved career prospects going forward.

Impact Pillar:



Supporting a Just Transition

Impact Focus:



Reskilling

UN SDGs:



4.3 Equal access to quality and affordable tertiary education



Upskilling and reskilling of employees in high-demand sectors



Hiring streams including ex-military personnel, those on a career break, and apprenticeships



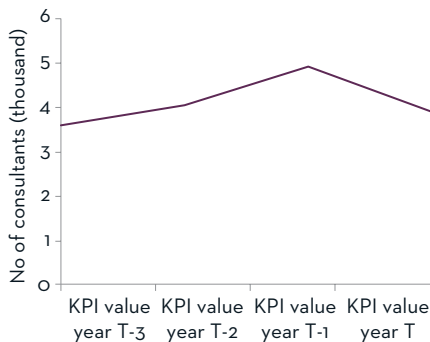
Work to bridge the digital skills gap through comprehensive training and on-the-job education

Impact KPIs:



Number of consultants deployed

The number of consultants that are currently placed with clients - an indication of client demand for talent.

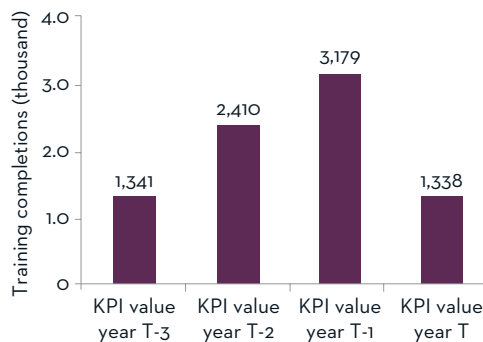


Lagging



Number of training completions

An indication of the strength of FDM's pipeline and anticipated end-market demand for consultants.

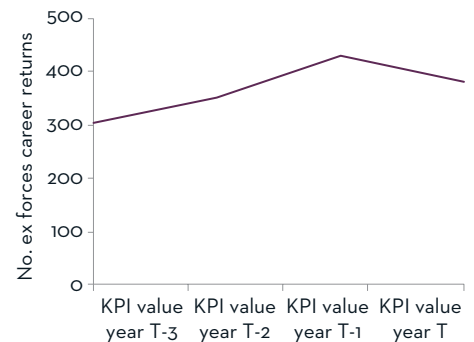


Lagging



Ex-forces and career returners

A key focus of our impact is on former military personnel and those returning from a career break.



Lagging

It has been a tough operating environment for FDM, as a lack of end client demand for consultants has resulted in lower placement numbers and reduced hiring by FDM. Given the cyclical nature of the business, we are awaiting a demand inflection that will lead to positive signals in our KPIs. FDM continue to invest in their consultants that are not currently placed, upskilling them and providing training to ensure they are able to be deployed to clients as soon as demand returns.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Halma is a global group of life-saving technology companies, providing innovative products and services that help solve many of the key problems facing the world today. They operate in three broad areas of the market which include safety, environmental analysis and healthcare technologies which work towards their purpose to grow a safer, cleaner, healthier future for everyone, every day. Key identified areas of impact are their activities in fire safety, patient monitoring and water conservation. The primary SDG we have identified is safer and cleaner communities which is positively impacted through their fire safety activities. Fire detection products like smoke, heat and CO2 detectors, fire systems, and specialised fire suppression solutions have a direct impact on reducing the frequency and severity of fire. Safety represents 41% of Halma's sales.

Impact Pillar:

Impact Focus:

UN SDGs:



3.9 Substantial reduction in casualties from chemicals and contamination



Supporting a Just Transition



Safer and cleaner communities



Prevents and mitigates fire impact



Products conserve scarce water and improve water quality

Impact KPIs:



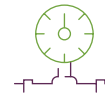
Area of buildings protected by fire detection

This provides a measure of the scale of impact of Halma's fire detection products.



Coverage of Gas Sensor Products

Measures the breadth of impact of Halma's products in this space.



Distance of water pipes with leak detection

Measures the company's product impact in helping reduce and manage water scarcity.

6,000km²

KPI value year T



Meeting

300,000

number of people protected

KPI value year T



Meeting

100,000km

KPI value year T



Meeting

Halma is a new position for us this year and as such we view the current KPI's as a baseline for the future. We have identified key areas such as the area of fire detection coverage, length of water pipes with leak detection and coverage of gas sensor products as key KPIs. As a holding company Halma is aggregating metrics across a number of small businesses which can create measurement challenges in reporting annual data. The company has committed to updating these when they move significantly rather than on an annual basis.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

MIPS stands for Multi-directional Impact Protection and is an 'ingredient' safety technology that over 120 brands incorporate into their helmets across sport and safety applications. The core MIPS system is designed to reduce rotational force on the brain in the event of a crash, developed through many years of extensive product development and research. This enables them to help fulfil their purpose to 'reduce head injuries and save more lives'. According to the European Road Safety Observatory (ERSO), almost 1 in 10 European road fatalities is a cyclist*, furthermore fatalities from cycling unlike other road users has not fallen over the last decade. Ensuring better safety from crashes can have a significant impact, and help meet the firm's ambition of reducing both the number and severity of road accidents. MIPS's capital light model and high returns allow the firm to invest extensively in research and development and move into new markets.

From an impact perspective, we are excited that the firm has made the move to expand into the safety helmet market which is another significant opportunity to improve safety outcomes and save lives.

*Source: European Road Safety Observatory, Facts and Figures - Cyclists - 2020, December 2020.

Impact Pillar:



Supporting a Just Transition

Impact Focus:



Safer and cleaner communities

UN SDGs:



1 in 10 road fatalities is a cyclist

3.6 reduction of road traffic accidents by half



MIPS helmets can be up to 70% safer (minimum 10%, most 20-70%)

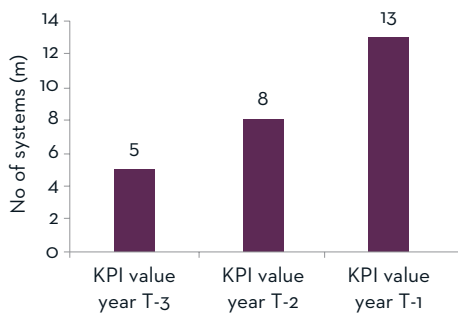


Expansion from sport into safety market broadens impact

Impact KPIs:



Total MIPS safety systems sold
The company have sold in excess of 40mn units over last decade.

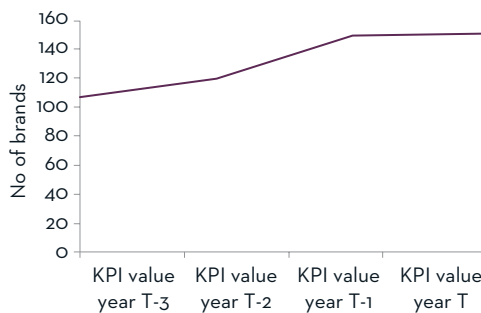


Lagging



Number of helmet brands using MIPS

MIPS now works with over 150 business customers to integrate its technology.



Meeting



Five year company revenue growth (>10%)

Given the business is 100% impact revenue we would like to see five-year growth of >10% CAGR.

KPI Value T-2	Yes
KPI Value T-1	Yes
KPI Value T	Yes

Meeting

MIPS has stopped reporting the number of safety systems sold during 2023 and is unlikely to report this in 2024. We understand the companies position that this information was being used to over simplify the modelling of the business by the financial community - however we have engaged with them to ask them to reinstate this reporting which they will consider as they have been expanding into new sectors. As these grow there is a greater case for providing a more granular breakdown.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Novonesis is the global market leader in biological solutions, producing a wide range of industrial enzymes and microorganisms to help improve the efficiency and resiliency of industrial processes. They operate in a variety of end markets such as food and beverages, human health, agriculture, grain processing, and bioenergy, which allows for the transformation of food systems to enable healthier lives.

Novozyme's biosolutions can help improve the taste, shelf life, nutritive value, and performance of end products while also allowing industrial producers to do more with less raw materials and energy inputs. This helps to shore up the resiliency of production processes in the face of uncertainties created by climate change and enables customers to meet the needs of a growing population while reducing the stress their products place on the natural world.

Impact Pillar:

Impact Focus:

UN SDGs:



12.3 Halving of global per capita food waste



Supporting a Just Transition



Circular Economy



Products help improve agriculture efficiency and improve nutritive value of food, beverages, and additives



Allows customers to maximise efficiency of production processes to do more with the same or fewer inputs



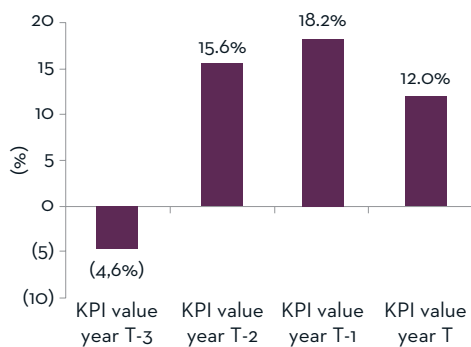
Long history of innovation driving the development of impactful new products to shore up future resiliency of food production process

Impact KPIs:



Sales growth in EM of at least 10% per year

Strong revenue growth in Latin America and Asia Pacific is an important indicator of increasing impact over time in less developed areas.

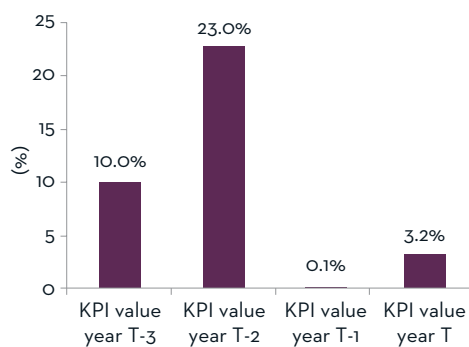


Exceeding



Impact revenue growth of at least 3% per year

Continued growth in most impactful revenue segments is key to increasing social benefit over time.

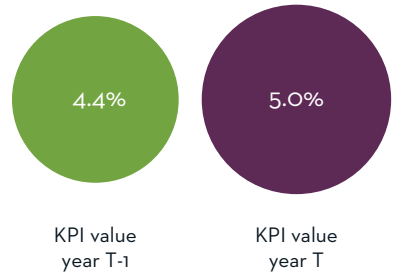


Exceeding



Growth in tonnes of food ingredients gained of at least 5% per year

This target reports on food ingredients gained through Novonesis' solutions in grain and vegetable oil processing which unlock additional starch, protein, and oils from feedstocks and improve agricultural efficiency.



Meeting

Novonesis met or exceeded its KPIs for the year, end market demand across important segments such as food & beverage and agricultural productivity continued to be strong thanks to the ongoing desire of customers to improve the efficiency of their processes and products.

Source: Martin Currie and company published data, as at 30 September 2024.

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Why do we own this business?

Veolia is a French environmental company that provides clean, safe drinking water, removes household and municipal waste, and undertakes wastewater purification to allow the population of thousands of towns and cities around the world to live in comfort and safety. The 2022 acquisition of Suez means Veolia will now face less competition during a decade where governments, companies, and consumers are becoming increasingly focussed on water usage, recycling, waste management, and energy efficiency. Veolia is the market leader in a fragmented global water/waste industry globally and has the potential to gain share as regulation increases.

Impact Pillar:



Supporting a Just Transition

Impact Focus:



Circular Economy

UN SDGs:



6.3: Improve water quality



World leader in provision of basic services to support healthy, clean communities



Waste and water services provide a baseline of liveability for millions of people globally



Focus on innovation to allow evolution with a changing planet

Impact KPIs:



Rest of world revenue growing faster than group
Capture growth in markets outwith Europe, which may better model the provision of service to areas of higher unmet need.



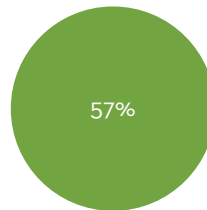
Impact revenue growth of at least 2% per annum
Increased impact revenue that is generated by water and waste segments with the objective to grow by at least 2% per year.

KPI Value T-1 Yes

KPI Value T Yes



Meeting



KPI value year T-1*

1.9%



KPI value year T



Exceeding

Impact revenue growth fell to more normalised levels following the acquisition of Suez the previous year contributing the bulk of prior year growth. Veolia met its KPIs this year as it continues to grow its market-leading waste, water, and recycling businesses in new geographies and deliver innovative solutions to improve the safety and resiliency of communities all over the world.

*Large increase in growth due to the acquisition of Suez.

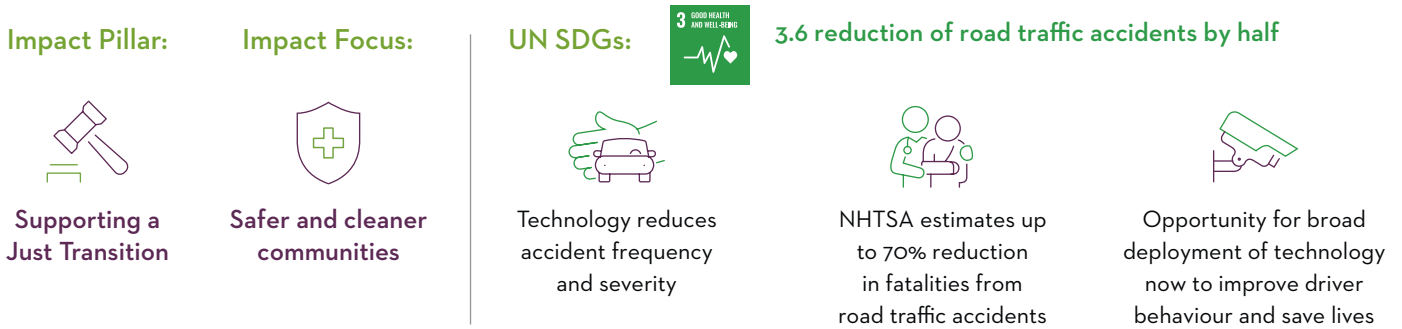
Source: Martin Currie and company published data, as at 30 September 2024.

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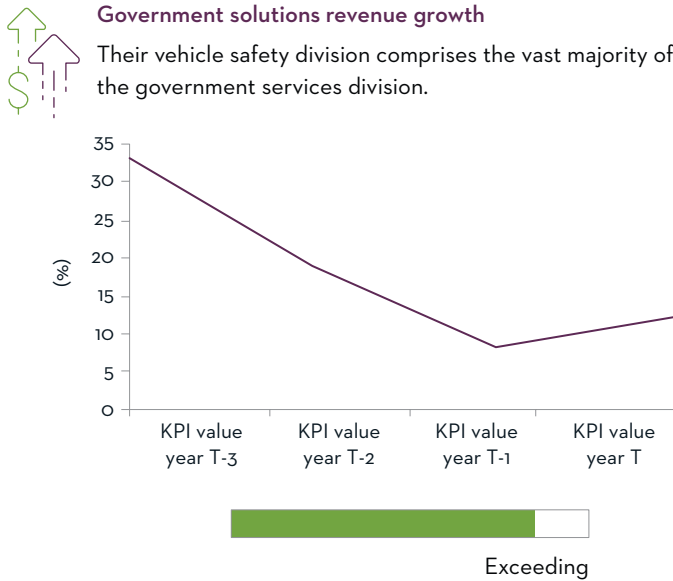
Why do we own this business?

Our interest in Verra stems from its suite of safety-enhancing technologies that can be deployed in different ways to substantially improve road safety outcomes for vulnerable locations and communities. They develop, permit, install and run safety-focused technology on roads across the US and internationally. These include speed enforcement, red light cameras, school bus arms and bus lane enforcement.

Where deployed, these types of systems have shown a significant decrease in accident frequency and severity. For example, at automated speed safety enforcement sites, the National Highway Traffic Safety Administration (NHTSA) estimates fatal injury crashes can be reduced by as much as 70%, significantly contributing to SDG3.6 which aims to reduce road traffic accidents by half.



Impact KPIs:



Verra continues to be a company where measurement remains by proxy rather than using an absolute measure. We remain confident that they are significantly expanding their impact as evidenced by strong growth in their government solutions revenue of 11.8% during 2023. As a reminder this division which is roughly half of Verra’s revenue deploys road safety technology such as speed cameras and red light cameras.

Source: Martin Currie and company published data, as at 30 September 2024, and NHTSA, Company Disclosure.

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Looking to the Future

John, Eoghan, and I hope that you have found the 2024 Impact Report for the Improving Society strategy useful and informative in terms of understanding the amount of social impact generated by portfolio companies in this, the strategy's first full year of reporting. This first year of reporting against the Impact KPIs is the next step in a much longer journey to deliver impact and investment return through our holdings and we look forward to continuing to share our progress with you, our investors, in future Impact Reports. We also look forward to continuing to share with you the results of ongoing engagement work with our portfolio companies as we continue to strive for both the acceleration of impact and an improvement in corporate behaviour. The Impact Equities team would once again like to thank our investors for their ongoing interest in the Improving Society strategy. Your ongoing support allows us to continue to invest for real, positive social change - an aim I believe we all can truly support. I look forward to updating you again on our progress in 2025 and until then I wish everyone the very best.

With kind regards,

Lauran Halpin

Head of Impact Equities

“ The Impact Equities team would once again like to thank our investors for their ongoing interest in the Improving Society strategy. ”



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- Investing in foreign markets introduces a risk where adverse movements in currency exchange rates could result in a decrease in the value of your investment.
- This strategy may hold a limited number of investments. If one of these investments falls in value this can have a greater impact on the strategy's value than if it held a larger number of investments.
- Smaller companies may be riskier and their shares may be less liquid than larger companies, meaning that their share price may be more volatile.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. Accordingly, investment in emerging markets is generally characterised by higher levels of risk than investment in fully developed markets.
- The strategy may invest in derivatives, Index futures and FX forwards to obtain, increase or reduce exposure to underlying assets. The use of derivatives may result in greater fluctuations of returns due to the value of the derivative not moving in line with the underlying asset. Certain types of derivatives can be difficult to purchase or sell in certain market conditions.
- The integration of sustainability risks in the investment decision process may have the effect of excluding profitable investments from the investment universe of the strategy and may also cause the strategy to sell investments that will continue to perform well.

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