



## PRIVATE TRANSPARENCY REPORT

2025

**Grantham, Mayo, Van Otterloo & Co. LLC**

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# About this report

PRI reporting is the largest global reporting project on responsible investment. It was developed with investors, for investors.

PRI signatories are required to report publicly on their responsible investment activities each year. In turn, they receive a number of outputs, including a public and private Transparency Report.

The private Transparency Reports, which are produced using signatories' reported information, support signatories to have internal discussions about their practices. Signatories can also choose to make these available to clients, beneficiaries, and other stakeholders.

This private Transparency Report is an export of your responses to the PRI Reporting Framework during the 2025 reporting period. It includes all responses (public and private) to core and plus indicators.

In response to signatory feedback, the PRI has not summarised your responses – the information in this document is presented exactly as it was reported.

For each of the indicators in this document, all options that you selected are presented, including links and qualitative responses. In some indicators, all applicable options are included for additional context.

## Disclaimers

### Legal Context

PRI recognises that the laws and regulations to which signatories are subject differ by jurisdiction. We do not seek or require any signatory to take an action that is not in compliance with applicable laws. All signatory responses should therefore be understood to be subject to and informed by the legal and regulatory context in which the signatory operates.

### Responsible investment definitions

Within the PRI Reporting Framework Glossary, we provide definitions for key terms to guide reporting on responsible investment practices in the Reporting Framework. These definitions may differ from those used or proposed by other authorities and regulatory bodies due to evolving industry perspectives and changing legislative landscapes. Users of this report should be aware of these variations, as they may impact interpretations of the information provided.

### Data accuracy

This document presents information reported directly by signatories in the 2025 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

The PRI has taken reasonable action to ensure that data submitted by signatories in the reporting tool is reflected in their official PRI reports accurately. However, it is possible that small data inaccuracies and/or gaps remain, and the PRI shall not be responsible or liable for such inaccuracies and gaps.

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# SENIOR LEADERSHIP STATEMENT (SLS)

## SENIOR LEADERSHIP STATEMENT

### SENIOR LEADERSHIP STATEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1	CORE	N/A	N/A	PUBLIC	Senior Leadership Statement	GENERAL

#### Section 1. Our commitment

- Why does your organisation engage in responsible investment?
- What is your organisation's overall approach to responsible investment, and what major responsible investment commitment(s) have you made?

GMO believes strongly in stewardship. Since our founding more than 45 years ago, effectively stewarding our clients' investments has remained our top priority. We are an investment-led firm that is focused on providing superior outcomes to our clients to benefit the millions of people they represent, and we believe responsible investment is an important element of our efforts to achieve these results. There are three main pillars to how we approach responsible investing.

1. Integrate ESG factors in our investment processes where we see benefit to doing so: Each of our individual investment teams is responsible for identifying and managing how ESG factors can be included in its asset class- and market-specific analysis. The ways in which any team integrates ESG issues will inherently vary, and as such we take a differentiated approach to ESG integration that is tailored to each team's asset class, strategy, and process. We believe that material ESG factors can have a meaningful impact on the long-term success of the companies and countries in which we invest, and so when we integrate ESG considerations in our investment processes, we are seeking to improve our long-term client returns. We look to identify material ESG factors faced by companies and assess how they are managing the opportunities and risks stemming from them. We want to ensure that the companies and issuers are working to address ESG issues effectively, thereby enhancing their long-term profitability.

2. Influence companies to adopt sound ESG practices and partner with industry, policymakers, and regulators to foster a better environment for our investments: Effective investment stewardship to us means how GMO responsibly engages with the companies we invest in and manages the activities we undertake to create long-term value and deliver risk-adjusted returns for our clients. An essential component of this aspect of responsible investment is promoting high standards of corporate governance and effective ESG management through our engagement and voting actions. GMO also believes in the power of meaningful dialogue about responsible investment issues between asset owners, investment managers, and companies. We have added our voice as a member, supporter, and/or signatory to many groups that share our views regarding the importance of ESG factors. To magnify the impact of our engagement efforts, we participate in collective action through initiatives that bring together like-minded asset owners and asset managers.

3. Invest in opportunities for long-term growth through an ESG lens: Global warming has accelerated beyond 1.5 degrees and the world continues to face unprecedented climate challenges. Despite progress in renewable energy adoption, fossil fuels still dominate energy production and greenhouse gas emissions have not decreased at the necessary pace. Investment in the solutions and technologies that enable us to reduce reliance on emissions-intensive activities remains critical. GMO has created investment solutions that seek to invest in companies that are meeting the needs of an energy-transitioning world, as we believe these companies will experience significant and durable growth for years to come.

We believe in the science of climate change, and we aim to mitigate the impact of systemic climate risk across the majority of our portfolios by supporting global efforts to decarbonize. For this reason, GMO has committed to reducing net emissions by 65% for our Net Zero Portfolio (described below) by 2030, and to net zero by 2050 or sooner, in line with global efforts to limit global warming to 1.5 degrees Celsius. Affirming our commitment, in October 2021 GMO became a signatory of the Net Zero Asset Managers initiative (NZAM). In November 2022, we released our net zero targets and transition plan, which included:

- Reducing the carbon footprint of our Net Zero Portfolio (which excludes certain asset classes, strategies, and separate accounts unless directed by the client to be included) by 65% by 2030, compared to levels in GMO's baseline year of 2019, and
- Increasing the percentage of GMO assets covered in our Net Zero Portfolio from 53.5% to 60% by 2025.

Over the years, the ways GMO has progressed toward this objective have evolved and gathered pace, and we believe it is critical that they continue to evolve into the future to meet the shifting challenges of the time.

## Section 2. Annual overview

- Discuss your organisation's progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.
- Reflect on your performance with respect to your organisation's responsible investment objectives and targets during the reporting year. Details might include, for example, outlining your single most important achievement or describing your general progress on topics such as the following (where applicable):
  - refinement of ESG analysis and incorporation
  - stewardship activities with investees and/or with policymakers
  - collaborative engagements
  - attainment of responsible investment certifications and/or awards

During the reporting period, some of GMO's most notable examples of sustainability-related progress are highlighted below:

- Incorporate GMO Indirect Emissions model in our investment teams' standard ESG toolkit: We have been educating investment teams on the Indirect Emissions model and are starting to incorporate it in our corporate engagements. Indirect emissions have been added to internal ESG dashboards and new client ESG reporting. We have launched pilot Indirect Emissions Reporting to provide select clients with insights on their total emissions exposures.
- Redesign and improve ESG collateral for client communications We published our first client ESG reports in Q1 2025. Previously, we have not had regular ESG reporting and our optional ESG reporting has been dated. It is important that we evolve to continually meet and anticipate client needs. These new reports will be posted to our client portal along with other regular reporting.
- Research UN SDGs and determine if appropriate to consider in the context of managing any GMO strategies Understanding SDGs is an important step toward developing holistic sustainability strategies. We have narrowed down our research efforts to evaluate natural capital and biodiversity impacts, which touches on several development goals. Research will commence in 2025.
- Hire a dedicated Corporate Engagement Lead to manage GMO's engagement program We are pleased to share that GMO hired Miekela Singh as our first Director of Investment Stewardship.
- Implement annual review process to evaluate our involvement in collaborative initiatives We joined the Climate Change Engagement Canada

2024 recorded the highest average global temperature, leading to widespread wildfires, floods, and other natural disasters. These events have caused significant economic losses and displacement, emphasizing the need for urgent action. However, the political environment is significantly impacting climate action. The new U.S. administration's rollback of environmental policies has led to declining support for climate initiatives and investments. As the political environment around ESG and climate change developed through 2024, GMO undertook regular reviews to underwrite our continued support for Climate Action 100+ and the NZAM. GMO remains committed to reducing net emissions by 65% for our net-zero portfolio by 2030, and to zero by 2050 or sooner, in line with global efforts to limit global warming, and increasing the percentage of GMO assets coverage to 60% by 2025.

As of December 2024, we had achieved a 70% reduction of our Net Zero Portfolio carbon footprint, and 49% of GMO's assets were included in our Net Zero Portfolio. The reduction has been driven by inflows into strategies with lower emissions intensities, and outflows from higher emissions strategies. Other impacts include lower exposure to Russian materials and energy companies and carbon reduction strategies in some of our equity strategies. In addition, 59% of GMO portfolio emissions were covered by an SBTi, and \$1.5 billion of GMO's assets under management were invested in our Climate Change Strategy and Horizons Strategy. Our efforts to meet our net-zero goals include engaging with companies to set credible transition plans, increasing investments in companies contributing to the clean energy transition, increasing the proportion of emissions covered by a science-based target aligned with the standards of the Science-Based Target initiative (SBTi), and broadening the scope of our net-zero strategy to include Scope 3 emissions and government bonds.

## Section 3. Next steps

- What specific steps has your organisation outlined to advance your commitment to responsible investment in the next two years?

GMO has set the following ESG-related goals for 2025:

- Develop a nature and biodiversity integration framework and review key performance indicators to effectively capture biodiversity-related investment risks
- Publish GMO' Corporate Governance Principles
- Launch an issuer engagement theme using insights from GMO' Indirect Emissions Model
- Build attribution reporting to highlight the primary drivers of GMO' ESG score results
- Incorporate sovereign emissions into our net zero framework and client reporting

#### Section 4. Endorsement

'The Senior Leadership Statement has been prepared and/or reviewed by the undersigned and reflects our organisation-wide commitment and approach to responsible investment'.

Name

Scott Hayward

Position

Chief Executive Officer

Organisation's Name

Grantham, Mayo, Van Otterloo & Co. LLC

A

'This endorsement applies only to the Senior Leadership Statement and should not be considered an endorsement of the information reported by the above-mentioned organisation in the various modules of the Reporting Framework. The Senior Leadership Statement serves as a general overview of the above-mentioned organisation's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such. Further, it is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions'.

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# OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS (ORO)

## OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

### OTHER RESPONSIBLE INVESTMENT REPORTING OBLIGATIONS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 1	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

During the reporting year, to which international or regional ESG-related legislation(s) and/or regulation(s) did your organisation report?

- (A) Corporate Sustainability Reporting Directive (CSRD) [European Union]
- (B) Directive on AIFM (2011/61/EU) [European Union]
- (C) Enhancing climate-related disclosures by asset managers, life insurers and FCA-regulated pension providers (PS21/24) [United Kingdom]
- (D) EU Taxonomy Regulation [European Union]
- (E) Improving shareholder engagement and increasing transparency around stewardship (PS19/13) [United Kingdom]
- (F) IORP II (Directive 2016/2341) [European Union]
- (G) Law on Energy and Climate (Article 29) [France]
- (H) MiFID II (2017/565) [European Union]
- (I) Modern Slavery Act [United Kingdom]
- (J) PEPP Regulation (2019/1238) [European Union]
- (K) PRIIPS Regulation (2016/2340 and 2014/286) [European Union]
- (L) Regulation on the Integration of Sustainability Risks in the Governance of Insurance and Reinsurance Undertakings (2021/1256) [European Union]
- (M) SFDR Regulation (2019/2088) [European Union]
- (N) SRD II (Directive 2017/828) [European Union]
- (O) The Occupational Pension Schemes Regulation on Climate Change Governance and Reporting [United Kingdom]
- (P) Climate Risk Management (Guideline B-15) [Canada]
- (Q) Continuous Disclosure Obligations (National Instrument 51-102) [Canada]
- (R) Disposiciones de Carácter General Aplicables a los Fondos de Inversión y a las Personas que les Prestan Servicios (SIEFORE) [Mexico]
- (S) Instrucciones para la Integración de Dactores ASG en Los Mecanismos de Revelación de Información para FIC (External Circular 005, updated) [Colombia]
- (T) Provides for the creation, operation, and disclosure of information of investment funds, as well as the provision of services for the funds, and revokes the regulations that specifies (CVM Resolution No. 175) [Brazil]
- (U) SEC Expansion of the Names Rule [United States of America]
- (V) SEC Pay Ratio Disclosure Rule [United States of America]
- (W) ASIC RG65 Section 1013DA Disclosure Guidelines [Australia]
- (X) Circular to Licensed Corporations: Management and Disclosure of Climate-related Risks by Fund Managers [Hong Kong SAR]
- (Y) Financial Investment Services and Capital Markets Act (FSCMA) [Republic of Korea]
- (Z) Financial Instruments and Exchange Act (FIEA) [Japan]
- (AA) Financial Markets Conduct Act [New Zealand]
- (AB) Guiding Opinions on Regulating the Asset Management Business of Financial Institutions [China]
- (AC) Guidelines on Environmental Risk Management for Asset Managers [Singapore]
- (AD) Guidelines on Sustainable and Responsible Investment Funds [Malaysia]
- (AE) Modern Slavery Act (2018) [Australia]

- (AF) Stewardship Code for all Mutual Funds and All Categories of AIFs [India]
- (AG) ADGM Sustainable Finance Regulatory Framework [United Arab Emirates]
- (AH) JSE Limited Listings Requirements [South Africa]
- (AI) Other
- (AJ) Other
- (AK) Other
- (AL) Other
- (AM) Other
- (AN) Not applicable; our organisation did not report to any ESG-related legislation and/or regulation during the reporting year.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ORO 2	CORE	N/A	N/A	PUBLIC	Other Responsible Investment Reporting Obligations	6

**During the reporting year, to which voluntary responsible investment/ESG frameworks did your organisation report?**

- (A) Asset Owners Stewardship Code [Australia]
- (B) Código Brasileiro de Stewardship [Brazil]
- (C) New Zealand Stewardship Code
- (D) Principles for Responsible Institutional Investors (Stewardship Code) [Japan]
- (E) Stewardship Code [United Kingdom]
- (F) Stewardship Framework for Institutional Investors [United States of America]
- (G) CFA Institute ESG Disclosure Standards for Investment Products [Global]
- (H) Guidelines on Funds' Names using ESG or Sustainability-related Terms [European Union]
- (I) Luxflag ESG Label [Luxembourg]
- (J) RIAA Responsible Investment Certification Program [Australia]
- (K) SRI Label [France]
- (L) ANBIMA Code of Regulation and Best Practices of Investment Funds [Brazil]
- (M) Code for Institutional Investors 2022 [Malaysia]
- (N) Code for Responsible Investing in South Africa (CRISA 2) [South Africa]
- (O) Corporate Governance Guidelines [Canada]
- (P) Defined Contribution Code of Practice [United Kingdom]
- (Q) European Association for Investors in Non-Listed Real Estate Vehicles (INREV) Guidelines [Global]
- (R) Global ESG Benchmark for Real Assets (GRESB) [Global]
- (S) Global Impact Investing Network (GIIN) Impact Reporting and Investment Standards (IRIS+) [Global]
- (T) OECD Guidelines for MNEs - Responsible Business Conduct for Institutional Investors [Global]
- (U) UN Guiding Principles (UNGPs) on Business and Human Rights [Global]
- (V) Net Zero Asset Managers (NZAM) Initiative [Global]
- (W) Net-Zero Asset Owner Alliance (NZAOA) [Global]
- (X) Recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD) [Global]
- (Y) The Net Zero Investment Framework (NZIF) 2.0 [Global]
- (Z) Recommendations of the Taskforce for Nature-related Financial Disclosure (TNFD) [Global]
- (AA) Global Reporting Initiative (GRI) Standards [Global]
- (AB) IFC Performance Standard [Global]
- (AC) International Sustainability Standards Board (ISSB) Standards [Global]
- (AD) Sustainability Accounting Standards Board (SASB) Standards [Global]
- (AE) Other
- (AF) Other
- (AG) Other
- (AH) Other
- (AI) Other
- (AJ) Not applicable; our organisation did not report to any voluntary responsible investment/ESG frameworks during the reporting year.

# ORGANISATIONAL OVERVIEW (OO)

## ORGANISATIONAL INFORMATION

### REPORTING YEAR

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

What is the year-end date of the 12-month period you have chosen to report for PRI reporting purposes?

	Date	Month	Year
Year-end date of the 12-month period for PRI reporting purposes:	31	12	2024

## SUBSIDIARY INFORMATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2	CORE	N/A	OO 2.1	PUBLIC	Subsidiary information	GENERAL

Does your organisation have subsidiaries?

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 2.1	CORE	OO 2	OO 2.2	PUBLIC	Subsidiary information	GENERAL

Are any of your organisation's subsidiaries PRI signatories in their own right?

- (A) Yes
- (B) No

# ASSETS UNDER MANAGEMENT

## ALL ASSET CLASSES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 3	N/A	PUBLIC	All asset classes	GENERAL

What are your total assets under management (AUM) at the end of the reporting year, as indicated in [OO 1]?

USD

(A) AUM of your organisation, including subsidiaries not part of row (B), and excluding the AUM subject to execution, advisory, custody, or research advisory only

US\$ 67,475,983,146.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission, as indicated in [OO 2.2]

US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only

US\$ 1,169,436,636.00

## ASSET BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5	CORE	OO 3	Multiple indicators	PRIVATE	Asset breakdown	GENERAL

Provide a percentage breakdown of your total AUM at the end of the reporting year as indicated in [OO 1].

	(1) Percentage of Internally managed AUM	(2) Percentage of Externally managed AUM
(A) Listed equity	73.56%	0%
(B) Fixed income	13.97%	0%
(C) Private equity	0%	0%
(D) Real estate	0%	0%
(E) Infrastructure	0%	0%
(F) Hedge funds	9.54%	0%
(G) Forestry	0%	0%
(H) Farmland	0%	0%
(I) Other	2.93%	0%
(J) Off-balance sheet	0%	0%

### (I) Other - (1) Percentage of Internally managed AUM - Specify:

Derivatives, Cash and cash equivalents, non-US currency holdings.

## ASSET BREAKDOWN: INTERNALLY MANAGED LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 LE	CORE	OO 5	Multiple	PRIVATE	Asset breakdown: Internally managed listed equity	GENERAL

Provide a further breakdown of your internally managed listed equity AUM.

- (A) Passive equity 0%
- (B) Active – quantitative 11.47%
- (C) Active – fundamental 69.85%
- (D) Other strategies 18.68%

**(D) Other strategies - Specify:**

Under Asset Allocation business

## ASSET BREAKDOWN: INTERNALLY MANAGED FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 FI	CORE	OO 5	Multiple	PRIVATE	Asset breakdown: Internally managed fixed income	GENERAL

Provide a further breakdown of your internally managed fixed income AUM.

- (A) Passive – SSA 0%
- (B) Passive – corporate 0%
- (C) Active – SSA 81.79%
- (D) Active – corporate 3.6%
- (E) Securitised 14.61%
- (F) Private debt 0%

## ASSET BREAKDOWN: INTERNALLY MANAGED HEDGE FUND

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.3 HF	CORE	OO 5	OO 11	PRIVATE	Asset breakdown: Internally managed hedge fund	GENERAL

Provide a further breakdown of your internally managed hedge fund assets.

(A) Multi-strategy	0%
(B) Long/short equity	39.45%
(C) Long/short credit	31.58%
(D) Distressed, special situations and event-driven fundamental	1.31%
(E) Structured credit	0%
(F) Global macro	25.94%
(G) Commodity trading advisor	0%
(H) Other strategies	1.72%

**(H) Other strategies - Specify:**

Equity (Long Bias), Macro (Commodity), Global Balanced.

## GEOGRAPHICAL BREAKDOWN

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

**How much of your AUM in each asset class is invested in emerging markets and developing economies?**

### AUM in Emerging Markets and Developing Economies

(A) Listed equity	(2) >0 to 10%
(B) Fixed income – SSA	(5) >30 to 40%
(C) Fixed income – corporate	(4) >20 to 30%
(D) Fixed income – securitised	(1) 0%
(I) Hedge funds	(4) >20 to 30%

## STEWARDSHIP

### STEWARDSHIP

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship	GENERAL

**Does your organisation conduct stewardship activities, excluding (proxy) voting, for any of your assets?**

	(1) Listed equity - active	(3) Fixed income - active	(8) Hedge funds	(11) Other
(A) Yes, through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct stewardship	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5	OO 9	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**Does your organisation have direct investments in listed equity across your hedge fund strategies?**

- (A) Yes
- (B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**Does your organisation conduct (proxy) voting activities for any of your listed equity holdings?**

**(1) Listed equity - active**

**(3) Hedge funds**

(A) Yes, through internal staff	<input type="checkbox"/>	<input type="checkbox"/>
(B) Yes, through service providers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Yes, through external managers	<input type="checkbox"/>	<input type="checkbox"/>
(D) We do not conduct (proxy) voting	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9.1	CORE	OO 9	PGS 10.1, PGS 31	PUBLIC	Stewardship: (Proxy) voting	GENERAL

**For each asset class, on what percentage of your listed equity holdings do you have the discretion to vote?**

**Percentage of your listed equity holdings over which you have the discretion to vote**

(A) Listed equity – active	(10) >80 to 90%
(C) Hedge funds	(12) 100%

# ESG INCORPORATION

## INTERNALLY MANAGED ASSETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple indicators	PUBLIC	Internally managed assets	1
<b>For each internally managed asset class, does your organisation incorporate ESG factors, to some extent, into your investment decisions?</b>						
<b>(1) Yes, we incorporate ESG factors into our investment decisions</b>				<b>(2) No, we do not incorporate ESG factors into our investment decisions</b>		
(B) Listed equity - active - quantitative		<input checked="" type="radio"/>			<input type="radio"/>	
(C) Listed equity - active - fundamental		<input checked="" type="radio"/>			<input type="radio"/>	
(D) Listed equity - other strategies		<input checked="" type="radio"/>			<input type="radio"/>	
(E) Fixed income - SSA		<input checked="" type="radio"/>			<input type="radio"/>	
(F) Fixed income - corporate		<input checked="" type="radio"/>			<input type="radio"/>	
(G) Fixed income - securitised		<input checked="" type="radio"/>			<input type="radio"/>	
(M) Hedge funds - Long/short equity		<input checked="" type="radio"/>			<input type="radio"/>	
(N) Hedge funds - Long/short credit		<input type="radio"/>			<input checked="" type="radio"/>	
(O) Hedge funds - Distressed, special situations and event-driven fundamental		<input type="radio"/>			<input checked="" type="radio"/>	
(Q) Hedge funds - Global macro		<input type="radio"/>			<input checked="" type="radio"/>	
(S) Hedge funds - Other strategies		<input type="radio"/>			<input checked="" type="radio"/>	
(V) Other: Derivatives, Cash and cash equivalents, non-US currency holdings.		<input type="radio"/>			<input checked="" type="radio"/>	

## ESG NOT INCORPORATED

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	OO 11, OO 12–14	N/A	PUBLIC	ESG not incorporated	1

**Describe why your organisation does not currently incorporate ESG factors into your investment decisions and/or in the selection, appointment and/or monitoring of external investment managers.**

Internally managed  
(L) Hedge funds

Our Systematic Global Macro strategy invests in financial futures and swaps, which are not tied to an individual commodity or company, but rather represent a long or short exposure to the market overall as defined by relevant market indices. Similarly, in the case of bonds and currencies, the derivative positions taken by the strategy provide exposure to the movement of those bonds and currencies rather than any direct interest in them.

(O) Other

For Derivatives, Cash and cash equivalents, non-US currency holdings - ESG integration is N/A.

## ESG STRATEGIES

### LISTED EQUITY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 LE	CORE	OO 11	OO 17.1 LE, LE 12	PRIVATE	Listed equity	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active listed equity?**

**Percentage out of total internally managed active listed equity**

(A) Screening alone	0%
(B) Thematic alone	0%
(C) Integration alone	96.47%
(D) Screening and integration	1.19%
(E) Thematic and integration	0%
(F) Screening and thematic	0%

(G) All three approaches combined 2.34%

(H) None 0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17.1 LE	CORE	OO 17 LE	LE 9	PRIVATE	Listed equity	1

**What type of screening does your organisation use for your internally managed active listed equity assets where a screening approach is applied?**

**Percentage coverage out of your total listed equity assets where a screening approach is applied**

(A) Positive/best-in-class screening only 0%

(B) Negative screening only 100%

(C) A combination of screening approaches 0%

## FIXED INCOME

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17 FI	CORE	OO 5.3 FI, OO 11	Multiple, see guidance	PRIVATE	Fixed income	1

**Which ESG incorporation approach and/or combination of approaches does your organisation apply to your internally managed active fixed income?**

**(1) Fixed income - SSA      (2) Fixed income - corporate      (3) Fixed income - securitised**

(A) Screening alone 0% 0% 0%

(B) Thematic alone 0% 0% 0%

(C) Integration alone 100% 100% 100%

(D) Screening and integration 0% 0% 0%

(E) Thematic and integration	0%	0%	0%
(F) Screening and thematic	0%	0%	0%
(G) All three approaches combined	0%	0%	0%
(H) None	0%	0%	0%

## ESG/SUSTAINABILITY FUNDS AND PRODUCTS

### LABELLING AND MARKETING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	OO 11–14	OO 18.1	PRIVATE	Labelling and marketing	1

**Do you explicitly market any of your products and/or funds as ESG and/or sustainable?**

(A) Yes, we market products and/or funds as ESG and/or sustainable

Provide the percentage of total AUM that your ESG and/or sustainability-marketed products or funds represent:

1.67%

(B) No, we do not offer products or funds explicitly marketed as ESG and/or sustainable

(C) Not applicable; we do not offer products or funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18.1	CORE	OO 18	OO 18.2	PUBLIC	Labelling and marketing	1

**Do any of your ESG and/or sustainability-marketed products and/or funds hold formal ESG and/or RI certification(s) or label(s) awarded by a third party?**

(A) Yes, our ESG and/or sustainability-marketed products and/or funds hold formal labels or certifications

(B) No, our ESG and/or sustainability-marketed products and/or funds do not hold formal labels or certifications

# SUMMARY OF REPORTING REQUIREMENTS

## SUMMARY OF REPORTING REQUIREMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 21	CORE	Multiple indicators	Multiple indicators	PUBLIC	Summary of reporting requirements	GENERAL

The following table shows which modules are mandatory or voluntary to report on in the separate PRI asset class modules. Where a module is voluntary, indicate if you wish to report on it.

Applicable modules	(1) Mandatory to report (pre-filled based on previous responses)	(2.1) Voluntary to report. Yes, I want to opt-in to reporting on the module	(2.2) Voluntary to report. No, I want to opt-out of reporting on the module
Policy, Governance and Strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence Building Measures	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) Listed equity – other strategies	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(E) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) Fixed income – corporate	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
(M) Hedge funds – Long/short equity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

## SUBMISSION INFORMATION

### REPORT DISCLOSURE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 32	CORE	OO 3, OO 31	N/A	PUBLIC	Report disclosure	GENERAL

**How would you like to disclose the detailed percentage figures you reported throughout the Reporting Framework?**

- (A) Publish as absolute numbers
- (B) Publish as ranges

# POLICY, GOVERNANCE AND STRATEGY (PGS)

## POLICY

### RESPONSIBLE INVESTMENT POLICY ELEMENTS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 1	CORE	OO 8, OO 9	Multiple indicators	PUBLIC	Responsible investment policy elements	1, 2

Which elements are covered in your formal responsible investment policy(ies)?

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Guidelines on sustainability outcomes
- (F) Guidelines tailored to the specific asset class(es) we hold
- (G) Guidelines on exclusions
- (H) Guidelines on managing conflicts of interest related to responsible investment
- (I) Stewardship: Guidelines on engagement with investees
- (J) Stewardship: Guidelines on overall political engagement
- (K) Stewardship: Guidelines on engagement with other key stakeholders
- (L) Stewardship: Guidelines on (proxy) voting
- (M) Other responsible investment elements not listed here
- (N) Our organisation does not have a formal responsible investment policy and/or our policy(ies) do not cover any responsible investment elements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 2	CORE	PGS 1	Multiple, see guidance	PUBLIC	Responsible investment policy elements	1

Does your formal responsible investment policy(ies) include specific guidelines on systematic sustainability issues?

- (A) Specific guidelines on climate change (may be part of guidelines on environmental factors)
- (B) Specific guidelines on human rights (may be part of guidelines on social factors)
- (C) Specific guidelines on other systematic sustainability issues
- (D) Our formal responsible investment policy(ies) does not include guidelines on systematic sustainability issues

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 3	CORE	PGS 1, PGS 2	N/A	PUBLIC	Responsible investment policy elements	6

**Which elements of your formal responsible investment policy(ies) are publicly available?**

**(A) Overall approach to responsible investment**

Add link:

<https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-responsible-investment-policy.pdf>

**(B) Guidelines on environmental factors**

Add link:

<https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-responsible-investment-policy.pdf>

**(D) Guidelines on governance factors**

Add link:

<https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-responsible-investment-policy.pdf>

**(F) Specific guidelines on climate change (may be part of guidelines on environmental factors)**

Add link:

<https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-responsible-investment-policy.pdf>

**(I) Guidelines tailored to the specific asset class(es) we hold**

Add link:

<https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-responsible-investment-policy.pdf>

**(K) Guidelines on managing conflicts of interest related to responsible investment**

Add link:

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/proxy-voting\\_gmollc.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/proxy-voting_gmollc.pdf)

**(L) Stewardship: Guidelines on engagement with investees**

Add link:

<https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-engagement-policy.pdf>

**(N) Stewardship: Guidelines on engagement with other key stakeholders**

Add link:

<https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo-engagement-policy.pdf>

**(O) Stewardship: Guidelines on (proxy) voting**

Add link:

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/proxy-voting\\_gmollc.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/proxy-voting_gmollc.pdf)

- (Q) No elements of our formal responsible investment policy(ies) are publicly available

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 4	PLUS	PGS 1	N/A	PUBLIC	Responsible investment policy elements	1 – 6

**Does your formal responsible investment policy(ies) identify a link between your responsible investment activities and your fiduciary duties or equivalent obligations?**

(A) Yes

Elaborate:

Stewardship has been ingrained at GMO since our founding in 1977. Our purpose is to deliver investment outcomes and advice that help our clients meet their financial goals and fulfill their objectives, in service of millions of people who are beneficiaries of these organizations. We believe ESG factors can have a meaningful impact on the long-term success of the companies and countries in which we invest, and so by integrating ESG considerations and activity into our investment processes, where possible, we seek to improve our clients' long-term, risk-adjusted returns. GMO views proxy voting as an integral aspect of security ownership, and the function is conducted with the same degree of prudence and loyalty accorded any fiduciary or other obligation of an investment manager.

(B) No

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 5	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Which elements are covered in your organisation's policy(ies) or guidelines on stewardship?**

- (A) Overall stewardship objectives
- (B) Prioritisation of specific ESG factors to be advanced via stewardship activities
- (C) Criteria used by our organisation to prioritise the investees, policy makers, key stakeholders, or other entities on which to focus our stewardship efforts
- (D) How different stewardship tools and activities are used across the organisation
- (E) Approach to escalation in stewardship
- (F) Approach to collaboration in stewardship
- (G) Conflicts of interest related to stewardship
- (H) How stewardship efforts and results are communicated across the organisation to feed into investment decision-making and vice versa
- (I) Other
- (J) None of the above elements is captured in our policy(ies) or guidelines on stewardship

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 6	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy elements	2

**Does your policy on (proxy) voting include voting principles and/or guidelines on specific ESG factors?**

- (A) Yes, it includes voting principles and/or guidelines on specific environmental factors
- (B) Yes, it includes voting principles and/or guidelines on specific social factors
- (C) Yes, it includes voting principles and/or guidelines on specific governance factors

- (D) Our policy on (proxy) voting does not include voting principles or guidelines on specific ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 7	CORE	OO 9	N/A	PUBLIC	Responsible investment policy elements	2

**Does your organisation have a policy that states how (proxy) voting is addressed in your securities lending programme?**

- (A) We have a publicly available policy to address (proxy) voting in our securities lending programme

Add link(s):

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/proxy-voting\\_gmollc.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/proxy-voting_gmollc.pdf)

- (B) We have a policy to address (proxy) voting in our securities lending programme, but it is not publicly available
- (C) We rely on the policy of our external service provider(s)
- (D) We do not have a policy to address (proxy) voting in our securities lending programme
- (E) Not applicable; we do not have a securities lending programme

## RESPONSIBLE INVESTMENT POLICY COVERAGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 8	CORE	PGS 1	N/A	PUBLIC	Responsible investment policy coverage	1

**What percentage of your total AUM is covered by the below elements of your responsible investment policy(ies)?**

### Combined AUM coverage of all policy elements

(A) Overall approach to responsible investment  
 (B) Guidelines on environmental factors  
 (D) Guidelines on governance factors

(7) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 9	CORE	PGS 2	N/A	PUBLIC	Responsible investment policy coverage	1

**What proportion of your AUM is covered by your formal policies or guidelines on climate change, human rights, or other systematic sustainability issues?**

**AUM coverage**

(A) Specific guidelines on climate change (2) for a majority of our AUM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10	CORE	OO 8, OO 9, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**Per asset class, what percentage of your AUM is covered by your policy(ies) or guidelines on stewardship with investees?**

**(A) Listed equity**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

**(B) Fixed income**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

**(F) Hedge funds**

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%

- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(I) Other

(1) Percentage of AUM covered

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 10.1	CORE	OO 9.1, PGS 1	N/A	PUBLIC	Responsible investment policy coverage	2

**What percentage of your listed equity holdings is covered by your guidelines on (proxy) voting?**

(A) Actively managed listed equity

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

(2) If your AUM coverage is below 100%, explain why: (Voluntary)

(C) Direct listed equity holdings in hedge fund portfolios

(1) Percentage of your listed equity holdings over which you have the discretion to vote

- (1) >0% to 10%
- (2) >10% to 20%
- (3) >20% to 30%
- (4) >30% to 40%
- (5) >40% to 50%
- (6) >50% to 60%
- (7) >60% to 70%
- (8) >70% to 80%
- (9) >80% to 90%
- (10) >90% to <100%
- (11) 100%

# GOVERNANCE

## ROLES AND RESPONSIBILITIES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11	CORE	N/A	Multiple indicators	PUBLIC	Roles and responsibilities	1

**Which senior level body(ies) or role(s) in your organisation have formal oversight over and accountability for responsible investment?**

- (A) Board members, trustees, or equivalent**
- (B) Senior executive-level staff, or equivalent**

Specify:

Board, CEO and Chief Legal Counsel

- (C) Investment committee, or equivalent**

Specify:

ESG Oversight Committee supported by three ESG sub-committees: Investment, Stewardship, Stakeholder Strategy and Communication

- (D) Head of department, or equivalent**

Specify department:

Head of ESG and Sustainability

- (E) None of the above bodies and roles have oversight over and accountability for responsible investment**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.1	CORE	PGS 1, PGS 2, PGS 11	N/A	PUBLIC	Roles and responsibilities	1, 2

**Does your organisation's senior level body(ies) or role(s) have formal oversight over and accountability for the elements covered in your responsible investment policy(ies)?**

**(1) Board members, trustees, or equivalent**

**(2) Senior executive-level staff, investment committee, head of department, or equivalent**

(A) Overall approach to responsible investment



(B) Guidelines on environmental, social and/or governance factors



(D) Specific guidelines on climate change (may be part of guidelines on environmental factors)

(G) Guidelines tailored to the specific asset class(es) we hold	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(I) Guidelines on managing conflicts of interest related to responsible investment	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(J) Stewardship: Guidelines on engagement with investees	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(L) Stewardship: Guidelines on engagement with other key stakeholders	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(M) Stewardship: Guidelines on (proxy) voting	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(N) This role has no formal oversight over and accountability for any of the above elements covered in our responsible investment policy(ies)	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 11.2	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1 – 6

**Does your organisation have governance processes or structures to ensure that your overall political engagement is aligned with your commitment to the principles of PRI, including any political engagement conducted by third parties on your behalf?**

(A) Yes

(B) No

Explain why:

While we do not have a formal policy, we have processes for considering memberships/support of industry groups/trade association and those process consider whether those organizations align with our views on ESG as an investment risk.

(C) Not applicable, our organisation does not conduct any form of political engagement directly or through any third parties

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 12	CORE	N/A	N/A	PUBLIC	Roles and responsibilities	1

**In your organisation, which internal or external roles are responsible for implementing your approach to responsible investment?**

(A) Internal role(s)

Specify:

ESG Oversight Committee, Stewardship and Investment sub-committee, portfolio managers, ESG team and proxy voting team

**(B) External investment managers, service providers, or other external partners or suppliers**

Specify:

Proxy voting service provider

(C) We do not have any internal or external roles with responsibility for implementing responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 13	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your board members, trustees, or equivalent?**

(A) Yes, we use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent  
 **(B) No, we do not use responsible investment KPIs to evaluate the performance of our board members, trustees, or equivalent**

Explain why: (Voluntary)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 14	CORE	PGS 11	N/A	PUBLIC	Roles and responsibilities	1

**Does your organisation use responsible investment KPIs to evaluate the performance of your senior executive-level staff (or equivalent), and are these KPIs linked to compensation?**

**(A) Yes, we use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)**

Indicate whether these responsible investment KPIs are linked to compensation

(1) KPIs are linked to compensation  
 (2) KPIs are not linked to compensation as these roles do not have variable compensation  
 **(3) KPIs are not linked to compensation even though these roles have variable compensation**

Describe: (Voluntary)

ESG considerations are included in the evaluation of our dedicated ESG teams' successes and can have a direct impact on their compensation. For employees who are not on dedicated ESG functions, these metrics do not factor explicitly into compensation decisions.

(B) No, we do not use responsible investment KPIs to evaluate the performance of our senior executive-level staff (or equivalent)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 15	PLUS	PGS 11	N/A	PUBLIC	Roles and responsibilities	1
<b>What responsible investment competencies do you regularly include in the training of senior-level body(ies) or role(s) in your organisation?</b>						
<b>(1) Board members, trustees or equivalent</b>				<b>(2) Senior executive-level staff, investment committee, head of department or equivalent</b>		
(A) Specific competence in climate change mitigation and adaptation		<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>	
(B) Specific competence in investors' responsibility to respect human rights		<input type="checkbox"/>			<input type="checkbox"/>	
(C) Specific competence in other systematic sustainability issues		<input type="checkbox"/>			<input type="checkbox"/>	
(D) The regular training of this senior leadership role does not include any of the above responsible investment competencies		<input type="radio"/>			<input type="radio"/>	

## EXTERNAL REPORTING AND DISCLOSURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 16	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6
<b>What elements are included in your regular reporting to clients and/or beneficiaries for the majority of your AUM?</b>						
<input checked="" type="checkbox"/> <b>(A) Any changes in policies related to responsible investment</b> <input checked="" type="checkbox"/> <b>(B) Any changes in governance or oversight related to responsible investment</b> <input checked="" type="checkbox"/> <b>(C) Stewardship-related commitments</b> <input checked="" type="checkbox"/> <b>(D) Progress towards stewardship-related commitments</b> <input checked="" type="checkbox"/> <b>(E) Climate-related commitments</b> <input checked="" type="checkbox"/> <b>(F) Progress towards climate-related commitments</b> <input type="checkbox"/> (G) Human rights-related commitments <input type="checkbox"/> (H) Progress towards human rights-related commitments <input type="checkbox"/> (I) Commitments to other systematic sustainability issues <input type="checkbox"/> (J) Progress towards commitments on other systematic sustainability issues <input type="radio"/> (K) We do not include any of these elements in our regular reporting to clients and/or beneficiaries for the majority of our AUM						

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 17	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose climate-related information in line with the Task Force on Climate-Related Financial Disclosures' (TCFD) recommendations?**

- (A) Yes, including governance-related recommended disclosures**
- (B) Yes, including strategy-related recommended disclosures**
- (C) Yes, including risk management-related recommended disclosures**
- (D) Yes, including applicable metrics and targets-related recommended disclosures**
- (E) None of the above

Add link(s):

<https://www.netzeroassetmanagers.org/signatories/gmo/>  
[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_2025-uk-stewardship-code-report\\_apr25.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_2025-uk-stewardship-code-report_apr25.pdf)  
[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_tcfi-report---2024.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_tcfi-report---2024.pdf)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 18	PLUS	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, to which international responsible investment standards, frameworks, or regulations did your organisation report?**

- (A) Disclosures against the European Union's Sustainable Finance Disclosure Regulation (SFDR)**

Link to example of public disclosures

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/sustainable-finance-disclosure-regulation-framework\\_gmo-funds-plc.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/sustainable-finance-disclosure-regulation-framework_gmo-funds-plc.pdf)

- (B) Disclosures against the European Union's Taxonomy**

Link to example of public disclosures

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/sustainable-finance-disclosure-regulation-framework\\_gmo-funds-plc.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/sustainable-finance-disclosure-regulation-framework_gmo-funds-plc.pdf)

- (C) Disclosures against the CFA's ESG Disclosures Standard

- (D) Disclosures against other international standards, frameworks or regulations**

Specify:

UK Stewardship Code

Link to example of public disclosures

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_2025-uk-stewardship-code-report\\_apr25.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_2025-uk-stewardship-code-report_apr25.pdf)

- (E) Disclosures against other international standards, frameworks or regulations

- (F) Disclosures against other international standards, frameworks or regulations

- (G) Disclosures against other international standards, frameworks or regulations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 19	CORE	N/A	N/A	PUBLIC	External reporting and disclosures	6

**During the reporting year, did your organisation publicly disclose its membership in and support for trade associations, think tanks or similar bodies that conduct any form of political engagement?**

- (A) Yes, we publicly disclosed all of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (B) Yes, we publicly disclosed some of our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (C) No, we did not publicly disclose our membership in and support for trade associations, think tanks, or similar bodies that conduct any form of political engagement
- (D) Not applicable, we were not members in or supporters of any trade associations, think tanks, or similar bodies that conduct any form of political engagement during the reporting year

## STRATEGY

### CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 20	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**Which elements do your organisation-level exclusions cover?**

- (A) Exclusions based on our organisation's values or beliefs regarding particular sectors, products or services
- (B) Exclusions based on our organisation's values or beliefs regarding particular regions or countries
- (C) Exclusions based on minimum standards of business practice aligned with international norms such as the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights, UN Security Council sanctions or the UN Global Compact
- (D) Exclusions based on our organisation's climate change commitments
- (E) Other elements
- (F) Not applicable; our organisation does not have any organisation-level exclusions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 21	CORE	N/A	N/A	PUBLIC	Capital allocation	1

**How does your responsible investment approach influence your strategic asset allocation process?**

- (A) We incorporate ESG factors into our assessment of expected asset class risks and returns

Select from dropdown list:

- (1) for all of our AUM subject to strategic asset allocation
- (2) for a majority of our AUM subject to strategic asset allocation
- (3) for a minority of our AUM subject to strategic asset allocation

- (B) We incorporate climate change-related risks and opportunities into our assessment of expected asset class risks and returns
- (C) We incorporate human rights-related risks and opportunities into our assessment of expected asset class risks and returns
- (D) We incorporate risks and opportunities related to other systematic sustainability issues into our assessment of expected asset class risks and returns
- (E) We do not incorporate ESG factors, climate change, human rights or other systematic sustainability issues into our assessment of expected asset class risks and returns
- (F) Not applicable; we do not have a strategic asset allocation process

## STEWARDSHIP: OVERALL STEWARDSHIP STRATEGY

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 22	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**For the majority of AUM within each asset class, which of the following best describes your primary stewardship objective?**

## (1) Listed equity

## (2) Fixed income

## (6) Hedge funds

(A) Maximise our portfolio-level risk-adjusted returns. In doing so, we seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

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(B) Maximise our individual investments' risk-adjusted returns. In doing so, we do not seek to address any risks to overall portfolio performance caused by individual investees' contribution to systematic sustainability issues.

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Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 23	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation, or the external service providers or external managers acting on your behalf, prioritise the investees or other entities on which to focus its stewardship efforts?**

We weigh the cost and likelihood of success against the expected benefits to our clients considering the size of our holding and the nature and magnitude of the risk.

The Stewardship sub-committee maintains GMO's Engagement Policy, which was established in 2021. In 2024, Miekela Singh joined GMO as the newly created Director of Investment Stewardship to spearhead our engagement efforts, liaise with the investment and proxy voting teams, engage collaboratively with like-minded peers, participate in the Stewardship sub-committee and sets an annual Engagement Plan that identifies GMO's focus areas and objectives for firm-wide engagement, which complements and supports the efforts made by our investment teams. Past thematic focus areas include: climate change; natural capital; diversity, equity, and inclusion; board effectiveness; human rights; supply chain; transparency; and compensation. As part of our engagement program revamp, the sub-committee narrowed its focus to align with our strategic priority on Climate change.

The annual Engagement Plan does not preclude the firm from engaging on other topics. In keeping with our investment-driven ESG approach, GMO investment teams undertake their own engagements on a case-by-case basis with equity or debt issuers to address ESG issues in their portfolios. Teams select and prioritize key issues that they believe are material to their investments. In doing so, they consider their own fundamental analysis, GMO's ESG scores at the country and company level, and/or controversial events that may trigger a review, and other additional factors. In addition, teams emphasize issues that align with strategically important themes identified by our annual Engagement Plan. Within our sovereign fixed income asset class, we focus engagement efforts based on various criteria. Issuers with poor performance on KPIs used in our EM model, distressed issuers when we sit on debt restructuring committees, and targets identified through our participation in collaborative initiatives.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24	CORE	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Which of the following best describes your organisation's default position, or the position of the external service providers or external managers acting on your behalf, concerning collaborative stewardship efforts?**

- (A) We recognise the value of collective action, and as a result, we prioritise collaborative stewardship efforts wherever possible
- (B) We collaborate on a case-by-case basis
- (C) Other
- (D) We do not join collaborative stewardship efforts

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 24.1	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Elaborate on your organisation's default position on collaborative stewardship, or the position of the external service providers or external investment managers acting on your behalf, including any other details on your overall approach to collaboration.**

GMO believes in the power of meaningful dialogue about ESG issues between asset owners, investment managers, and companies. We have added our voice as a member, supporter, and/or signatory to many groups that share our views regarding the importance of ESG factors. We participate in collective action through initiatives that bring together like-minded asset owners and asset managers that have the potential to magnify the impact of our engagement efforts. We seek to collaborate where objectives are aligned with ours and we can increase our likelihood of effecting change. Our approach to collaboration does not differ across asset classes or geographies.

Collaborations can be highly beneficial to GMO, allowing us to leverage our influence combined with the influence of others to achieve greater impact than we would by engaging one-on-one. With myriad opportunities and limited resources to collaborate, we weigh the benefits and costs of joining any initiative. The ESG Oversight Committee considers such factors as:

- The initiative's goals and their alignment to GMO's priorities,
- Consideration of and comparison against other initiatives with a similar expected outcome,
- The scope of impact or influence to change,
- GMO's expected commitment and our ability to meet that commitment, and
- Legal, operational, and reputational implications.

In 2024, the Committee initiated an annual review process to reevaluate our continued involvement in collaborative initiatives, as well as any external commitments that we have made. Reevaluations assesses the investment and business considerations to ensure our involvement continues to deliver benefits that outweigh its costs and risks.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 25	PLUS	OO 5, OO 8, OO 9	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**Rank the channels that are most important for your organisation in achieving its stewardship objectives.**

**(A) Internal resources, e.g. stewardship team, investment team, ESG team, or staff**

Select from the list:

- 1
- 4
- 5

**(B) External investment managers, third-party operators and/or external property managers, if applicable**

**(C) External paid specialist stewardship services (e.g. engagement overlay services or, in private markets, sustainability consultants) excluding investment managers, real assets third-party operators, or external property managers**

**(D) Informal or unstructured collaborations with investors or other entities**

Select from the list:

- 3
- 4
- 5

**(E) Formal collaborative engagements, e.g. PRI-coordinated collaborative engagements, Climate Action 100+, or similar**

Select from the list:

- 2
- 4
- 5

- (F) We do not use any of these channels

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 26	PLUS	OO 8, OO 9, PGS 1	N/A	PUBLIC	Stewardship: Overall stewardship strategy	2

**How does your organisation ensure that its policy on stewardship is implemented by the external service providers to which you have delegated stewardship activities?**

- (A) Example(s) of measures taken when selecting external service providers:
- (B) Example(s) of measures taken when designing engagement mandates and/or consultancy agreements for external service providers:
- (C) Example(s) of measures taken when monitoring the stewardship activities of external service providers:

GMO has a robust oversight process to ensure our Proxy Voting Policy is adhered to. Among the controls in place are: 1) a daily review of any upcoming and unvoted meetings, 2) weekly updates of relevant holdings lists, 3) a monthly review of opened and closed reports and a master account list, 4) a quarterly review of all ballots for accuracy and completeness, and 5) an annual review of the details included in the SEC N-PX filing for accuracy and completeness.

We undertake periodic sampling of proxy votes as part of our assessment of ISS to determine that proxy votes are being cast on behalf of our clients consistent with our Proxy Voting Policy. We also receive a quarterly certification from ISS that speaks to the accuracy of their application of the policy, controls around conflicts of interest, and other relevant topics.

When an investment professional at GMO deems it appropriate to vote contrary to a policy recommendation, GMO's Proxy Voting team ensures that the vote is cast by ISS based on our instruction. The team reviews a daily Vote Against Policy report, which shows all active cases where votes other than the ISS recommendation are set to be instructed, to confirm that all votes against recommendation are being conducted properly. Any discrepancies are raised to ISS. In addition to this daily review, the team receives quarterly certifications from ISS that all votes have been cast in accordance with GMO's instructions. The investment professional is also required to provide a certification confirming that they are not aware of any potential material conflict of interest with respect to the vote.

## STEWARDSHIP: (PROXY) VOTING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 29	CORE	OO 9, PGS 1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**When you use external service providers to give recommendations, how do you ensure those recommendations are consistent with your organisation's (proxy) voting policy?**

- (A) Before voting is executed, we review external service providers' voting recommendations for controversial and high-profile votes

Select from the below list:

- (1) in all cases
- (2) in a majority of cases
- (3) in a minority of cases

- (B) Before voting is executed, we review external service providers' voting recommendations where the application of our voting policy is unclear

Select from the below list:

- (1) in all cases
- (2) in a majority of cases
- (3) in a minority of cases

- (C) We ensure consistency with our voting policy by reviewing external service providers' voting recommendations only after voting has been executed

- (D) We do not review external service providers' voting recommendations

- (E) Not applicable; we do not use external service providers to give voting recommendations

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 30	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How is voting addressed in your securities lending programme?**

- (A) We recall all securities for voting on all ballot items
- (B) When a vote is deemed important according to pre-established criteria (e.g. high stake in the company), we recall all our securities for voting
- (C) Other

Specify:

GMO will only loan portfolio securities pursuant to securities lending arrangements that permit GMO to recall a loaned security or to exercise voting rights associated with the security. However, we generally will not arrange to have a security recalled or to exercise voting rights associated with a security unless GMO both 1) receives adequate notice of a proposal upon which shareholders are being asked to vote (which we often do not receive, particularly in the case of non-U.S. issuers), and 2) believes that the benefits to our pooled vehicle of voting on such a proposal outweigh the benefits of having the security remain out on loan. Investment teams also have the option to restrict certain securities from being loaned where they are planning to engage proactively with the issuer.

- (D) We do not recall our securities for voting purposes
- (E) Not applicable; we do not have a securities lending programme

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 31	CORE	OO 9.1	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**For the majority of votes cast over which you have discretion to vote, which of the following best describes your decision making approach regarding shareholder resolutions (or that of your external service provider(s) if decision making is delegated to them)?**

- (A) We vote in favour of resolutions expected to advance progress on our stewardship priorities, including affirming a company's good practice or prior commitment
- (B) We vote in favour of resolutions expected to advance progress on our stewardship priorities, but only if the investee company has not already publicly committed to the action(s) requested in the proposal
- (C) We vote in favour of shareholder resolutions only as an escalation measure
- (D) We vote in favour of the investee company management's recommendations by default
- (E) Not applicable; we do not vote on shareholder resolutions

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 32	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**During the reporting year, how did your organisation, or your external service provider(s), pre-declare voting intentions prior to voting in annual general meetings (AGMs) or extraordinary general meetings (EGMs)?**

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system on the Resolution Database
- (B) We pre-declared our voting intentions publicly by other means, e.g. through our website
- (C) We privately communicated our voting decision to investee companies prior to the AGM/EGM
- (D) We did not privately or publicly communicate our voting intentions prior to the AGM/EGM

- (E) Not applicable; we did not cast any (proxy) votes during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33	CORE	OO 9	PGS 33.1	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, do you publicly disclose your (proxy) voting decisions or those made on your behalf by your external service provider(s), company by company and in a central source?**

- (A) Yes, for all (proxy) votes

Add link(s):

<https://vds.issgovernance.com/vds/#/MTcz>

- (B) Yes, for the majority of (proxy) votes
- (C) Yes, for a minority of (proxy) votes
- (D) No, we do not publicly report our (proxy) voting decisions company-by-company and in a central source

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 33.1	CORE	PGS 33	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**In the majority of cases, how soon after an investee's annual general meeting (AGM) or extraordinary general meeting (EGM) do you publish your voting decisions?**

- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 34	CORE	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**After voting has taken place, did your organisation, and/or the external service provider(s) acting on your behalf, communicate the rationale for your voting decisions during the reporting year?**

**(1) In cases where we abstained or voted against management recommendations**

**(2) In cases where we voted against an ESG-related shareholder resolution**

(A) Yes, we publicly disclosed the rationale (3) for a minority of votes (3) for a minority of votes

(B) Yes, we privately communicated the rationale to the company (3) for a minority of votes (3) for a minority of votes

(C) We did not publicly or privately communicate the rationale, or we did not track this information

(D) Not applicable; we did not abstain or vote against management recommendations or ESG-related shareholder resolutions during the reporting year

**(A) Yes, we publicly disclosed the rationale - Add link(s):**

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_2025-uk-stewardship-code-report\\_apr25.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_2025-uk-stewardship-code-report_apr25.pdf)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 35	PLUS	OO 9	N/A	PUBLIC	Stewardship: (Proxy) voting	2

**How does your organisation ensure vote confirmation, i.e. that your votes have been cast and counted correctly?**

GMO has a robust oversight process to ensure our Proxy Voting Policy is adhered to. Among the controls in place are: 1) a daily review of any upcoming and unvoted meetings, 2) weekly updates of relevant holdings lists, 3) a monthly review of opened and closed reports and a master account list, 4) a quarterly review of all ballots for accuracy and completeness, and 5) an annual review of the details included in the SEC N-PX filing for accuracy and completeness.

We undertake periodic sampling of proxy votes as part of our assessment of ISS to determine that proxy votes are being cast on behalf of our clients consistent with our Proxy Voting Policy. We also receive a quarterly certification from ISS that speaks to the accuracy of their application of the policy, controls around conflicts of interest, and other relevant topics.

When an investment professional at GMO deems it appropriate to vote contrary to a policy recommendation, GMO's Proxy Voting team ensures that the vote is cast by ISS based on our instruction. The team reviews a daily Vote Against Policy report, which shows all active cases where votes other than the ISS recommendation are set to be instructed, to confirm that all votes against recommendation are being conducted properly. Any discrepancies are raised to ISS. In addition to this daily review, the team receives quarterly certifications from ISS that all votes have been cast in accordance with GMO's instructions. The investment professional is also required to provide a certification confirming that they are not aware of any potential material conflict of interest with respect to the vote.

## STEWARDSHIP: ESCALATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 36	CORE	OO 8, OO 9 HF, OO 9	N/A	PUBLIC	Stewardship: Escalation	2

For your listed equity holdings, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?

	(1) Listed equity	(2) Direct listed equity holdings in hedge fund portfolios
(A) Joining or broadening an existing collaborative engagement or creating a new one	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Filing, co-filing, and/or submitting a shareholder resolution or proposal	<input type="checkbox"/>	<input type="checkbox"/>
(C) Publicly engaging the entity, e.g. signing an open letter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Voting against the chair of the board of directors, or equivalent, e.g. lead independent director	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(F) Divesting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(G) Litigation	<input type="checkbox"/>	<input type="checkbox"/>
(H) Other	<input type="checkbox"/>	<input type="checkbox"/>
(I) In the past three years, we did not use any of the above escalation measures for our listed equity holdings	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 37	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**For your corporate fixed income assets, what escalation measures did your organisation, or the external investment managers or service providers acting on your behalf, use in the past three years?**

- (A) Joining or broadening an existing collaborative engagement or creating a new one
- (B) Publicly engaging the entity, e.g. signing an open letter
- (C) Not investing
- (D) Reducing exposure to the investee entity
- (E) Divesting
- (F) Litigation
- (G) Other
- (H) In the past three years, we did not use any of the above escalation measures for our corporate fixed income assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 38	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship: Escalation	2

**Describe your approach to escalation for your SSA and/or private debt fixed income assets.**

(A) SSA - Approach to escalation

In the context of our Emerging Country Debt strategies, amendments to terms and conditions often happen as part of a debt restructuring with an issuer. In these cases, GMO often serves on bondholder committees, either as part of steering sub-committees or broader, so-called ad hoc committees. In most cases, the goal is to maximize our recovery by working with the issuer and generally avoiding litigation whenever possible, especially against sovereign issuers. GMO may seek to insert language into bond documents that enhance creditor rights, such as information obligations and bondholder committee recognition.

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39	CORE	OO 8, OO 9	PGS 39.1, PGS 39.2	PUBLIC	Stewardship: Engagement with policy makers	2

**Did your organisation, or the external investment managers or service providers acting on your behalf, engage with policy makers as part of your responsible investment approach during the reporting year?**

- (A) Yes, we engaged with policy makers directly
- (B) Yes, we engaged with policy makers through the leadership of or active participation in working groups or collaborative initiatives, including via the PRI
- (C) Yes, we were members of, supported, or were in another way affiliated with third party organisations, including trade associations and non-profit organisations, that engage with policy makers, excluding the PRI
- (D) We did not engage with policy makers directly or indirectly during the reporting year beyond our membership in the PRI

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.1	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, what methods did you, or the external investment managers or service providers acting on your behalf, use to engage with policy makers as part of your responsible investment approach?**

- (A) We participated in 'sign-on' letters**
- (B) We responded to policy consultations**
- (C) We provided technical input via government- or regulator-backed working groups
- (D) We engaged policy makers on our own initiative**

Describe:

Our Emerging Country Debt team regularly has face to face or video telephony meetings with officials from countries' central banks, treasuries, and/or debt management offices, and most of these engagements involve discussing at least one ESG element. For example, we engaged with Paraguay's government officials during their visitation of GMO's offices, with discussion largely centered on governance. The administration acknowledged institutional weaknesses but emphasized its commitment to reforms. Key initiatives include establishing an economy ministry, an independent tax authority, and a pension supervisory body. GMO recommended regular investors updates, such as quarterly calls, to enhance transparency and communication, a suggestion the authorities welcomed.

- (E) Other methods**

Describe:

Collective Engagement The GMO Emerging Country Debt and ESG team partner with the Emerging Markets Investors Alliance (EMIA) to facilitate engagements with emerging country sovereign and corporate issuers, share best practices, and discuss common challenges to ESG integration in emerging.

Last year GMO served on a small working group of investor firms being organized by the Emerging Markets Investors Alliance that advocated for including transparency clauses in the bond contracts coming out of the current debt restructuring. A debt restructuring agreement was reached in November 2024, and an integral part of the deal was the issuance of a Governance-linked bond (GLB) that will give Sri Lanka some further debt servicing relief upon achievement of KPIs related to reducing tax evasion and increasing governance standards in the budgetary process. The KPIs have been enshrined in the bond documentation.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 39.2	CORE	PGS 39	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

**During the reporting year, did your organisation publicly disclose details of your engagement with policy makers conducted as part of your responsible investment approach, including through external investment managers or service providers?**

- (A) We publicly disclosed all our policy positions
- (B) We publicly disclosed details of our engagements with policy makers**

Add link(s):

[https://www.gmo.com/globalassets/documents--manually-loaded/documents/esg-investing/gmo\\_2025-uk-stewardship-code-report\\_apr25.pdf](https://www.gmo.com/globalassets/documents--manually-loaded/documents/esg-investing/gmo_2025-uk-stewardship-code-report_apr25.pdf)

- (C) No, we did not publicly disclose details of our engagement with policy makers conducted as part of our responsible investment approach during the reporting year

## STEWARDSHIP: EXAMPLES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 40	PLUS	OO 8, OO 9	N/A	PUBLIC	Stewardship: Examples	2

**Provide examples of stewardship activities that you conducted individually or collaboratively during the reporting year that contributed to desired changes in the investees, policy makers or other entities with which you interacted.**

(A) Example 1:

Title of stewardship activity:

Improve ESG and climate disclosures for Graphite electrodes and petroleum Company coke manufacturer

(1) Led by

(1) Internally led

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

(1) Environmental factors

- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

(1) Listed equity

- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Objective: Provide more comprehensive disclosures to CDP

Actions: Discussed the company's climate-related disclosures, conferred about fossil-fuel based raw material and stranded asset risks, and encouraged more comprehensive reporting, including articulating the board's oversight on climate risks and publicly disclosing emission reduction targets.

Outcomes: In 2024, the company submitted its first CDP report.

Status and Next Steps: Closed.

(B) Example 2:

Title of stewardship activity:

Deforestation commitment for Food and renewable energy company

(1) Led by

(1) Internally led

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

(1) Environmental factors

- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

(1) Listed equity

- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Objective: Commitment to no deforestation and set science-based target

Actions: We met with the company a few times to discuss its climate change approach. The company already had a no-deforestation commitment and had set interim emission reduction targets following our first conversation. We encouraged the company to consider setting a science-based target to solidify their climate commitment.

Outcomes: The company advised that they were considering it but have not made a decision.

Status and Next Steps: Continue to meet with company and monitor its progress.

(C) Example 3:

Title of stewardship activity:

Cross shareholdings for large machine manufacturer

(1) Led by

**● (1) Internally led**

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

**✓ (1) Listed equity**

- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Objective: Reduce and eliminate cross shareholdings

Actions: We have been engaging with the company regularly on a number of governance issues, including cross shareholdings. The emergence of a data scandal at the organization prompted us to publicly express our concern. We believe that cross shareholdings were one of the root causes as they effectively shield management from general shareholders.

Outcomes: In May 2024, the company announced its plan to unwind cross shareholdings and began to do so over the remainder of 2024.

Status and Next Steps: We view this as a success and will continue to pressure the company until the unwind is complete.

(D) Example 4:

Title of stewardship activity:

Governance improvement for Sri Lanka

(1) Led by

**● (1) Internally led**

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

- (1) Environmental factors
- (2) Social factors

(3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Objective: Address tax evasion and governance standards in budgetary process

Actions: GMO, along with a few other managers, proposed a governance-linked bond as part of the debt restructuring package. The bond's coupon would be reduced if the government meets certain KPIs related to corruption reduction and tax governance by 2028.

Outcomes: Sri Lanka agreed to issue a governance-linked bond (GLB) that will provide debt service relief by reducing the coupon by 75 bps upon achievement of KPIs related to reducing tax evasion and governance standards in the budgetary process.

Status and Next Steps: None. The KPIs have been enshrined in the bond documentation.

(E) Example 5:

Title of stewardship activity:

Climate transition for Ghana

(1) Led by

(1) Internally led

- (2) External service provider led
- (3) Led by an external investment manager, real assets third-party operator and/or external property manager

(2) Primary focus of stewardship activity

(1) Environmental factors

- (2) Social factors
- (3) Governance factors

(3) Asset class(es)

- (1) Listed equity
- (2) Fixed income
- (3) Private equity
- (4) Real estate
- (5) Infrastructure
- (6) Hedge funds
- (7) Forestry
- (8) Farmland
- (9) Other

(4) Description of the activity and what was achieved. For collaborative activities, provide detail on your individual contribution.

Objective: Formalize Nationally Determined Contributions (NDC) into law

Actions: Sent a letter to Ghana acknowledging their commitment and encouraging them to enact policies to support NDC as other nations such as Nigeria, Ethiopia and Tunisia have done.

Outcomes: None.

Status and Next Steps: We will continue to try and reach country officials.

## CLIMATE CHANGE

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41	CORE	N/A	PGS 41.1	PUBLIC	Climate change	General

### Has your organisation identified climate-related risks and opportunities affecting your investments?

**(A) Yes, within our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

We invest for our clients over the long term. "Long term" means different time periods for different investment teams at GMO, based on the dynamics of different investment theses and markets. Our investment philosophy across the firm centers on using valuation to find securities that we believe are mis-priced and undervalued by the market, and it is uncertain exactly how long correction of mis-valuations will take. For example, our Asset Allocation team's strategies are grounded in the concept of mean reversion – that asset prices fluctuate over time but tend to revert to a stable, long-term fair value. This approach is anchored by our 7-year Asset Class Forecasts, a framework we use to assess the return opportunity embedded in different asset classes. The team uses quantitative methods to allow the required rates of return for various equity groups to dynamically change in lockstep with their relative GMO ESG Scores, which is built off companies' management of material sustainability factors, including climate-related factors.

We are already experiencing the physical risks arising from warming temperatures. Over the short to medium term, acute risks such as flooding impacts physical assets resulting in premature or rapid depreciation, increasing costs, decreasing productivity, and lowering profit margins. Water scarcity and drought heightens risks for companies, such as agriculture, food, and mining whose operations rely on the availability of fresh water.

As such, consideration of physical impacts over the short-term is incorporated in our ESG analysis and may be a topic of engagements with companies. Generally, across the firm, GMO is well diversified across countries and sectors, so these risks have a minor impact on the firm.

The costs for wind and solar have dropped 63% and 83% between 2009 and 2023 and have been competitive with conventional power generation in many markets since 2015. Similarly, battery costs continue to fall. As of 2024, it was 88% cheaper per kilowatt hour than in 2010. The decline in the cost of renewable power generation and storage poses risk to fossil-fuel-based power sources. We have oriented some of our investment portfolios around these short- and medium-term opportunities.

Importantly, investing in climate solutions are critically needed to transition the economy towards a net zero future. Investments such as these contribute to mitigating longer term risks from a warming climate by enabling decarbonization. Some of the areas where we see a lot of opportunities from climate mitigation activities are: clean energy (such as wind, solar and biofuels); batteries and storage, electric grid, transportation and energy efficiency. On the adaption side we see opportunities from sustainable agriculture, and water treatment, efficiency, and recycling.

**(B) Yes, beyond our standard planning horizon**

Specify the risks and opportunities identified and your relevant standard planning horizon:

Beyond our standard planning horizon, we think that the world will increasingly face resource shortages stemming from a number of factors. Growing population, particularly in Asia and Africa and rising wealth in non-OECD countries will increase the demand for food, energy, and goods and also exacerbate climate change. Importantly the energy transition itself creates significant demand growth for clean energy materials. On the supply side, as resources get scarcer, producers face rising costs and increasing complexity in extracting minerals.

These dynamics represent an opportunity to invest across the value chain as the demand for clean technology minerals, such as, cobalt, copper, lithium, and vanadium to name a few. But the growing challenges associated with meeting the world's resource demands also pose greater risks to investors investing in this area. Resource extraction is a high-risk sector that will become riskier. As well, as the transition continues, we see growing risks of asset stranding and disruption occurring with companies that are not contributing to the transition and / or whose business models remain tied to a fossil-fuel based economy.

- (C) No, we have not identified climate-related risks and/or opportunities affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 41.1	CORE	PGS 41	N/A	PUBLIC	Climate change	General

**Does your organisation integrate climate-related risks and opportunities affecting your investments in its overall investment strategy, financial planning and (if relevant) products?**

**● (A) Yes, our overall investment strategy, financial planning and (if relevant) products integrate climate-related risks and opportunities**

Describe how climate-related risks and opportunities have affected or are expected to affect your investment strategy, financial planning and (if relevant) products:

Net Zero Strategy Given the significant risk stemming from global warming due to unabated carbon emissions, GMO has committed to support a transition to a net zero economy by 2050 and have set an initial target of reducing our portfolio carbon footprint intensity by 65% for our Net Zero Portfolio by 2030, and to zero by 2050 or sooner, in line with global efforts to limit global warming to 1.5 degrees Celsius. It currently covers about 50% of our AUM, but we are looking to grow that to 60% by 2030. Our Net Zero Portfolio does not include assets held in separately managed accounts, unless we have been directed by the client to include their accounts.

Our Climate Action Plan incorporates four primary areas: 1) investing in climate solutions; 2) reducing our portfolio carbon footprint primarily through integration of climate risk assessments; 3) engaging with companies to disclose and execute on transition plans (please see section on engagements); and 4) encouraging policymakers and regulators to take proactive and orderly responses to climate change mitigation. We will evolve and enhance our approach as we learn and progress on managing climate change.

Investing in climate solutions In 2017, we launched the Climate Change Strategy that seeks to deliver high total return by investing in companies GMO believes are positioned to benefit, directly or indirectly, from efforts to mitigate the long-term effects of global climate change, to address the environmental challenges presented by global climate change, or to help the world adapt to climate change through improved efficiency of resource consumption. And in 2024, we launched the Horizons Strategy, which reflects our view that the world economy is transitioning to a lower carbon future and that this process will create secular opportunities for investors. This systematic and diversified solution is fossil-free, provides materially lower total emissions, and has high levels of exposure to companies that sell green products and services.

Demand growth for clean energy materials as the energy transition unfolds will be significant if we are to keep global warming to less than 2 degrees Celsius. Added to this is industrialization of developing economies, population growth, and declining supplies of cheap, easy-to-access natural resources. Combined, we believe all of these factors will cause a broad rise in resource prices, and so we manage a Resources Strategy seeking to identify companies in public equity markets that we believe will benefit from these price dynamics, across a diversified portfolio of energy, metals, agriculture, and water.

Reducing our portfolio carbon footprint Since 2021, GMO has been working on an Indirect Emissions Model to address the shortcomings we identified with the current standard for reporting indirect emissions. The model estimates all direct and indirect flows between companies with a consistent global methodology that ensures consistent double counting across all companies and allows tracing the origin of all indirect emissions. It directly incorporates reported company supply chain relationships, industry segment revenue, and scope 1 emissions into a global company-level supply chain model that enables companies to distinguish themselves from their peers based on characteristics of their specific value chains, instead of relying on average industry-intensity metrics. In 2022, we completed building a GMO Indirect Emissions model, and put the model into practice in 2023, creating the Horizons Strategy. In 2024, the Systematic Equity and ESG teams held training sessions on Indirect Emissions and GMO Horizons.

GMO aims to increase the proportion of our portfolio carbon footprint emissions that are covered by a science-based target. To do so, we incorporate insights from the GMO Indirect Emissions Model (IEM), and we are focused on engaging with the largest contributors to our net zero portfolio carbon footprint to encourage them to report Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, to adopt climate change risk reporting following the recommendations of the International Financial Reporting Standards (IFRS) S2 Climate Reporting Standards, and to consider setting science-based targets to strengthen their commitment in managing climate change risk, and conduct supplier engagements to address their sources of material indirect emissions.

**○ (B) No, our organisation has not yet integrated climate-related risks and opportunities into its investment strategy, financial planning and (if relevant) products**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 43	CORE	N/A	N/A	PUBLIC	Climate change	General

**Has your organisation assessed the resilience of its investment strategy in different climate scenarios, including one in which the average temperature rise is held to below 2 degrees Celsius (preferably to 1.5 degrees Celsius) above pre-industrial levels?**

- (A) Yes, using the Inevitable Policy Response Forecast Policy Scenario (FPS) or Required Policy Scenario (RPS)
- (B) Yes, using the One Earth Climate Model scenario
- (C) Yes, using the International Energy Agency (IEA) Net Zero scenario
- (D) Yes, using other scenarios

Specify:

We have examined methodologies and assumptions that went into different vendors' scenario analyses and found a wide range of approaches, scenarios, time horizons, and asset class and issuer coverage. We also evaluated them in the context of our own understanding of markets and their behaviors, our decision-making and investment horizon, as well as how physical risks could impact assets. Because there was so much variability in this area, we were unable to gain confidence that we could select the most reliable and robust vendor as it would be improper to undertake a less than comprehensive analysis that could potentially influence investment decisions.

While popular guidance is to conduct quantitative scenario analysis, we do not think that the current methodologies for modelling different transition and physical risk pathways and translating that to financial and economic growth appropriately capture potential outcomes are accurate or reliable enough for use in investment decision-making. Given the state of climate scenario analysis, the first step was to understand GMO's exposure to physical and transition risks. The Indirect Emissions model we developed in 2023 was a step toward understanding transition risk through the lens of total emissions exposure.

Until we can adequately quantify the impact to value under different scenarios, our current approach is more qualitative, focused on assessing the direction of travel, and fostering dialogue across investment teams.

We monitor five climate catalysts around global climate policy development, technological progress and commercialization; investment capital flows, consumer preferences, and physical risks, as we navigate the transition to ensure we well manage climate related opportunities and risk. Increasing physical risks and improving economics of clean technologies provide tailwinds for the transition to a low carbon economy. This also elevates transition risks to our investments.

- (E) No, we have not assessed the resilience of our investment strategy in different climate scenarios, including one that holds temperature rise to below 2 degrees

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 44	CORE	N/A	N/A	PUBLIC	Climate change	General

**Does your organisation have a process to identify, assess, and manage the climate-related risks (potentially) affecting your investments?**

- (A) Yes, we have a process to identify and assess climate-related risks

(1) Describe your process

GMO acknowledges the science of climate change, that climate issues pose long-term systemic risk to our planet, civilization, and investment markets.

We monitor a number of climate catalysts centered around: global climate policy development, technological progress and commercialization; investment capital flows, consumer preferences, and physical risks. These catalysts provide insights on the speed and timing of transition and help us manage climate related opportunities and risk. Increasing physical risks and improving economics of clean technologies provide tailwinds for the transition to a low carbon economy. This also elevates transition risks to our investments. Our Indirect Emissions model, developed through a multi-year period and released in 2023 to address challenges we identified in the standard of measuring scope 3 emissions, was a step toward better understanding transition risk through the lens of total emissions exposure.

We also aim to address climate risk through active engagement at an international, regional, and industry level to encourage clear, stable, and long-term policy making and regulations. We support the IFRS who has set standards for climate disclosure, which we believe will help support global decarbonization.

Integration of ESG factors into GMO investment processes is overseen by our ESG Oversight Committee, but portfolio managers are ultimately accountable for implementing ESG policies within their strategies. In practice, they and their investment team colleagues have integrated ESG factors into various portfolio construction processes.

Broadly speaking, sector analysts handle corporate engagement within their coverage areas, although portfolio managers may assign team members specific engagement responsibilities. The teams continue to evolve and enhance their approaches by conducting focused research within their respective areas of expertise, and they coordinate and collaborate across the firm to share insights on an ad-hoc, project, or committee basis. In some cases, products have specific climate-related constraints.

(2) Describe how this process is integrated into your overall risk management

GMO has a dedicated Risk Monitoring team led by our Head of Investment Risk and Trading, Roy Henriksson, who is a direct report of our CEO. This team leads our top-down oversight of investment risk.

Roy and the Risk Monitoring team continually assess potential macro and asymmetric sources of investment risk. As part of this process, the team monitors exposures and positions of all GMO portfolios, focusing on major changes within a strategy, and has ongoing conversations with the portfolio managers related to their exposures. Portfolios are evaluated across a wide range of risk metrics related to both absolute and relative performance, as well as liquidity and counterparty risk.

GMO has a regularly scheduled Risk Insights Forum (RIF), which brings together senior managers of the firm, including from each of our investment teams, to discuss market risks and longer-term macro trends that may lead to areas of future concern. Part of the RIF discussions includes a review of GMO strategy positioning, liquidity, and counterparty risks. A review of ESG exposures has also historically been undertaken at each RIF meeting. This review has now moved to the new Investments ESG sub-committee, of which Roy Henriksson is a co-chair.

(B) Yes, we have a process to manage climate-related risks

(1) Describe your process

[As above] Our ESG Oversight Committee discusses and prioritizes how we can respond to climate change. One way that GMO has decided to act is by committing to achieve net zero emissions by 2050. In line with this, we joined the Net Zero Asset Managers initiative, and in 2022 we developed and announced our interim net zero targets and plan.

We also aim to address climate risk through active engagement at an international, regional, and industry level to encourage clear, stable, and long-term policy making and regulations.

Finally, as an asset manager, we orient investment portfolios around these risks and opportunities.

(2) Describe how this process is integrated into your overall risk management

Our Investment sub-committee is charged with overseeing ESG risks at the portfolio level. The sub-committee also evaluates severe and developing ESG controversies within our public equity and fixed income holdings, manages our Heightened Review process described in Principle 4, and ensures we are progressing on our overall climate strategy.

The sub-committee is co-chaired by Head of Investment Teams, George Sakoulis, and Head of Investment Risk and Trading, Roy Henriksson. Membership includes leaders from our investment teams in addition to Deborah Ng. The Investments sub-committee oversees ESG exposures at the fund level. The committee oversees and monitors our progress in meeting our interim portfolio carbon footprint reduction target. The sub-committee regularly reviews GMO's ESG Score at the portfolio and asset classes levels, and across each E, S, and G element to identify significant worsening of scores or concentrated exposures.

Centrally, we have developed an internal ESG dashboard for investment teams to monitor their ESG Score metrics as well as climate-related exposures relative to their benchmarks and any GMO targets over time. Our "Carbon Dashboard" tracks portfolio carbon footprints and intensities and measures the weighted average carbon intensity of company revenues against market benchmarks and our portfolio carbon footprint reduction targets. It provides attribution capabilities so that portfolio managers can better understand what is driving their carbon footprint performance.

For our climate change strategy, our engagements focused on the largest contributors to our net zero portfolio carbon footprint to encourage them to report Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, adopt climate change risk reporting following the recommendations of the International Financial Reporting Standards (IFRS) S2 Climate Reporting Standards, and consider science-based targets that are aligned with keeping global warming to 1.5 degrees Celsius at most.

○ (C) No, we do not have any processes to identify, assess, or manage the climate-related risks affecting our investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 45	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, which of the following climate risk metrics or variables affecting your investments did your organisation use and publicly disclose?**

(A) Exposure to physical risk

(B) Exposure to transition risk

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

○ (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_2025-uk-stewardship-code-report\\_apr25.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_2025-uk-stewardship-code-report_apr25.pdf)

(C) Internal carbon price

(D) Total carbon emissions

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

○ (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_2025-uk-stewardship-code-report\\_apr25.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_2025-uk-stewardship-code-report_apr25.pdf)

(E) Weighted average carbon intensity

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

○ (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_2025-uk-stewardship-code-report\\_apr25.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_2025-uk-stewardship-code-report_apr25.pdf)

(F) Avoided emissions

(G) Implied Temperature Rise (ITR)

(H) Non-ITR measure of portfolio alignment with UNFCCC Paris Agreement goals

(I) Proportion of assets or other business activities aligned with climate-related opportunities

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

○ (2) Metric or variable used and disclosed

● (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_2025-uk-stewardship-code-report\\_apr25.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_2025-uk-stewardship-code-report_apr25.pdf)

(J) Other metrics or variables

Specify:

Emissions covered by an SBTI, Weighted average TPI Score, Indirect Emissions.

(1) Indicate whether this metric or variable was used and disclosed, including the methodology

○ (1) Metric or variable used

- (2) Metric or variable used and disclosed
- (3) Metric or variable used and disclosed, including methodology

(2) Provide link to the disclosed metric or variable, including the methodology followed, as applicable

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_2025-uk-stewardship-code-report\\_apr25.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_2025-uk-stewardship-code-report_apr25.pdf)

- (K) Our organisation did not use or publicly disclose any climate risk metrics or variables affecting our investments during the reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 46	CORE	N/A	N/A	PUBLIC	Climate change	General

**During the reporting year, did your organisation publicly disclose its Scope 1, Scope 2, and/or Scope 3 greenhouse gas emissions?**

(A) Scope 1 emissions

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed
- (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_tcfcd-report---2024.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_tcfcd-report---2024.pdf)

(B) Scope 2 emissions

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed
- (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_tcfcd-report---2024.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_tcfcd-report---2024.pdf)

(C) Scope 3 emissions (including financed emissions)

(1) Indicate whether this metric was disclosed, including the methodology

- (1) Metric disclosed
- (2) Metric and methodology disclosed

(2) Provide links to the disclosed metric and methodology, as applicable

[https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo\\_tcfcd-report---2024.pdf](https://www.gmo.com/globalassets/documents---manually-loaded/documents/esg-investing/gmo_tcfcd-report---2024.pdf)

- (D) Our organisation did not publicly disclose its Scope 1, Scope 2, or Scope 3 greenhouse gas emissions during the reporting year

## SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47	CORE	N/A	Multiple indicators	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation identified the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Yes, we have identified one or more specific sustainability outcomes connected to our investment activities
- (B) No, we have not yet identified the sustainability outcomes connected to any of our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.1	CORE	PGS 47	N/A	PUBLIC	Sustainability outcomes	1, 2

**Which widely recognised frameworks has your organisation used to identify the intended and unintended sustainability outcomes connected to its investment activities?**

- (A) The UN Sustainable Development Goals (SDGs) and targets
- (B) The UNFCCC Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (D) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (E) The EU Taxonomy
- (F) Other relevant taxonomies
- (G) The International Bill of Human Rights
- (H) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (I) The Convention on Biological Diversity
- (J) Other international framework(s)
- (K) Other regional framework(s)
- (L) Other sectoral/issue-specific framework(s)
- (M) Our organisation did not use any widely recognised frameworks to identify the intended and unintended sustainability outcomes connected to its investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 47.2	CORE	PGS 47	PGS 48	PUBLIC	Sustainability outcomes	1, 2

**What are the primary methods that your organisation has used to determine the most important intended and unintended sustainability outcomes connected to its investment activities?**

- (A) Identify sustainability outcomes that are closely linked to our core investment activities
- (B) Consult with key clients and/or beneficiaries to align with their priorities
- (C) Assess which actual or potential negative outcomes for people are most severe based on their scale, scope, and irremediable character
- (D) Identify sustainability outcomes that are closely linked to systematic sustainability issues
- (E) Analyse the input from different stakeholders (e.g. affected communities, civil society, trade unions or similar)
- (F) Understand the geographical relevance of specific sustainability outcome objectives
- (G) Other method
- (H) We have not yet determined the most important sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48	CORE	PGS 47.2	PGS 48.1, SO 1	PUBLIC	Sustainability outcomes	1, 2

**Has your organisation taken action on any specific sustainability outcomes connected to its investment activities, including to prevent and mitigate actual and potential negative outcomes?**

- (A) Yes, we have taken action on some of the specific sustainability outcomes connected to our investment activities

- (B) No, we have not yet taken action on any specific sustainability outcomes connected to our investment activities

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
PGS 48.1	PLUS	PGS 48	N/A	PUBLIC	Sustainability outcomes	1, 2

**Why has your organisation taken action on specific sustainability outcomes connected to its investment activities?**

- (A) We believe that taking action on sustainability outcomes is relevant to our financial risks and returns over both short- and long-term horizons
- (B) We believe that taking action on sustainability outcomes, although not yet relevant to our financial risks and returns, will become so over a long-time horizon
- (C) We have been requested to do so by our clients and/or beneficiaries
- (D) We want to prepare for and respond to legal and regulatory developments that are increasingly addressing sustainability outcomes
- (E) We want to protect our reputation, particularly in the event of negative sustainability outcomes connected to investments
- (F) We want to enhance our social licence-to-operate (i.e. the trust of beneficiaries, clients, and other stakeholders)
- (G) We believe that taking action on sustainability outcomes in parallel to financial return goals has merit in its own right
- (H) Other

# LISTED EQUITY (LE)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1
<b>Does your organisation have a formal investment process to identify and incorporate material ESG factors across your listed equity strategies?</b>						
			(2) Active - quantitative	(3) Active - fundamental	(4) Other strategies	
(A) Yes, our investment process incorporates material governance factors			(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	
(B) Yes, our investment process incorporates material environmental and social factors			(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	
(C) Yes, our investment process incorporates material ESG factors beyond our organisation's average investment holding period			(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM	
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their discretion			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1
<b>Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your listed equity strategies?</b>						
				(2) Active - quantitative	(3) Active - fundamental	(4) Other strategies
(A) Yes, we have a formal process that includes scenario analyses				(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Yes, we have a formal process, but it does not include scenario analyses						
(C) We do not have a formal process for our listed equity strategies; our investment professionals monitor how ESG trends vary over time at their discretion		○		○		○
(D) We do not monitor and review the implications of changing ESG trends on our listed equity strategies		○		○		○

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1
<b>How does your financial analysis and equity valuation or security rating process incorporate material ESG risks?</b>						
				(1) Active - quantitative	(2) Active - fundamental	(3) Other strategies
(A) We incorporate material governance-related risks into our financial analysis and equity valuation or security rating process				(1) in all cases	(1) in all cases	(1) in all cases
(B) We incorporate material environmental and social risks into our financial analysis and equity valuation or security rating process				(1) in all cases	(1) in all cases	(1) in all cases
(C) We incorporate material environmental and social risks related to companies' supply chains into our financial analysis and equity valuation or security rating process						
(D) We do not incorporate material ESG risks into our financial analysis, equity valuation or security rating processes				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1
<b>What information do you incorporate when you assess the ESG performance of companies in your financial analysis, benchmark selection and/or portfolio construction process?</b>						
				(2) Active - quantitative	(3) Active - fundamental	(4) Other strategies
(A) We incorporate qualitative and/or quantitative information on current performance across a range of material ESG factors				(1) in all cases	(1) in all cases	(1) in all cases
(B) We incorporate qualitative and/or quantitative information on historical performance across a range of material ESG factors				(1) in all cases	(1) in all cases	(1) in all cases
(C) We incorporate qualitative and/or quantitative information on material ESG factors that may impact or influence future corporate revenues and/or profitability				(1) in all cases	(1) in all cases	(1) in all cases
(D) We incorporate qualitative and/or quantitative information enabling current, historical and/or future performance comparison within a selected peer group across a range of material ESG factors				(1) in all cases	(1) in all cases	(1) in all cases
(E) We do not incorporate qualitative or quantitative information on material ESG factors when assessing the ESG performance of companies in our financial analysis, equity investment or portfolio construction process				○	○	○

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 5	PLUS	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

### Provide an example of how you incorporated ESG factors into your equity selection and research process during the reporting year.

**EQUITY CASE STUDY: CLIMATE CHANGE STRATEGY** The Climate Change Strategy was launched in 2017, designed to capitalize on opportunities relating to climate change mitigation and adaptation efforts. The Strategy invests in sectors such as renewable and low-carbon energy, energy storage, material inputs for climate technologies, energy efficiency, and climate technologies, as well as in industries such as sustainable agriculture, water, and circular economy.

The Climate Change Strategy invests in companies that we expect to benefit significantly in a world increasingly impacted by climate change. We invest in the following areas: Mitigation: Clean Energy, Batteries & Storage, Electric Grid, Energy Efficiency, Technology & Materials Adaptation: Agriculture, Water treatment efficiency & recycling, energy-efficient Air-conditioning

Our Focused Equity team uses both quantitative screens and deep fundamental analysis to manage the Strategy, primarily relying on a valuation approach to identify high-quality, underpriced companies with robust management of ESG risks. Many of the technologies and materials that are vitally needed to support the transition to a clean economy are in high-impact sectors, and careful ESG assessment and engagement with companies are part of the investment process.

**EQUITY CASE STUDY: HORIZONS STRATEGY** In 2024, GMO launched our Horizons Strategy, a global strategy reflecting the view that the world economy is transitioning to a lower carbon future and that this process will create secular growth opportunities for investors to seek excess returns. We believe the strategy is well suited to clients looking to increase their exposure to sustainable investments and to make progress on net-zero goals, delivering higher-than-benchmark (MSCI ACWI ex-Fossil Fuels Index, though the strategy can be managed to a client-specified benchmark in a separate account) exposure to climate solutions as well as lower-than-benchmark carbon emissions by using a rigorous, style neutral approach that incorporates both direct and indirect emissions.

GMO Horizons manages total emissions risk using reported Scope 1 direct emissions and the GMO Indirect Emissions model. Other available sustainable solutions focus on managing risk from only Scope 1 and Scope 2 emissions, which misses emissions risks embodied in company value chains that account for approximately 80% of total company emissions. This is particularly critical when constructing portfolios on the basis of emissions. Without considering the total emissions footprint, investors may end up selecting companies that have lower Scope 1 and Scope 2 footprints but higher total emissions footprints, as could be the case with a company that outsources all its production and/or marketing. The GMO Indirect Emissions model is a proprietary model that integrates bottom-up and top-down data in a global company supply chain network to estimate flows between companies based on specific combinations of reported revenue segments. This enables us to distinguish company value chains from peers using reported supply chain relationships.

Strategies that focus on just one facet of climate change, such as emissions, may miss out on opportunities among "green" business activities - for example, companies that enable the emissions reductions. Climate solutions are often thought of as pureplay renewable energy and electric vehicles. In reality, however, sustainable opportunities span a diverse range of activities across value chains. For instance, energy management and efficiency have constituted at least a third of the green economy since 2016, driven by building and industry energy efficiency measures. The green revenues in Horizons are derived from activities such as renewable and low-carbon energy, energy storage, material inputs for climate technologies, energy efficiency, and climate technologies, as well as in industries such as sustainable agriculture, water, and circular economy. To measure our portfolio's exposure to green revenues, we aggregate them by multiplying the proportion of a company's green revenues by its portfolio weight. (We chose to define green companies using weighted average green revenue, or "WAGR," rather than an arbitrary green revenue threshold.)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1
<b>How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?</b>						
				(2) Active - quantitative	(3) Active - fundamental	(4) Other strategies
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process				(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(B) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process				(1) for all of our AUM	(1) for all of our AUM	(1) for all of our AUM
(C) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process				(3) for a minority of our AUM	(3) for a minority of our AUM	(3) for a minority of our AUM
(D) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process						
(E) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 17.1 LE, OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your listed equity assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks**
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening**
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 10	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your listed equity assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

**(1) Active - quantitative      (2) Active - fundamental      (3) Other strategies**

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual listed equity holdings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other listed equity holdings exposed to similar risks and/or incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their discretion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 11	PLUS	OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of ESG factors in your listed equity valuation or portfolio construction affected the realised returns of those assets.**

Case Study: GMO Usonian Japan Equity team: Adding alpha through ESG engagements  
 GMO acquired the Usonian Japan Equity team in 2020, and they brought with them a strong stewardship and engagement heritage. Influencing positive outcomes through management engagement has always been a core tenet of their investment approach. The team believes there are significant opportunities in Japan where management teams are receptive to collaborative and constructive feedback. Usonian continues to be at the forefront of our engagement activities, accounting for about 60% of total engagements in this reporting period. They epitomize engagement best practice at GMO.  
 How Usonian Engages: As long-term investors, the team works as collaboratively as practical with Japanese companies to unlock value. With each company, they identify several ways in which they think management can increase the value of the firm. Value-enhancing issues on which Usonian will engage include:

- Capital allocation and management changes
- Strategic assessment of underperforming subsidiaries,
- ESG policy, practice, and transparency,
- Operational improvements,

- Board composition,
- Global competitive benchmarking,
- Investor relations activities, and
- Sales and distribution strategies.

RELATING: Constructive, value-added engagement to deepen relationships and trust with management teams, which can be critical in Japan and important in influencing management later

SUPPORTING: Providing value-added support initiatives to companies, which can include:

The Usonian team's engagement activity can be categorized into the following groups of defined objectives:

UNDERSTANDING: Early engagement to understand how management thinks about specific strategic issues

- providing global competitive benchmarking
- helping with IR activities
- introducing potential director and/or corporate allegiance candidates
- explaining "the investor perspective"

INFLUENCING OUTCOME: Spurring performance improvement by submitting formal written suggestions to corporate boards highlighting corporate governance shortcomings, leveraging relationships with other market participants and lobbying proxy advisors

The success of Usonian engagements is measured in two ways:

1. The Usonian team believes that engagement activity improves overall long-term risk-adjusted returns. However, they also acknowledge that they cannot specifically attribute performance results to engagement.
2. Therefore, to quantify an outcome, they evaluate the rating levels of the Usonian portfolio companies versus that of comparable indices. As shown on the chart below, as of December 2022, the Usonian Japan Value Strategy had more favorable rankings versus the Japan Small Cap benchmark, our preferred universe.

## DISCLOSURE OF ESG SCREENS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 12	CORE	OO 17 LE, OO 21	N/A	PUBLIC	Disclosure of ESG screens	6

For all your listed equity assets subject to ESG screens, how do you ensure that clients understand ESG screens and their implications?

- (A) We share a list of ESG screens
- (B) We share any changes in ESG screens
- (C) We explain any implications of ESG screens, such as their deviation from a benchmark or impact on sector weightings
- (D) We do not share the above information for all our listed equity assets subject to ESG screens

# FIXED INCOME (FI)

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 1	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1
<b>Does your organisation have a formal investment process to identify and incorporate material ESG factors across your fixed income assets?</b>						
		<b>(1) SSA</b>		<b>(2) Corporate</b>		<b>(3) Securitised</b>
(A) Yes, our investment process incorporates material governance factors		(1) for all of our AUM		(2) for a majority of our AUM		(3) for a minority of our AUM
(B) Yes, our investment process incorporates material environmental and social factors		(1) for all of our AUM		(2) for a majority of our AUM		(3) for a minority of our AUM
(C) Yes, our investment process incorporates material ESG factors depending on different investment time horizons		(1) for all of our AUM		(2) for a majority of our AUM		(3) for a minority of our AUM
(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion		○		○		○
(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors		○		○		○

## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 2	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1
<b>Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your fixed income assets?</b>						
		(1) SSA		(2) Corporate		(3) Securitised
(A) Yes, we have a formal process that includes scenario analyses						
(B) Yes, we have a formal process, but does it not include scenario analyses		(1) for all of our AUM		(2) for a majority of our AUM		(3) for a minority of our AUM
(C) We do not have a formal process for our fixed income assets; our investment professionals monitor how ESG trends vary over time at their discretion		○		○		○
(D) We do not monitor and review the implications of changing ESG trends on our fixed income assets		○		○		○

## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 3	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**For the majority of your fixed income investments, does your organisation incorporate material ESG factors when assessing their credit quality?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) We incorporate material environmental and social factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(B) We incorporate material governance-related factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(C) We do not incorporate material ESG factors for the majority of our fixed income investments	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**Does your organisation have a framework that differentiates ESG risks by issuer country, region and/or sector?**

	(1) SSA	(2) Corporate	(3) Securitised
(A) Yes, we have a framework that differentiates ESG risks by country and/or region (e.g. local governance and labour practices)	(1) for all of our AUM	(2) for a majority of our AUM	
(B) Yes, we have a framework that differentiates ESG risks by sector			(3) for a minority of our AUM
(C) No, we do not have a framework that differentiates ESG risks by issuer country, region and/or sector	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

(D) Not applicable; we are not able to differentiate ESG risks by issuer country, region and/or sector due to the limited universe of our issuers

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**How do you incorporate significant changes in material ESG factors over time into your fixed income asset valuation process?**

**(1) SSA** **(2) Corporate**

(A) We incorporate it into the forecast of financial metrics or other quantitative assessments

(B) We make a qualitative assessment of how material ESG factors may evolve

(1) for all of our AUM

(2) for a majority of our AUM

(C) We do not incorporate significant changes in material ESG factors

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 7	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1

**At what level do you incorporate material ESG factors into the risks and/or returns of your securitised products?**

◉ (A) At both key counterparties' and at the underlying collateral pool's levels

Explain: (Voluntary)

- (B) At key counterparties' level only
- (C) At the underlying collateral pool's level only

## ESG INCORPORATION IN PORTFOLIO CONSTRUCTION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 8	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1
<b>How do material ESG factors contribute to your security selection, portfolio construction and/or benchmark selection process?</b>						
		(1) SSA		(2) Corporate		(3) Securitised
(A) Material ESG factors contribute to the selection of individual assets and/or sector weightings within our portfolio construction and/or benchmark selection process		(1) for all of our AUM		(2) for a majority of our AUM		(3) for a minority of our AUM
(B) Material ESG factors contribute to determining the holding period of individual assets within our portfolio construction and/or benchmark selection process						
(C) Material ESG factors contribute to the portfolio weighting of individual assets within our portfolio construction and/or benchmark selection process		(1) for all of our AUM		(2) for a majority of our AUM		(3) for a minority of our AUM
(D) Material ESG factors contribute to the country or region weighting of assets within our portfolio construction and/or benchmark selection process		(1) for all of our AUM		(2) for a majority of our AUM		(3) for a minority of our AUM
(E) Material ESG factors contribute to our portfolio construction and/or benchmark selection process in other ways						
(F) Our security selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors		○		○		○

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 11	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**How are material ESG factors incorporated into your portfolio risk management process?**

(1) SSA

(2) Corporate

(3) Securitised

(A) Investment committee members, or the equivalent function or group, can veto investment decisions based on ESG considerations

(B) Companies, sectors, countries and/or currencies are monitored for changes in exposure to material ESG factors and any breaches of risk limits

(C) Overall exposure to specific material ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on the individual issuer or issue sensitivity to these factors

(1) for all of our AUM

(2) for a majority of our AUM

(3) for a minority of our AUM

(D) We use another method of incorporating material ESG factors into our portfolio's risk management process

○

○

○

(E) We do not have a process to incorporate material ESG factors into our portfolio's risk management process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 12	CORE	OO 21	N/A	PUBLIC	ESG risk management	1
<b>For the majority of your fixed income assets, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?</b>						
			(1) SSA	(2) Corporate	(3) Securitised	
(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual fixed income holdings			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for other fixed income holdings exposed to similar risks and/or incidents			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents, and their implications for our stewardship activities			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(E) We do not have a formal process to identify and incorporate ESG risks and ESG incidents; our investment professionals identify and incorporate ESG risks and ESG incidents at their discretion			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
(F) We do not have a formal process to identify and incorporate ESG risks and ESG incidents into our risk management process			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

## PERFORMANCE MONITORING

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 14	PLUS	OO 5.3 FI, OO 21	N/A	PUBLIC	Performance monitoring	1

**Provide an example of how the incorporation of environmental and/or social factors in your fixed income valuation or portfolio construction affected the realised returns of those assets.**

We do not claim a cause-and-effect link between the integration of ESG factors into our credit risk assessment process and the subsequent performance of portfolio assets. Our process is designed to identify issuers that are cheap relative to their current market value, and this valuation framework informs all our portfolio decisions.

# HEDGE FUNDS (HF)

## POLICY

### INVESTMENT GUIDELINES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 1	CORE	OO 21	N/A	PUBLIC	Investment guidelines	1, 4, 6

**What activities, practices and/or relationships are covered by your organisation's responsible investment policy(ies) for the majority of your hedge fund assets?**

- (A) Our ESG requirements of prime brokers
- (B) Our ESG requirements for administrators and custodians
- (C) Our ESG requirements regarding (proxy) voting service providers (or other third-party providers), where applicable
- (D) How breaches in our responsible investment policy are communicated to clients
- (E) How ESG is incorporated into our long and/or short exposures
- (F) Whether sectors, issuers, equities and/or asset types are excluded from the portfolio due to ESG factors
- (G) How we engage with underlying investees, issuers or real assets
- (H) Our responsible investment policy(ies) does not specifically cover activities, practices and/or relationships for our hedge fund assets

## OVERALL APPROACH

### MATERIALITY ANALYSIS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 2	CORE	OO 21	N/A	PUBLIC	Materiality analysis	1

**Does your organisation have a formal investment process to identify and incorporate material ESG factors across your hedge fund strategies?**

(2) Long/short equity

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(A) Yes, our investment process incorporates material governance factors

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(B) Yes, our investment process incorporates material environmental and social factors

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(C) Yes, our investment process incorporates material ESG factors into risk assessment and the risk profile of the underlying exposures

(2) for a majority of our AUM

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(D) No, we do not have a formal process; our investment professionals identify material ESG factors at their discretion

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(E) No, we do not have a formal or informal process to identify and incorporate material ESG factors

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## MONITORING ESG TRENDS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 3	CORE	OO 21	N/A	PUBLIC	Monitoring ESG trends	1

**Does your organisation have a formal process for monitoring and reviewing the implications of changing ESG trends across your hedge fund strategies?**

**(2) Long/short equity**

(A) Yes, we have a formal process that includes scenario analyses

(B) Yes, we have a formal process but it does not include scenario analyses

(C) We do not have a formal process for our hedge fund strategies; our investment professionals monitor and review the implications of changing ESG trends at their discretion



(D) We do not monitor and review the implications of changing ESG trends on our hedge fund strategies



## PRE-INVESTMENT

### ESG INCORPORATION IN RESEARCH

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 4	CORE	OO 21	N/A	PUBLIC	ESG incorporation in research	1
<b>How does your investment research incorporate material ESG risks and opportunities into the selection of listed companies or issuers of corporate debt?</b>						
<b>(2) Long/short equity</b>						
(A) We incorporate material governance-related risks and opportunities that may affect the products and services delivered by listed companies or issuers of corporate debt					(3) in a minority of cases	
(B) We incorporate material environmental and social risks and opportunities that may affect the products and services delivered by listed companies or issuers of corporate debt					(3) in a minority of cases	
(C) We incorporate material environmental and social risks and opportunities that may arise from how listed companies or issuers of corporate debt undertake their operations						
(D) We incorporate material environmental and social risks and opportunities linked to a listed company or issuer or corporate debt supply chain						
(E) Other						
(F) Our investment research does not incorporate material ESG risks and opportunities into the selection of listed companies or issuers of corporate debt					○	

(G) Not applicable, our strategy does not invest directly in listed companies or issuers of corporate debt

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#### **Additional context to your response(s): (Voluntary)**

ESG considerations are integrated into the GMO Equity Dislocation Strategy through the universe definition, alpha considerations, and portfolio review process. However, there is no additional screening of companies based on ESG metrics to determine the investment universe for the strategy, nor is the sizing of the position systematically influenced by ESG metrics

## **ESG INCORPORATION IN PORTFOLIO CONSTRUCTION**

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 6	CORE	OO 21	N/A	PUBLIC	ESG incorporation in portfolio construction	1

**How do material ESG factors contribute to your stock selection, portfolio construction and/or benchmark selection process?**

#### **(2) Long/short equity**

(A) Material ESG factors contribute to the selection of individual assets and financial instruments within our portfolio construction and/or benchmark selection process

(B) Material ESG factors contribute to the portfolio weighting of individual assets and financial instruments within our portfolio construction and/or benchmark selection process

(C) Material ESG factors contribute to the sector, country or regional weighting of assets and financial instruments within our portfolio construction and/or benchmark selection process

(D) Material ESG factors contribute to determining the construction of short positions

(E) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process

(1) for all of our AUM

(F) Our stock selection, portfolio construction or benchmark selection process does not include the incorporation of material ESG factors

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**(E) Other ways material ESG factors contribute to your portfolio construction and/or benchmark selection process - Specify:**

ESG considerations are integrated into the GMO Equity Dislocation Strategy both through our universe definition and through our portfolio review process. We utilize third-party data to identify companies engaged in the manufacture, supply, or distribution of cluster munitions, as well as companies primarily involved in the production and mining of coal, related products, and other consumable fuels related to the generation of energy, or the manufacturer of cigarettes and other tobacco products, and remove these companies from consideration for long investment, although these securities remain eligible for the short portfolio. Outside of the exclusions described above, there is no additional screening of companies based on ESG metrics to determine the investment universe for the strategy, nor is the sizing of the position systematically influenced by ESG metrics.

Additionally, as part of our ongoing portfolio management and review process, we monitor the portfolio for exposure to various ESG metrics, including portfolio weighted average overall and individual ESG rankings of companies, the exposure of the portfolio to highly ranked and poorly ranked companies based on these ESG scores, and exposure of the portfolio to factors contributing to these scores, such as carbon intensity and board independence.

## POST-INVESTMENT

### ESG RISK MANAGEMENT

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 8	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**What compliance processes do you have in place to ensure that your hedge fund assets subject to negative exclusionary screens meet the screening criteria?**

- (A) We have internal compliance procedures that ensure all funds or portfolios that are subject to negative exclusionary screening have pre-trade checks
- (B) We have an external committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (C) We have an independent internal committee that oversees the screening implementation process for all funds or portfolios that are subject to negative exclusionary screening
- (D) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens
- (E) Not applicable; we do not conduct negative exclusionary screening on our hedge fund assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
HF 9	CORE	OO 21	N/A	PUBLIC	ESG risk management	1

**For the majority of your hedge funds, do you have a formal process to identify and incorporate material ESG risks and ESG incidents into your risk management process?**

**(2) Long/short equity**

(A) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for individual securities, issuers and financial instruments

(B) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for other securities, issuers and financial instruments exposed to similar risks and/or incidents

(C) Yes, our formal process includes reviews of quantitative and/or qualitative information on material ESG risks and ESG incidents and their implications for our stewardship activities

(D) Yes, our formal process includes ad hoc reviews of quantitative and/or qualitative information on severe ESG incidents

(E) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process; our investment professionals identify and incorporate material ESG risks and ESG incidents at their own discretion

(F) We do not have a formal process to identify and incorporate material ESG risks and ESG incidents into our risk management process

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# SUSTAINABILITY OUTCOMES (SO)

## SETTING TARGETS AND TRACKING PROGRESS

### SETTING TARGETS ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 1	PLUS	PGS 48	SO 2, SO 2.1, SO 3	PUBLIC	Setting targets on sustainability outcomes	1, 2

What specific sustainability outcomes connected to its investment activities has your organisation taken action on?

**(A) Sustainability outcome #1**

(1) Widely recognised frameworks used to guide action on this sustainability outcome

- (1) The UN Sustainable Development Goals (SDGs) and targets
- (2) The UNFCCC Paris Agreement**
- (3) The UN Guiding Principles on Business and Human Rights (UNGPs)
- (4) OECD frameworks: OECD Guidelines for Multinational Enterprises and Guidance on Responsible Business Conduct for Institutional Investors
- (5) The EU Taxonomy
- (6) Other relevant taxonomies
- (7) The International Bill of Human Rights
- (8) The International Labour Organization's Declaration on Fundamental Principles and Rights at Work and the eight core conventions
- (9) The Convention on Biological Diversity
- (10) Other international, regional, sector-based or issue-specific framework(s)

(2) Classification of sustainability outcome

- (1) Environmental**
- (2) Social
- (3) Governance-related
- (4) Other

(3) Sustainability outcome name

Reduce Greenhouse Gas Emissions

(4) Number of targets set for this outcome

- (1) No target
- (2) One target**
- (3) Two or more targets

- (B) Sustainability outcome #2
- (C) Sustainability outcome #3
- (D) Sustainability outcome #4
- (E) Sustainability outcome #5
- (F) Sustainability outcome #6
- (G) Sustainability outcome #7
- (H) Sustainability outcome #8
- (I) Sustainability outcome #9
- (J) Sustainability outcome #10

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2	PLUS	SO 1	SO 2.1, SO 4, SO 5	PUBLIC	Setting targets on sustainability outcomes	1

**For each sustainability outcome, provide details of up to two of your nearest-term targets.**

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Reduce Greenhouse Gas Emissions
(1) Target name	Reduce Greenhouse Gas Emissions
(2) Baseline year	2019
(3) Target to be met by	2030
(4) Methodology	Net Zero Investment Framework
(5) Metric used (if relevant)	Portfolio Carbon Footprint (PCF) measured in tCO2e/Mn USD invested
(6) Absolute or intensity-based (if relevant)	(2) Intensity-based
(7) Baseline level or amount (if relevant):	202.6 tCO2e/Mn USD invested, for equity and fixed income combined
(8) Target level or amount (if relevant)	70.91 tCO2e/Mn USD invested, for equity and fixed income combined
(9) Percentage of total AUM covered in your baseline year for target setting	53.5%
(10) Do you also have a longer-term target for this?	(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 2.1	PLUS	SO 1, SO 2	N/A	PUBLIC	Setting targets on sustainability outcomes	1

**For each sustainability outcome, provide details of up to two of your long-term targets.**

(1) Target name	(2) Long-term target to be met by	(3) Long-term target level or amount (if relevant)	
(A1) Sustainability Outcome #1: Reduce Greenhouse Gas Emissions	Reduce Greenhouse Gas Emissions	2050	Net zero portfolio carbon footprint intensity by 2050

## FOCUS: SETTING NET-ZERO TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3	PLUS	SO 1	Multiple, see guidance	PUBLIC	Focus: Setting net-zero targets	General

**If relevant to your organisation, you can opt-in to provide further details on your net-zero targets.**

- (A) Yes, we would like to provide further details on our organisation's asset class-specific net-zero targets
- (B) Yes, we would like to provide further details on our organisation's net-zero targets for high-emitting sectors
- (C) Yes, we would like to provide further details on our organisation's mandate or fund-specific net-zero targets
- (D) No, we would not like to provide further details on our organisation's asset class, high-emitting sectors or mandate or fund-specific net-zero targets
- (E) No, our organisation does not have any asset class, high-emitting sectors or mandate or fund-specific net-zero targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 3.3	PLUS	SO 3	N/A	PUBLIC	Focus: Setting net-zero targets	General

**Provide details of your net-zero targets for specific mandates or funds.**

- (A) Fund or mandate #1
  - (1) Name of mandate or fund
    - Net Zero Portfolio
  - (2) Target details

As part of the NZAM commitment, GMO has submitted its initial net zero targets and transition plan, including:

- Reducing the carbon intensity of included investment portfolios by 65% by 2030, compared to levels in GMO's baseline year of 2019, and
- Increasing the percentage of GMO assets covered under this target from 53.5% to 60% by 2025.

- (B) Fund or mandate #2
- (C) Fund or mandate #3
- (D) Fund or mandate #4
- (E) Fund or mandate #5
- (F) Fund or mandate #6
- (G) Fund or mandate #7
- (H) Fund or mandate #8
- (I) Fund or mandate #9
- (J) Fund or mandate #10

## TRACKING PROGRESS AGAINST TARGETS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4	PLUS	SO 2	SO 4.1	PUBLIC	Tracking progress against targets	1

Does your organisation track progress against your nearest-term sustainability outcomes targets?

### (A1) Sustainability outcome #1:

(A1) Sustainability outcome #1: Reduce Greenhouse Gas Emissions

Target name: Reduce Greenhouse Gas Emissions

Does your organisation track progress against your nearest-term sustainability outcome targets?

(1) Yes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 4.1	PLUS	SO 4	N/A	PUBLIC	Tracking progress against targets	1

**During the reporting year, what qualitative or quantitative progress did your organisation achieve against your nearest-term sustainability outcome targets?**

**(A1) Sustainability Outcome #1: Target details**

(A1) Sustainability Outcome #1:	Reduce Greenhouse Gas Emissions
(1) Target name	Reduce Greenhouse Gas Emissions
(2) Target to be met by	2030
(3) Metric used (if relevant)	Portfolio Carbon Footprint (PCF) measured in tCO2e/Mn USD invested
(4) Current level or amount (if relevant)	59.83 tCO2e/Mn USD invested, for equity and fixed income combined
(5) Other qualitative or quantitative progress	<p>Absolute Financed Scope 1 and Scope 2 emissions have declined from 6,296,516 tCO2e in 2019 to 1,978,713 tCO2e; a reduction of 69%.  The portfolio carbon footprint declined 70% between 2019 and 2024 from 202.6 tCO2e/Mn USD invested to 59.8 tCO2e/Mn USD invested.  The weighted average carbon intensity of the portfolio declined 69% between 2019 and 2024 from 295.9 tCO2e/Mn USD revenue to 92.77 tCO2e/Mn USD revenue.  The proportion of financed emissions covered by a net zero target decreased from 29.7% to 9.7%, while the proposition certified by SBTi increased marginally from 12.3% to 21.9%.</p>
(6) Methodology for tracking progress	<p>Internally created dashboards have been built to track our net zero portfolio's progress towards reducing the PCF. These are updated on a quarterly basis and show the actual and target emissions pathway by investment strategy, as well as the top contributors to the PCF. One of the features include a Brinson style attribution analysis which helps understand the sectors, companies and strategies that are driving the PCF and its reduction.  Progress toward our net zero target is reviewed at the Investment sub-Committee on a quarterly basis and at the Oversight Committee and the Board at least annually.</p>

## INDIVIDUAL AND COLLABORATIVE INVESTOR ACTION ON OUTCOMES

### LEVERS USED TO TAKE ACTION ON SUSTAINABILITY OUTCOMES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 5	PLUS	SO 2	Multiple	PUBLIC	Levers used to take action on sustainability outcomes	1, 2, 5

During the reporting year, which of the following levers did your organisation use to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?

**(A) Stewardship with investees, including engagement, (proxy) voting, and direct influence with privately held assets**  
 Select from drop down list:  
 **(1) Individually**  
 **(2) With other investors or stakeholders**

**(B) Stewardship: engagement with external investment managers**

**(C) Stewardship: engagement with policy makers**  
 Select from drop down list:  
 **(1) Individually**  
 **(2) With other investors or stakeholders**

**(D) Stewardship: engagement with other key stakeholders**  
 Select from drop down list:  
 **(1) Individually**  
 **(2) With other investors or stakeholders**

**(E) Capital allocation**

**(F) Our organisation did not use any of the above levers to take action on sustainability outcomes during the reporting year**

## CAPITAL ALLOCATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 6	PLUS	SO 5	N/A	PUBLIC	Capital allocation	1

**During the reporting year, how did your organisation use capital allocation to take action on sustainability outcomes, including to prevent and mitigate actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

(1) Capital allocation activities used

(2) Sector allocation

Investments in climate solutions are critically needed to transition the economy towards a net zero future. Investments such as these contribute to mitigating longer term risks from a warming climate by enabling decarbonization.

In 2017, we launched the Climate Change Strategy that invests in companies helping the world to mitigate or adapt to the negative impacts of climate change. In 2024, we launched the Horizons Strategy that takes a systematic approach to investing in climate-related opportunities as a complement to the Climate Change strategy. The above two strategies also integrate carbon constraints. The Climate Change Strategy does not generally invest in fossil fuel companies and the Horizons Strategy targets 50% lower portfolio carbon footprint than the benchmark.

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:

Reduce Greenhouse Gas Emissions

(1) Capital allocation activities used

(2) Sector allocation

Investments in climate solutions are critically needed to transition the economy towards a net zero future. Investments such as these contribute to mitigating longer term risks from a warming climate by enabling decarbonization.

In 2017, we launched the Climate Change Strategy that invests in companies helping the world to mitigate or adapt to the negative impacts of climate change. In 2024, we launched the Horizons Strategy that takes a systematic approach to investing in climate-related opportunities as a complement to the Climate Change strategy. The above two strategies also integrate carbon constraints. The Climate Change Strategy does not generally invest in fossil fuel companies and the Horizons Strategy targets 50% lower portfolio carbon footprint than the benchmark.

## STEWARDSHIP WITH INVESTEES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 8	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**During the reporting year, how did your organisation use stewardship with investees to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Across all sustainability outcomes

#### (1) Describe your approach

Engaging with Companies and Policymakers: Our 2024 Engagement Plan continues our climate-focused work from 2022 and 2023. We are focused on the largest contributors to our net zero portfolio carbon footprint to encourage them to report Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, adopt climate change risk reporting following the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), and set science-based targets that are aligned with keeping global warming to 1.5 degrees Celsius at most.

In 2024, we continued our participation in the CDP Non-Disclosure Campaign (NDC), a collaborative initiative that enables investment managers to drive corporate transparency around companies' management of climate change-related exposures.

We signed on to the CDP Science-based Targets Initiative in 2021 and continued to support it. Through our participation in the NDC, GMO investment teams have encouraged improved environmental risk disclosure from companies held in our portfolios.

In support of our pledge, GMO also signed the 2022 and 2024 Global Investor Statement to Governments on the Climate Crisis, a joint statement addressed to all world governments urging them to implement policies that limit global temperature rise to no more than 1.5 degrees Celsius and to act consistently with a just transition.

Indirect Emission and Supply Chain Engagement: Recognizing that indirect emissions accounted for 60-80% of a company's total carbon footprint on average, we knew that measuring total emissions exposure is essential to effectively evaluate and manage emissions risk.

We have been educating investment teams on the Indirect Emissions model and are starting to incorporate it in our corporate engagements. We use the Indirect Emission Model in our stewardship activities with investees in a number of ways: 1) to prioritize corporate and sector engagement efforts toward areas that have the most impact on total emissions; 2) understand where to focus our attention when evaluating investees' supply chain risk; and 3) promote decarbonization by encouraging companies to shift to lower emission suppliers.

#### (2) Stewardship tools or activities used

(1) Engagement  
(2) (Proxy) voting at shareholder meetings

(3) Example

Example 1: WE engaged with a renewable energy company regarding risks around forced labour

We discussed the company's governance and risk management processes to ensure their supply chains do not employ forced labour. The company has put in place reasonable mechanisms to monitor for and prevent forced labour/modern slavery in its supply chain. The company has no presence in the Xinjiang region (an often cited 'hotspot' of forced labour) of China. Suppliers are required to provide written confirmation that they abide by the company's Supplier Code of Conduct that includes a stipulation of no modern slavery and no child labor. The company regularly conducts announced and unannounced supplier checks on a range of factors, not just forced labour.

Example 2: We supported an Oil, Gas & Consumable Fuels Company's Energy Transition Plan

Rationale and outcome: We believe climate transition plan should align with best practices and we supported the company's Energy Transition Plan that covers scope 1, 2, and 3 emissions and encompass short-, medium-, and long-term timeframes for all areas of the business. The company has made progress in the reduction of operational emissions and the introduction of an absolute scope 3 target for 2030 adds further accountability and rigor. The plan received 78% support.

Example 3: We engaged with a food and renewal energy company on the topic of commitment to no deforestation and set science-based target

We met with the company a few times to discuss its climate change approach. The company already had a no deforestation commitment and set interim emission reduction targets following our first conversation. We encouraged the company to consider setting a science-based target to solidify their climate commitment. The company advised that they were looking at this but have made no firm decision. We will continue to meet with company and monitor its progress.

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**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1:

Reduce Greenhouse Gas Emissions

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(1) Describe your approach

Engaging with Companies and Policymakers: Our 2024 Engagement Plan continues our climate-focused work from 2022 and 2023. We are focused on the largest contributors to our net zero portfolio carbon footprint to encourage them to report Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, adopt climate change risk reporting following the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), and set science-based targets that are aligned with keeping global warming to 1.5 degrees Celsius at most. In 2024, we continued our participation in the CDP Non-Disclosure Campaign (NDC), a collaborative initiative that enables investment managers to drive corporate transparency around companies' management of climate change-related exposures.

We signed on to the CDP Science-based Targets Initiative in 2021 and continued to support it. Through our participation in the NDC, GMO investment teams have encouraged improved environmental risk disclosure from companies held in our portfolios.

In support of our pledge, GMO also signed the 2022 and 2024 Global Investor Statement to Governments on the Climate Crisis, a joint statement addressed to all world governments urging them to implement policies that limit global temperature rise to no more than 1.5 degrees Celsius and to act consistently with a just transition.

**Indirect Emission and Supply Chain Engagement:** Recognizing that indirect emissions accounted for 60-80% of a company's total carbon footprint on average, we knew that measuring total emissions exposure is essential to effectively evaluate and manage emissions risk.

We have been educating investment teams on the Indirect Emissions model and are starting to incorporate it in our corporate engagements. We use the Indirect Emission Model in our stewardship activities with investees in a number of ways: 1) to prioritize corporate and sector engagement efforts toward areas that have the most impact on total emissions; 2) understand where to focus our attention when evaluating investees' supply chain risk; and 3) promote decarbonization by encouraging companies to shift to lower emission suppliers.

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(2) Stewardship tools or activities used

(1) Engagement  
(2) (Proxy) voting at shareholder meetings

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(3) Example

Example 1: We engaged with a company to encourage improved disclosure of the climate related risk and management. Discussed the company's climate-related disclosures, conferred about fossil-fuel based raw material and stranded asset risks, and encouraged more comprehensive reporting, including articulating the board's oversight on climate risks and publicly disclosing emission reduction targets. In 2024, the company submitted their first CDP report.

Example 2: We supported an Oil, Gas & Consumable Fuels Company's Energy Transition Plan

**Rationale and outcome:** We believe climate transition plan should align with best practices and we supported the company's Energy Transition Plan that covers scope 1, 2, and 3 emissions and encompass short-, medium-, and long-term timeframes for all areas of the business. The company has made progress in the reduction of operational emissions and the introduction of an absolute scope 3 target for 2030 adds further accountability and rigor. The plan received 78% support.

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We met with the company a few times to discuss its climate change approach. The company already had a no deforestation commitment and set interim emission reduction targets following our first conversation. We encouraged the company to consider setting a science-based target to solidify their climate commitment. The company advised that they were looking at this but have made no firm decision. We will continue to meet with company and monitor its progress.

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 9	PLUS	SO 5	N/A	PUBLIC	Stewardship with investees	2

**How does your organisation prioritise the investees you conduct stewardship with to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

(A) We prioritise the most strategically important companies in our portfolio.  
 (B) We prioritise the companies in our portfolio most significantly connected to sustainability outcomes.

Describe how you do this:

We are prioritizing engagement with companies where we have significant and stable holdings, with sizeable emissions and that currently do not report emissions.

Select from the list:

1  
 3  
 4

(C) We prioritise the companies in our portfolio to ensure that we cover a certain proportion of the sustainability outcomes we are taking action on.

Describe how you do this:

We identify the companies that have the largest impact on our portfolio carbon footprint. This tends to capture both size of our holdings (and influence we are likely to have) AND the highest emitters.

Select from the list:

2  
 3  
 4

(D) Other

## STEWARDSHIP: ENGAGEMENT WITH POLICY MAKERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 11	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with policy makers	2

During the reporting year, how did your organisation use engagement with policy makers to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?

### (A) Across all sustainability outcomes

(1) Describe your approach	As a small investor, GMO typically has limited ability to engage with policy makers in a meaningful way, therefore, we seek opportunities to engage collectively with others, in addition to our own initiatives.
(2) Engagement tools or activities used	<ul style="list-style-type: none"> <li>(1) We participated in 'sign-on' letters</li> <li>(2) We responded to policy consultations</li> <li>(4) We engaged policy makers on our own initiative</li> </ul>
(3) Example(s) of policies engaged on	<p>Own initiative: In 2024, We reached out to four sovereign issuers to receive feedback on human capital and gender equity KPIs, and to encourage more timely disclosure of these indicators. This is a first step of an objective for issuers to develop policies to improve upon these indicators. Examples of indicators include: infant mortality rates, and women participation on the workforce.</p> <p>We responded to policy consultations: Some examples include endorsement of the Global Investor Statement to Governments on the Climate Crisis, and through groups like the Emerging Markets Investor Alliance. We are also members of the IFRS Alliance to promote a global standard for reporting on material ESG issues, and our Head of ESG &amp; Sustainability sits on the GRI Sustainability Standards Board.</p>

### (B) Sustainability Outcome #1:

(B) Sustainability Outcome #1:	Reduce Greenhouse Gas Emissions
(1) Describe your approach	As a small investor, GMO typically has limited ability to engage with policy makers in a meaningful way, therefore, we seek opportunities to engage collectively with others, in addition to our own initiatives.
(2) Engagement tools or activities used	<ul style="list-style-type: none"> <li>(1) We participated in 'sign-on' letters</li> <li>(2) We responded to policy consultations</li> <li>(4) We engaged policy makers on our own initiative</li> </ul>

(3) Example(s) of policies engaged on

Own initiative: In 2024, We reached out to four sovereign issuers to receive feedback on human capital and gender equity KPIs, and to encourage more timely disclosure of these indicators. This is a first step of an objective for issuers to develop policies to improve upon these indicators. Examples of indicators include: infant mortality rates, and women participation on the workforce.

We responded to policy consultations: Some examples include endorsement of the Global Investor Statement to Governments on the Climate Crisis, and through groups like the Emerging Markets Investor Alliance. We are also members of the IFRS Alliance to promote a global standard for reporting on material ESG issues, and our Head of ESG & Sustainability sits on the GRI Sustainability Standards Board.

## STEWARDSHIP: ENGAGEMENT WITH OTHER KEY STAKEHOLDERS

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 12	PLUS	SO 5	N/A	PUBLIC	Stewardship: Engagement with other key stakeholders	2, 5

**Does your organisation engage with other key stakeholders to support the development of financial products, services, research, and/or data aligned with global sustainability goals and thresholds?**

### (A) Across all sustainability outcomes

- (1) Standard setters
- (2) Reporting bodies
- (3) Stock exchanges
- (6) External service providers (e.g. proxy advisers, investment consultants, data providers)
- (9) Other key stakeholders

(1) Key stakeholders engaged

In addition to the PRI, we have added our voice as a member, supporter, or signatory to other groups that share our views regarding the importance of ESG factors, including the Net Zero Asset Managers Initiative, CDP (formerly Carbon Disclosure Project), the Transition Pathway Initiative, the Emerging Markets Investors Alliance, the IFRS Sustainability Alliance (formerly SASB Alliance), the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD), the Japan Stewardship Code, and the Singapore Stewardship Principles.

(2) Provide further detail on your engagement

GMO regularly engages with the Singapore Stock Exchange and the Monetary Authority of Singapore on matters relating to climate change and corporate ESG disclosures.

We co-authored a paper with FTSE and the Government Investment Corp (GIC) of Singapore to promote the further development and use of FTSE Green revenue data in portfolio construction.

We published several papers discussing the development of GMO's Indirect Emissions model and how we are applying this research in the Horizons Strategy.

We have engaged with service providers to educate them on the features of our indirect emissions model. We also partnered with one of our clients in an iterative process to produce a Total Emissions Report powered by the GMO Indirect Emissions Model data. Through this collaboration, we demonstrated how Indirect Emissions data could catalyze tangible outputs to better manage the client's emissions risk and exposure.

**(B) Sustainability Outcome #1:**

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(B) Sustainability Outcome #1:	Reduce Greenhouse Gas Emissions
(1) Key stakeholders engaged	<ul style="list-style-type: none"><li>(1) Standard setters</li><li>(2) Reporting bodies</li><li>(3) Stock exchanges</li><li>(6) External service providers (e.g. proxy advisers, investment consultants, data providers)</li><li>(9) Other key stakeholders</li></ul>

(2) Provide further detail on your engagement

In addition to the PRI, we have added our voice as a member, supporter, or signatory to other groups that share our views regarding the importance of ESG factors, including the Net Zero Asset Managers Initiative, CDP (formerly Carbon Disclosure Project), the Transition Pathway Initiative, the Emerging Markets Investors Alliance, the IFRS Sustainability Alliance (formerly SASB Alliance), the Financial Stability Board's Taskforce on Climate-related Financial Disclosures (TCFD), the Japan Stewardship Code, and the Singapore Stewardship Principles.

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We published several papers discussing the development of GMO's Indirect Emissions model and how we are applying this research in the Horizons Strategy. We have engaged with service providers to educate them on the features of our indirect emissions model. We also partnered with one of our clients in an iterative process to produce a Total Emissions Report powered by the GMO Indirect Emissions Model data. Through this collaboration, we demonstrated how Indirect Emissions data could catalyze tangible outputs to better manage the client's emissions risk and exposure.

## STEWARDSHIP: COLLABORATION

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SO 13	PLUS	SO 5	N/A	PUBLIC	Stewardship: Collaboration	2

**During the reporting year, to which collaborative initiatives did your organisation contribute to take action on sustainability outcomes, including preventing and mitigating actual and potential negative outcomes?**

### (A) Initiative #1

(1) Name of the initiative	- CDP Non-Disclosure Campaign - CDP Science-based Targets Initiative
(2) Indicate how your organisation contributed to this collaborative initiative	(A) We were a lead investor in one or more focus entities (e.g. investee companies) (B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative
(3) Provide further detail on your participation in this collaborative initiative	GMO participates in the CDP's Non-Discloser Campaign, a collaborative initiative that enables investment managers to drive corporate transparency around companies' management of climate change-related exposures. This complements our involvement in the CDP Science-Based Targets Initiative. Through our participation, GMO investment teams encourage improved ESG risk disclosure from companies held in our portfolios. In 2024, via letters and phone calls, we led engagements with 9 non-disclosing companies. As of 31 December 2024, three companies had submitted their CDP questionnaires. Two additional companies from previous years' campaigns also began reporting to CDP.

### (B) Initiative #2

(1) Name of the initiative	Asian Corporate Governance Association (ACGA)
(2) Indicate how your organisation contributed to this collaborative initiative	(C) We publicly endorsed the initiative (G) We were part of an advisory committee or similar
(3) Provide further detail on your participation in this collaborative initiative	GMO was part of a delegation that met with Japanese regulators on a number of governance issues, including the disclosure of Yuho Annual Reports. Currently, 80% of Japanese companies publish Yuho reports the day of or after the AGM. The ACGA pushed for disclosure, with relevant sections available in English at least four weeks before the AGM to allow for informed voting decisions. This discussion was followed with a letter to the Financial Services Agency prioritizing Yuho disclosure before AGMs, and realignment of record dates closer to the AGM date.

### **(C) Initiative #3**

(1) Name of the initiative	Climate Change Engagement Canada (CEC)
(2) Indicate how your organisation contributed to this collaborative initiative	(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative
(3) Provide further detail on your participation in this collaborative initiative	Climate Engagement Canada (CEC) is a finance-led initiative that drives dialogue between finance and industry to promote a just transition to a net zero economy. GMO joined CEC in September 2024 as an international supporter and started to participate in 2-3 collaborative engagement since joining.
<b>(D) Initiative #4</b>	
(1) Name of the initiative	Emerging Markets Investors Alliance (EMIA)
(2) Indicate how your organisation contributed to this collaborative initiative	(B) We acted as a collaborating investor in one or more focus entities (e.g. investee companies) (C) We publicly endorsed the initiative
(3) Provide further detail on your participation in this collaborative initiative	The EMIA brings investors together with government and corporate leaders in emerging markets to jointly tackle global challenges. In 2024, GMO sent letters to five emerging countries to invite them to meet with the human capital, education and gender equity working group to discuss improvements in disclosures of key performance indicators for education, health and gender equity issues.

# CONFIDENCE-BUILDING MEASURES (CBM)

## CONFIDENCE-BUILDING MEASURES

### APPROACH TO CONFIDENCE-BUILDING MEASURES

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 1	CORE	N/A	Multiple indicators	PUBLIC	Approach to confidence-building measures	6

#### How did your organisation verify the information submitted in your PRI report this reporting year?

- (A) We conducted independent third-party assurance of selected processes and/or data related to the responsible investment processes reported in our PRI report, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls or governance processes to be able to conduct independent third-party assurance next year
- (C) We conducted an internal audit of selected processes and/or data related to the responsible investment processes reported in our PRI report
- (D) Our board, trustees (or equivalent), senior executive-level staff (or equivalent), and/or investment committee (or equivalent) signed off on our PRI report
- (E) Our responses in selected sections and/or the entirety of our PRI report were internally reviewed before submission to the PRI
- (F) We did not verify the information submitted in our PRI report this reporting year

### INTERNAL REVIEW

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
CBM 6	CORE	CBM 1	N/A	PUBLIC	Internal review	6

#### Who in your organisation reviewed the responses submitted in your PRI report this year?

- (A) Board, trustees, or equivalent
- (B) Senior executive-level staff, investment committee, head of department, or equivalent
  - Sections of PRI report reviewed
    - (1) the entire report
    - (2) selected sections of the report
  - (C) None of the above internal roles reviewed selected sections or the entirety of the responses submitted in our PRI report this year