Capital Group Future Generations Global Corporate Bond Fund (LUX)

Annual Sustainability Report 2024

Sustainability meets opportunity

CAPITAL GROUP™

FOR PROFESSIONAL INVESTORS ONLY
Marketing communication

Contents

Important information

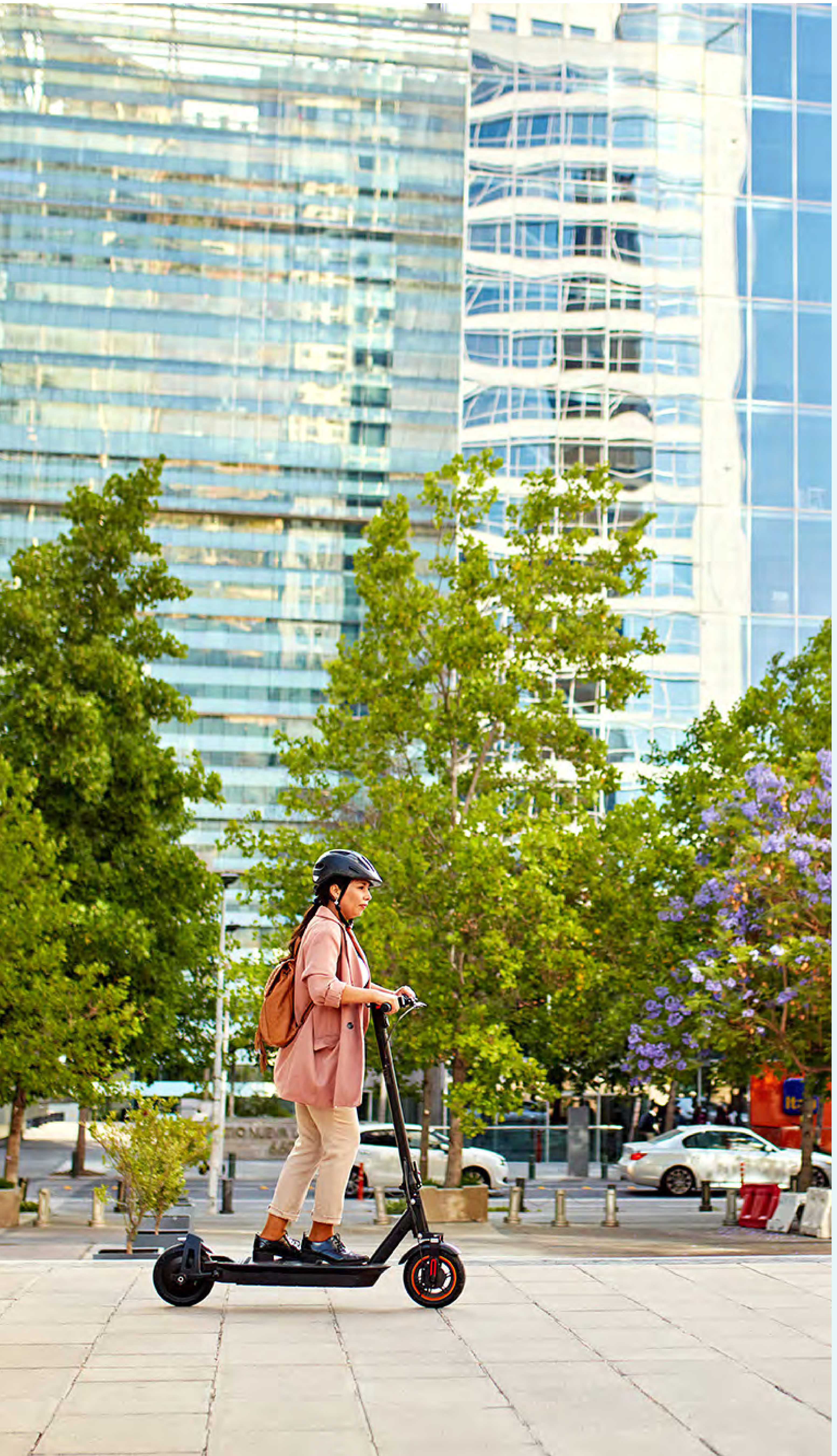
All information as at 31 December 2024 and attributed to Capital Group unless otherwise specified. Where applicable, fixed income assets are managed by Capital Fixed Income Investors. All asset values in USD, unless otherwise specified.

This material refers to alignment with the UN Sustainable Development Goals (SDGs). SDG icons are shown for illustrative purposes only. Their use does not imply the endorsement by the UN of Capital Group, its products or services, or of its planned activities.

Please note that invested capital is at risk; funds/strategies aim to achieve a positive return over the long term although there is no guarantee this will be achieved over that or any time period. Some of the information in this material may include forecasts, hypothetical data, company examples and segments, which are shown for illustrative purposes only. Where applicable, totals may not reconcile due to rounding.

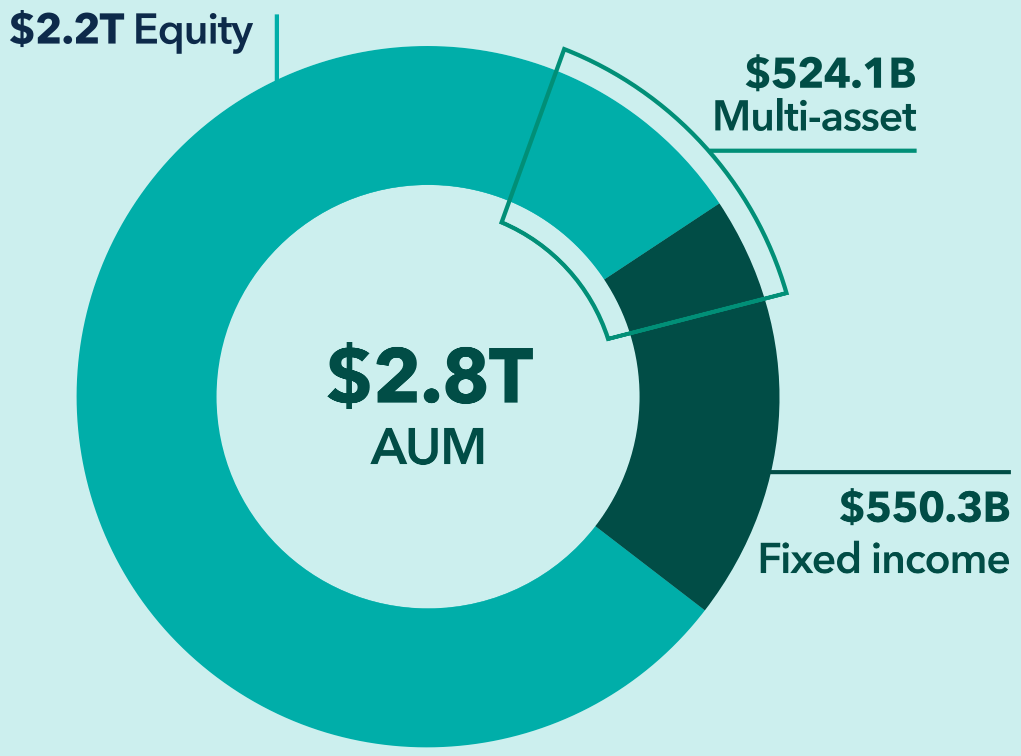
The information provided herein is not an offer, or solicitation of an offer, or a recommendation to buy or sell any security or instrument.

Capital Group's organisational structure: Capital Group manages equity assets through three investment groups. These groups make investment and proxy voting decisions independently. Fixed income investment professionals provide fixed income research and investment management across the Capital organisation; however, for securities with equity characteristics, they act solely on behalf of one of the three equity investment groups.



Capital Group is a fundamental, research-driven global asset manager

- Capital Group is an active, global asset manager with $2.8 trillion in assets under management (AUM).
- Privately held since 1931, we take a long-term approach to investing driven by rigorous, fundamental research.
- Our experienced team of over 350 portfolio managers and investment analysts covers all regions, sectors and market caps.
- Teams of multiple portfolio managers combine high conviction ideas with diverse perspectives in a single portfolio.



Assets under management at 31 December 2024.

ESG at Capital Group

ESG is a strategic priority at Capital Group and a key part of our long-term business strategy.

- We have built a large and experienced ESG team of 40+ ESG specialists and 20+ data scientists and product developers.
- We have also developed a suite of proprietary ESG tools and frameworks to help us identify, explore, better understand and track ESG issues.
- We have been long-standing members of, and signatories to, a variety of ESG initiatives. For more details please visit capitalgroup.com.
- In 2024, we conducted 21,000+ company meetings and had 1,200+ dedicated ESG engagements with 700+ companies.
- Voting on proxies is an integral part of our investment process and we do not outsource this important responsibility.

Our sustainable investment philosophy

Our sustainable investment philosophy builds on Capital Group's philosophy of investing with a genuine long-term perspective and basing investment decisions on fundamental, bottom-up research.

As a fiduciary, our fundamental focus is on maximising long-term investment results. That being said, we recognise that many of the greatest companies have succeeded by solving a societal need or disrupting existing ways of doing things. We believe that companies contributing positively to environmental and social goals through their products and services can deliver superior long-term investment results.

At the heart of sustainable development is balancing the needs of present and future generations. A long-term investment focus is therefore crucial to align with the time horizons over which sustainable investment themes will unfold.

We invest in companies that we believe currently have significant positive impacts on environmental and social challenges and those that are expected to have a growing contribution through the meaningful changes they are making.

We take a holistic view of social and environmental challenges and invest across multiple sustainable investment themes, which map to the UN SDGs. We believe these themes offer good sources of long-term investment opportunities and future growth as the world shifts to become more sustainable for future generations.

The estimated annual UN SDG financing gap of $4.3 trillion represents a large and deep market opportunity for companies to develop innovative solutions, refine business models and contribute to addressing the most pressing environmental and social issues the world faces.[1] Our multi-thematic approach positions us well to capture this investment opportunity set.

Our sustainable investment approach

A global, multi-thematic approach

We invest across multiple sustainable investment themes, mapped to the UN SDGs:[2]

- Health & Well-Being
- Financial Inclusion
- Education & Information Access
- Energy Transition
- Responsible Consumption & Production
- Sustainable Cities & Communities
- Clean Water & Sanitation

Research-intensive eligibility process

- We conduct rigorous proprietary research and analysis to identify companies with core business activities that contribute positively to environmental and social goals, as determined by positive alignment to the UN SDGs[3]
- Investment analysts and ESG analysts collaborate to develop detailed impact theses to assess eligibility

Focus on the present and the future

The opportunity set includes:

- **Aligned companies** – which we define as those that have 50% or greater business alignment to our sustainable investment themes (typically based on revenue)[4]
- **Transitioning companies** – which we define as those that are transitioning their business to higher positive alignment over the long term, with material near- to medium-term change expected

1. UN, October 2022.
2. The United Nations Sustainable Development Goals (UN SDGs) were adopted by the United Nations in 2015 with an aim to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. In total there are 17 UN SDGs, with a range of specific targets covering social, economic and environmental issues.
3. While we utilise third-party data, we recognise that it may be limited or inaccurate and therefore use our proprietary methodology to assess alignment.
4. We typically use revenue to assess business alignment, but will leverage other, more sector-relevant metrics as may be appropriate for a company and its industry (e.g., energy production mix for utilities).

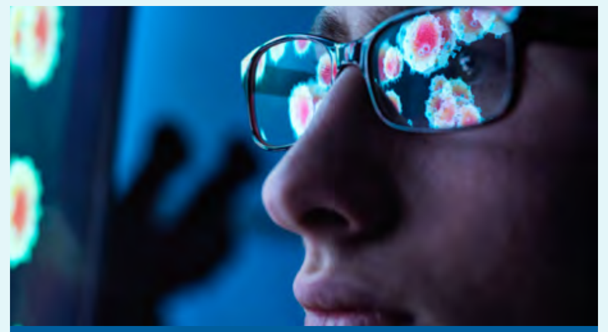
Sustainable investing approach

A global, multi-thematic approach

We believe our seven sustainable investment themes:

- Align positively to the UN SDGs
- Offer compelling long-term investment opportunities
- Encompass a sufficiently large investment universe

Health & Well-Being



Theme overview: Promote healthy lives and well-being

Sample sustainable investment opportunities:

- Pharmaceuticals
- Biotechnology
- Health care equipment and services
- Life science tools and services

Key related UN SDGs: 3 Good health and well-being; 17 Partnerships for the goals; 8 Decent work and economic growth; 6 Clean water and sanitation

Financial Inclusion

Theme overview: Increase access and affordability of financial services and marketplaces

Sample sustainable investment opportunities:

- Banks and asset managers providing access to under-served populations
- Payment platforms
- Marketplaces for small businesses

Key related UN SDGs: 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 17 Partnerships for the goals; 11 Sustainable cities and communities; 1 No poverty

Education & Information Access

Theme overview: Ensure inclusive, quality education and information access

Sample sustainable investment opportunities:

- Education providers
- Internet, software and hardware providers expanding access to education / information
- Cybersecurity

Key related UN SDGs: 4 Quality education; 8 Decent work and economic growth; 9 Industry, innovation and infrastructure; 16 Peace, justice and strong institutions; 3 Good health and well-being; 10 Reduced inequalities

Energy Transition

Theme overview: Ensure access to affordable, reliable and sustainable energy

Sample sustainable investment opportunities:

- Electric utilities with renewables generation
- Electric vehicle and battery manufacturing
- Green hydrogen
- Semiconductor manufacturing

Key related UN SDGs: 7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 8 Decent work and economic growth; 11 Sustainable cities and communities; 13 Climate action; 12 Responsible consumption and production

Responsible Consumption & Production

Theme overview: Support transition to a circular and sustainable economy

Sample sustainable investment opportunities:

- Waste reduction, reuse and recycling
- Chemical and waste management
- Power management
- Sustainable food production and manufacturing

Key related UN SDGs: 2 Zero hunger; 8 Decent work and economic growth; 11 Sustainable cities and communities; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production

Sustainable Cities & Communities

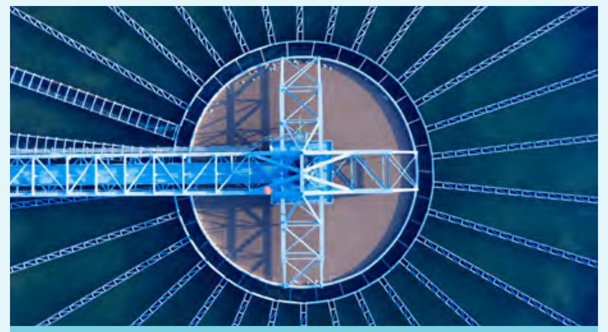
Theme overview: Support urbanisation in an inclusive, sustainable way

Sample sustainable investment opportunities:

- Green building suppliers
- Sustainable building products
- Catastrophe insurance and consultancy

Key related UN SDGs: 9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 12 Responsible consumption and production; 6 Clean water and sanitation

Clean Water & Sanitation



Theme overview: Ensure availability and sustainable management of water & sanitation

Sample sustainable investment opportunities:

- Water utilities
- Chemical water treatment
- Building product providers with management solutions

Key related UN SDGs: 12 Responsible consumption and production; 6 Clean water and sanitation

Research-intensive eligibility and investment process

Fundamental research and idea generation

Deep, fundamental research helps us identify our highest conviction investment ideas.

Sector-level Characteristics & Standards

Our Characteristics guide what products and services we consider to be aligned to the UN SDGs and how they contribute.

Our Standards focus on how products and services are produced, material ESG risks that need to be considered and best practices we expect companies to adhere to.

Eligibility process

Our ESG analysts and investment analysts work in tandem to create an impact thesis assessing:

- Alignment to the UN SDGs, looking for companies with current material UN SDG alignment or companies that are transitioning their business to higher positive alignment over the long term.
- Involvement in business activities that are broadly misaligned with our sector-level Characteristics & Standards.
- ESG risks, including whether these are managed appropriately, the quality of corporate governance and any adverse environmental and social impacts.

Based on this assessment, analysts identify impact metrics and targets relevant to the company, as well as potential engagement topics.

Principal investment officers (PIOs), portfolio managers and ESG leadership vote on whether companies can be eligible for our Future Generations funds.

PIOs and ESG leadership have vetoes.

Portfolio construction and risk management

Our portfolio manager team invests in their highest conviction ideas within the eligible universe.

Portfolio manager team

Damir Bettini
PIO
Industry experience: 33 yrs
At CG: 17 yrs

ESG leadership team

Jessica Ground
Global Head of ESG
Experience: 27 yrs
At CG: 4 yrs

Seema Suchak
ESG Sector Research Director
Experience: 21 yrs
At CG: 3 yrs

Monitoring and engagement

Monitoring and engagement are core components of ESG integration across Capital Group, and we monitor and engage to serve the long-term interests of our clients.

In our Future Generations funds, monitoring and engagement allow us to continuously assess alignment to the UN SDGs and management of ESG risks over time for each company in the portfolio.

Reflects current team as at 31 December 2024. Years' experience and years with Capital Group as at 31 December 2024.

Fund and portfolio overview

Fund overview

Capital Group Future Generations Global Corporate Bond Fund (LUX)

Objective
The fund seeks to provide, over the long term, a high level of total return (a combination of capital growth and income) by investing primarily in global corporate investment grade bonds issued by companies worldwide, which in the Investment Adviser's opinion, contribute positively to environmental and social objectives through their current or future products and/or services.

Strategy inception
February 2023

Fund launch
February 2024

Reference index
Bloomberg Global Aggregate Corporate Total Return Index hedged to USD

Fund SFDR classification[1]
Article 8

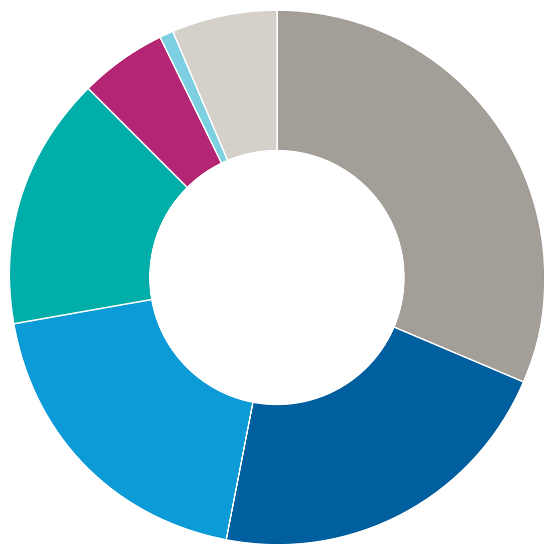
The information in relation to the index is provided for context and illustration only. The fund is actively managed. It is not managed in reference to a benchmark.

Portfolio overview

The portfolio is constructed from the bottom up, based on our investment team's highest fundamental convictions within the eligible universe. As such, the exposures and alignment may vary over time.

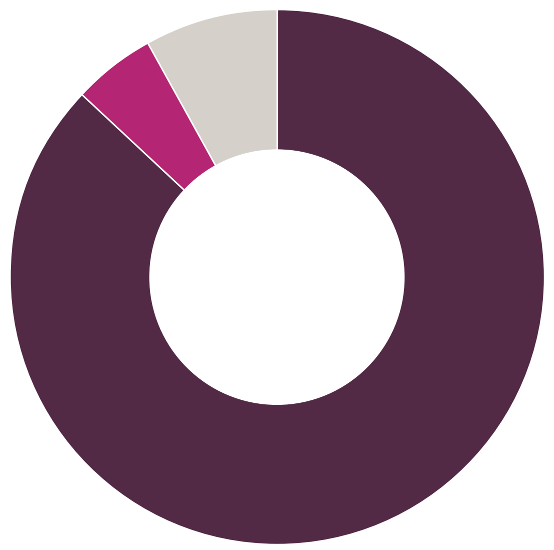
Sustainable investment theme exposure

Financial Inclusion	31%
Health & Well-Being	21%
Energy Transition	19%
Education & Information Access	15%
Sustainable Cities & Communities	5%
Clean Water & Sanitation	1%
Responsible Consumption & Production	0%
Cash	8%
Total	**100%**



Aligned vs. Transitioning companies

Aligned	87%
Transitioning	5%
Cash	8%
Total	**100%**



UN SDG alignment[2]

SDG 8: Decent Work and Economic Growth	21.0%
SDG 3: Good Health and Well-Being	20.6%
SDG 9: Industry, Innovation and Infrastructure	14.7%
SDG 11: Sustainable Cities and Communities	6.7%
SDG 7: Affordable and Clean Energy	6.6%
SDG 17: Partnerships for the Goals	3.1%
SDG 13: Climate Action	2.9%
SDG 1: No Poverty	2.2%
SDG 6: Clean Water and Sanitation	1.2%
SDG 2: Zero Hunger	1.1%
SDG 12: Responsible Consumption and Production	0.9%
SDG 16: Peace, Justice and Strong Institutions	0.6%
SDG 5: Gender Equality	0.2%

Data as at 31 December 2024. 'Cash' includes treasuries, cash and equivalents.

1. SFDR: Sustainable Finance Disclosure Regulation. The SFDR classification is related to European Union's regulation and is not equivalent to approval or recognition as an ESG fund by regulators in Asia Pacific.
2. We typically use revenue to assess business alignment but will leverage other metrics if there are more sector-relevant financial metrics for a company and its industry (e.g., energy production mix for utilities). Business alignment determines how each holding's portfolio weight is divided among the SDGs. For example, a holding with 40% revenue alignment to SDG 3 and 40% alignment to SDG 8 that comprises 5% of the portfolio will contribute 2% to the total portfolio SDG 3 alignment and 2% to the total portfolio SDG 8 alignment.

Sustainable investment themes

Health & Well-Being

Theme overview

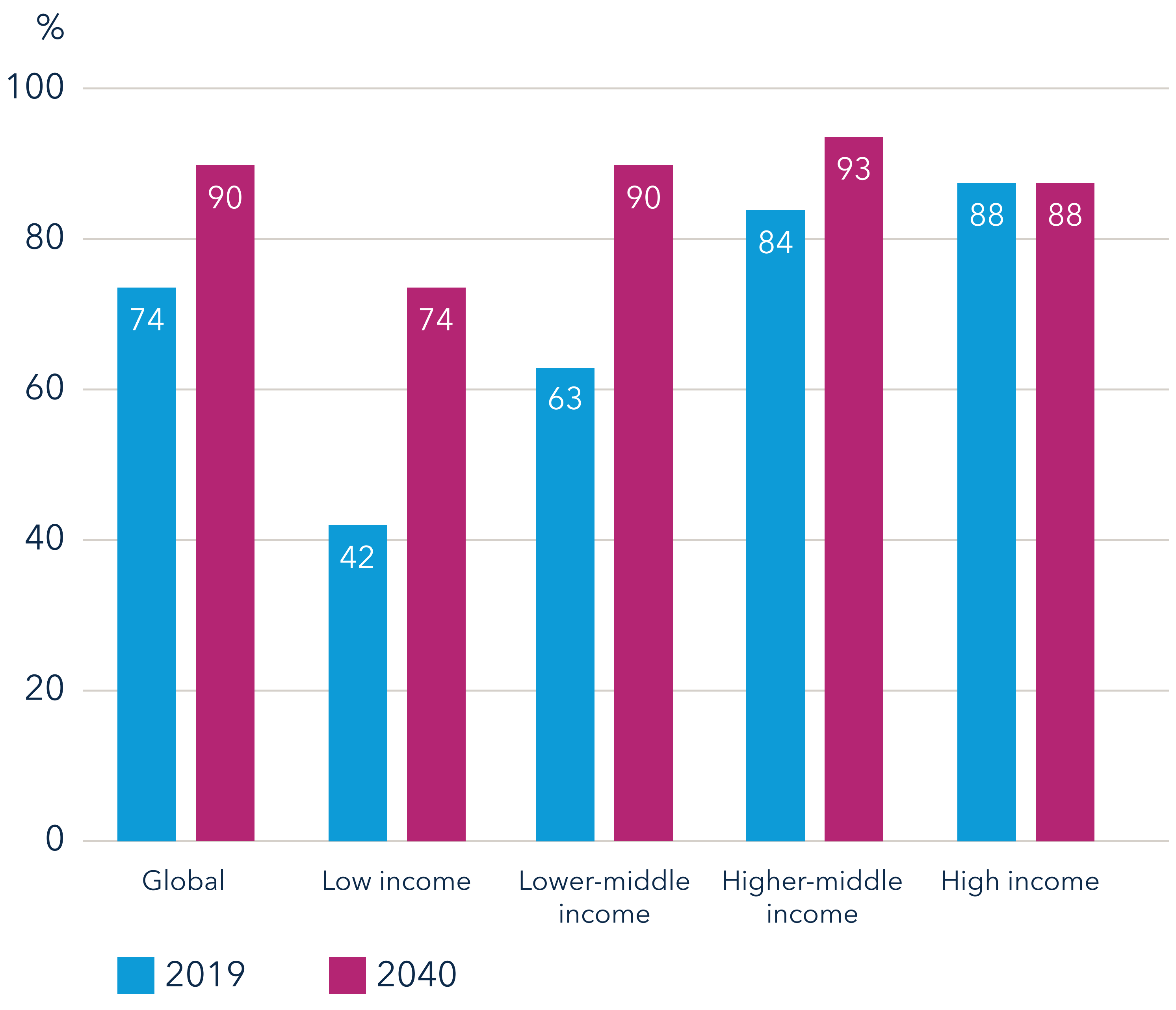
Challenge

Deaths from heart disease, cancer, diabetes, and other non-communicable diseases (NCDs) are rising globally, with a rapid increase in low- and middle-income countries, where 82% of premature NCD deaths occur.[1] The prevalence of chronic conditions increases as populations age, placing additional strain on health care systems. Existing and emerging infectious diseases also pose significant threats, while persistent inequities in health care access leave vulnerable populations without adequate care. Moreover, the prevalence of anxiety and depression has risen, yet mental health remains inadequately addressed and often overlooked, exacerbating the challenges faced by those affected.

Investment opportunites

Global health challenges incur significant costs, including high health care expenses, lost economic productivity, and reduced quality of life. While global health had been improving for many years, the COVID-19 pandemic strained health care systems and disrupted progress as millions of children around the world missed regular vaccinations for preventable diseases. Obesity-related conditions and mental health issues have also risen, affecting individuals of all ages, including those in their prime working years. Investing in innovative solutions and preventative care could improve health outcomes and reduce costs, unlocking up to $12 trillion in economic benefits.[2] This gap signals significant investment opportunities across health care and related sectors, from advanced medical technologies and pharmaceuticals to telehealth services and wellness.

Proportion of all deaths attributable to NCDs, by country income category, 2019 and 2040



Source: World Bank, September 2024.

Products & services alignment to the UN SDGs

Significant innovation and investment are needed across a broad range of health-related industries to address global health challenges. Biotech companies are developing novel medicines and targeting unmet therapeutic needs using technologies like gene editing, immunotherapies, synthetic biology, and mRNA. Pharmaceutical companies balance the development of new drugs and vaccines with the production and distribution of existing ones, advancing medical innovation while supporting continued access to essential treatments. Health care equipment and technology companies are leveraging big data, augmented reality and artificial intelligence to develop products that increase efficiency and improve the diagnosis, monitoring and treatment of health conditions. For health care providers, "value-based care" aims to improve patient outcomes and quality of care while reducing costs, potentially presenting an attractive and sustainable model for the future of health care.

Health is a core component of the UN SDGs, and we look for companies that can appropriately navigate the intersection of access, quality and affordability. Many of these companies can be found in the health care sector, but we also see opportunities elsewhere. For example, companies with products & services that support healthy diets, good hygiene and active lifestyles are also in scope.

Impact metrics we may monitor in this theme include the number of patients treated, the percentage of revenue allocated to research & development, service quality ratings, prevalence of product recalls, and percentage of a company's sales coming from nutritious foods and beverages.

1. WHO, December 2024.
2. McKinsey Global Institute, July 2020.

Health & Well-Being

Example investment opportunities

Eligible companies in our Health & Well-Being theme typically fall under one or more of the following categories: medical diagnostics, devices and pharmaceuticals; health care and health insurance providers; healthy food and wellness; and personal health and hygiene products.

Primary UN SDGs targeted

3 GOOD HEALTH AND WELL-BEING | 17 PARTNERSHIPS FOR THE GOALS | 8 DECENT WORK AND ECONOMIC GROWTH | 6 CLEAN WATER AND SANITATION

Medical diagnostics, devices and pharmaceuticals	Non-communicable diseases top the world's leading causes of death, while infectious diseases continue to cause widespread illness, death, and economic disruption, impacting vulnerable populations the most. Companies in the pharmaceutical value chain develop and distribute drugs and vaccines essential to fighting these diseases. Medical devices and diagnostics also play a key role in identifying and treating illness. We focus on companies that are advancing medical research and developing innovative products to improve patient outcomes, particularly when these companies can improve health outcomes for underserved populations.	**SDG 3.3** Fight communicable diseases **SDG 3.4** Reduce mortality from non-communicable diseases and promote mental health
Health care and health insurance providers	Health care providers enable access to medical services, help people manage chronic diseases, and offer specialised care for complex conditions. Health insurance companies provide financial protection by covering routine and unexpected medical expenses and enable early detection and prevention of diseases through coverage of preventive services. We focus on companies that support access to quality health care, particularly those that are innovating to reduce costs and expand reach.	**SDG 3.8** Achieve universal health coverage **SDG 3.c** Increase health financing and support health workforce in developing countries
Healthy food and wellness	Consumers are increasingly aware of the link between diet and chronic health conditions, leading many to prioritise healthier food choices. Additionally, the use of health and fitness tech and wellness services is rising, allowing people to monitor their health and make more informed decisions to maintain their well-being. We focus on companies that help expand access to safe and nutritious food and encourage active lifestyles.	**SDG 2.1** Universal access to safe and nutritious food **SDG 3.4** Reduce mortality from non-communicable diseases and promote mental health
Personal health and hygiene products	Personal hygiene is crucial for global health as it helps prevent the spread of infectious diseases and promotes overall health. We focus on companies that provide affordable, quality home sanitation and personal hygiene products.	**SDG 6.2** End open defecation and provide access to sanitation and hygiene

Health & Well-Being

Holdings

Largest holdings in Health & Well-Being by portfolio weight

Issuer name	Portfolio weight	Products & services alignment summary	Primary SDG targets
AbbVie Aligned	2.9%	AbbVie is a pharmaceutical company that develops medicines for therapeutic areas such as immunology, oncology, neuroscience and eyecare, providing solutions to improve patient health and quality of life.	**3.4** NCDs & mental health **3.8** Universal health coverage and essential medicines and vaccines
Bristol-Myers Squibb Aligned	2.2%	Bristol-Myers Squibb is a pharmaceutical company focused on oncology, immunology, cardiovascular disease and neurology, providing solutions to improve patient health and quality of life.	**3.4** NCDs & mental health **3.8** Universal health coverage and essential medicines and vaccines
Elevance Health Aligned	1.8%	Elevance (formerly Anthem) is a health insurance company in the United States providing health, dental, vision and pharmacy benefits, as well as life and disability insurance benefits through network-based care plans for employers, individuals and other markets.	**1.3** Social protection systems **3.8** Universal health coverage and essential medicines and vaccines
Stryker Aligned	1.4%	Stryker Corporation is a medical technology company that provides products and services in orthopedics, neurotechnology and surgical equipment aimed at improving patient care and health outcomes.	**3.4** NCDs & mental health **3.8** Universal health coverage and essential medicines and vaccines **3.c** Health financing & workforce
CVS Health Aligned	1.4%	CVS Health provides a wide range of health and wellness services in the United States, including primary care, retail pharmacy, health insurance and chronic condition management, aimed at improving access to quality care and enhancing health outcomes.	**3.8** Universal health coverage and essential medicines and vaccines **3.4** NCDs & mental health

Aligned company impact thesis summary example

Bristol-Myers Squibb

Health & Well-Being

Bristol-Myers Squibb is a leading global pharmaceutical company focused on oncology, immunology, cardiovascular disease and neurology.

Characteristics: Products & services alignment to the UN SDGs

Pharmaceutical and biotechnology companies research, develop and distribute medicines and vaccines to address a range of diseases (SDGs 3.4, 3.8).

- Cancer therapies and cardiovascular drugs are central to Bristol-Myers Squibb's business, addressing two of the most prevalent causes of death globally.
- Over half of the company's revenues come from cancer therapies, including innovative treatments like antibody-drug conjugates (ADCs), which are drugs designed to specifically target and kill cancer cells, and CAR T-cell therapies, which use a patient's own immune cells to fight cancer.
- Bristol-Myers Squibb also has a long history of pioneering cardiovascular research, and heart-related drugs comprise another quarter of the company's revenues. Bristol-Myers Squibb produces medicines that help with high blood pressure, high cholesterol and blood clots to reduce the risks of heart attacks and stroke, as well as specialised medicines to treat other heart conditions.
- The remainder of the company's business focuses on treatments for rheumatoid arthritis, multiple sclerosis, anemia and fibrotic diseases, among others.

Standards: Management of key ESG risks

Access and affordability

- Pharmaceutical companies face scrutiny over drug pricing and must balance viable returns with equitable access. Bristol-Myers Squibb demonstrates a commitment to global health by allowing generic manufacturing of its HIV and Hepatitis C treatments for patients in low- and middle-income countries. The company has low disclosure on pricing overall and high prices for some products, which we will continue to monitor.

Product safety and quality

- Product safety issues can result in consumer harm, costly recalls, loss of market share, regulatory scrutiny, and legal liabilities. Bristol-Myers Squibb seems to have adequate oversight of this issue and has faced only minor recalls in recent years.

Key impact metrics

- Research & development expenditure as a percentage of revenue
- Access to Medicine score and ranking

Areas to monitor and potential engagement topics

- Human capital management, including improved disclosure on employee turnover
- Enhanced price transparency

This is a summary of a detailed impact thesis prepared on the company or issuer. The information highlighted herein is not exhaustive, but illustrative of our process for evaluating a company or issuer for its eligibility in our Future Generations funds.

Aligned company impact thesis summary example

Elevance Health

Health & Well-Being

Elevance (formerly Anthem) is a health insurance company in the United States providing health, dental, vision and pharmacy benefits, as well as life and disability insurance benefits through network-based care plans for employers, individuals and other markets.

Characteristics: Products & services alignment to the UN SDGs

Providers of health services and insurance help countries to achieve universal health coverage (SDG 3.8) and contribute to social protection systems, particularly for the poor and vulnerable (SDG 1.3).

- Elevance provides health insurance coverage to approximately 118 million people in the US. The company covers low-income populations through government-subsidised Medicaid offerings and Medicare Advantage plans for seniors.
- In addition to routine and unexpected medical expenses, Elevance covers preventive services such as blood pressure, diabetes, and cholesterol screenings. In 2023, 63% of Elevance's healthcare spending was in value-based care, helping to promote efficiency and long-term patient health and wellness.
- Elevance has also acquired other health services providers to expand its offerings. In 2020, the company acquired Beacon Health, the largest independently held behavioural health organisation in the US, providing access to mental, substance, and behavioural healthcare to over 44 million people across all 50 states.
- Additionally, Elevance's pharmacy benefit manager, CarelonRx, manages drug benefits for health plans and employers to ensure cost-effective treatments. CarelonRx serves one in three people in the US through partnerships with various health plans, employers, government agencies and care providers.

Standards: Management of key ESG risks

Business ethics and corporate behaviour

- Health care is a highly regulated sector where improper conduct carries significant legal and regulatory risks. While various companies in the US health insurance industry including Elevance have faced lawsuits related to government reimbursements, to date the company has faced limited consumer allegations. This is an area we continue to monitor.

Privacy and data security

- Health care companies retain substantial volumes of confidential patient data, which can pose material risks if breaches occur. To address this, Elevance has significantly expanded its cyber oversight. The company now employs leading practices in certification, training, and governance, with cyber and data issues receiving board-level oversight.

Key impact metrics

- Total Medicare and Medicaid memberships
- Medicare plan rating

Areas to monitor and potential engagement topics

- Updates on the ongoing Department of Justice lawsuit
- Further updates on cybersecurity and data privacy controls

This is a summary of a detailed impact thesis prepared on the company or issuer. The information highlighted herein is not exhaustive, but illustrative of our process for evaluating a company or issuer for its eligibility in our Future Generations funds.

Financial Inclusion

Theme overview

Challenge

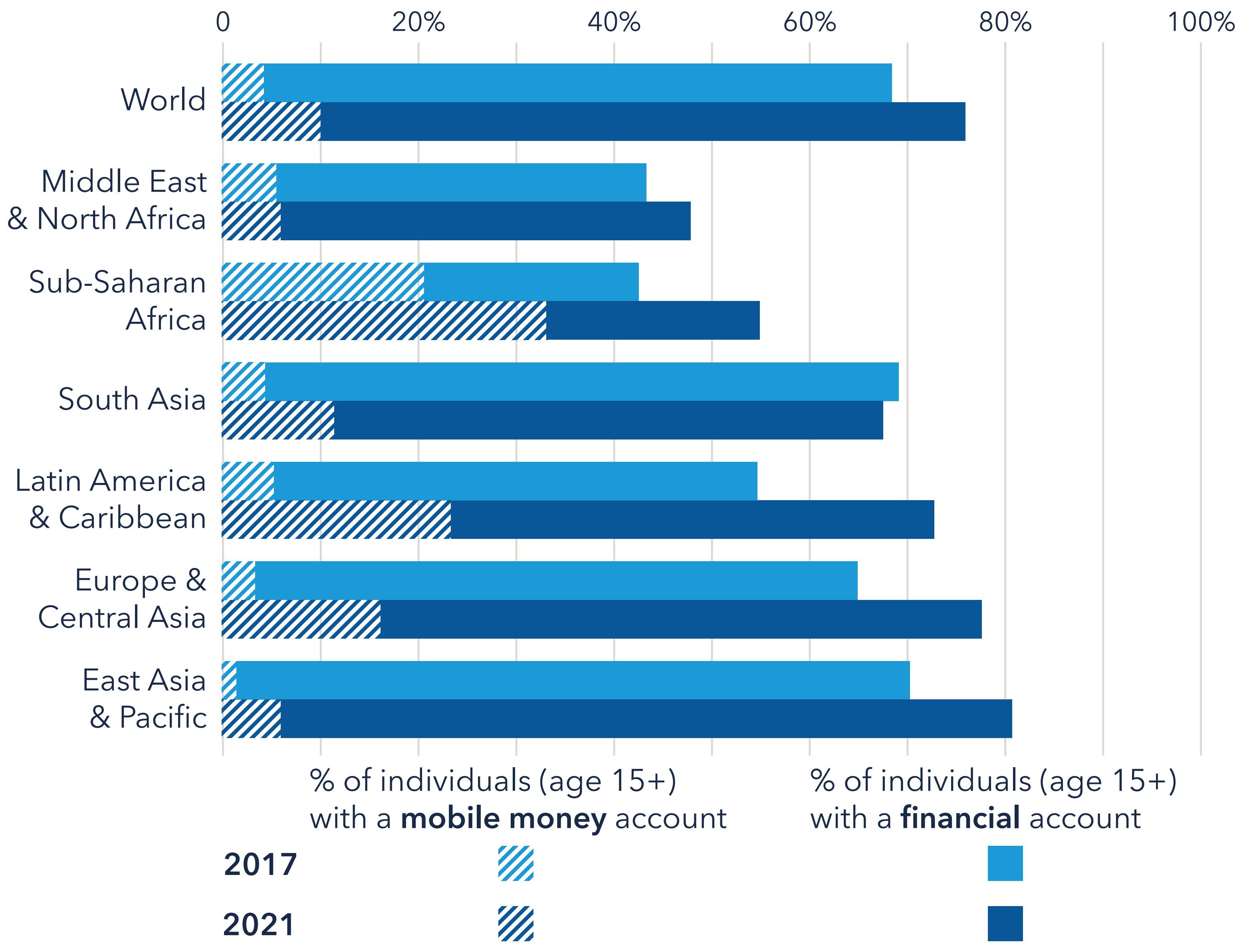
Financial inclusion refers to the provision and accessibility of a broad range of affordable, quality financial services that allow businesses and individuals to have greater economic participation. More than 1.4 billion people globally are unbanked, according to World Bank estimates.[1] Most live in developing economies, but lack of access to financial services also exists in developed economies, especially in rural and low-income communities. Even in wealthy countries, strained pension systems and a retirement savings gap challenge individuals' ability to secure financial stability into old age. Meanwhile, many small- and medium-sized enterprises (SMEs) in both developing and developed countries struggle due to limited access to credit, investment capital and insurance, limiting their growth potential. In developing countries, businesses of all sizes often face challenges in accessing financial resources, hindering economic growth and development.

Investment opportunity

Digital innovation has become a key enabler of financial inclusion by lowering costs and creating new opportunities to provide underserved individuals and businesses with access to financial services. Mobile wallets and digital payment platforms can extend financial services to unbanked individuals, while physical branches maintain essential in-person support. Globally, the share of adults with a financial account has increased from 51% in 2011 to 76% in in 2021. Forty percent of SMEs globally have an unmet financing need totalling over $5 trillion annually, but innovations like online lending and alternative credit scoring have helped narrow this gap.[2] The global sustainable finance market has also grown rapidly to over $7 trillion in 2023, a 20% increase from 2022, driven by increasing demand for investments that generate social and environmental benefits.[3] This growth is an opportunity for banks and asset managers to develop and offer innovative financial products that support sustainable development.

1. World Bank, July 2022.
2. IFC, September 2024.
3. UNCTAD, June 2024.

Financial account access for individuals (age 15+) by region



Source: World Bank, June 2022.

Products & services alignment to the UN SDGs

We see numerous long-term investment opportunities within our Financial Inclusion theme. Financial technology is vital for enabling and expanding access to financial products and services. This includes banks and asset managers that provide digital and mobile money services, as well as expanded physical access to banking and lending for underserved populations.

Beyond everyday banking, we see opportunities in companies providing low-cost investing and savings products that help close shortfalls in retirement income and support financial resiliency. Insurance companies offering affordable and accessible products play a crucial role too in enhancing financial security and providing protection against financial shocks such as illness, accidents and natural disasters. We focus on banks mobilising private capital for SMEs and helping drive regional economic growth, particularly in emerging markets. Additionally, global payments platforms and exchanges provide solutions that modernise legacy payments infrastructure.

Impact metrics we may monitor in this theme include the percentage of total loans made to SMEs or entrepreneurs, the amount of green finance facilitated, the number of digital banking users, and as the percentage of a financial institution's branches in rural or semi-rural areas.

Financial Inclusion

Example investment opportunities

Eligible companies in our Financial Inclusion theme typically fall under one or more of the following categories: financial security & wealth building; small business support; economic development in emerging markets; and sustainable investment infrastructure.

Primary UN SDGs targeted

Financial security & wealth-building	Financial services empower individuals and households to access essential needs and can increase household purchasing power and support economic stability. We focus on companies that provide access to consumer financial products and services along with consumer financial protection. This includes retail banking, savings products, payment platforms, insurance, pension and retirement solutions and low-cost investing products and services.	**SDG 8.10** Universal access to banking, insurance and financial services **SDG 1.4** Equal rights to ownership, basic services, technology and economic resources
Small business support	SMEs are key contributors to innovation and global economic growth and yet many lack access to traditional banking systems for capital. We focus on companies that provide financial services, access to capital, and a range of business management technology and support for these enterprises.	**SDG 8.3** Promote policies to support job creation and growing enterprises **SDG 9.3** Increase access to financial services and markets
Economic development in emerging markets	Emerging market economies account for over 40% of global GDP and more than 80% of the world's working population, presenting significant economic opportunity. We focus on commercial banks, financial technology companies and payment platforms, as well as investment banks and stock exchanges that provide companies and public institutions in emerging markets with access to capital and financial services.	**SDG 8.2** Diversify, innovate and upgrade for economic productivity **SDG 17.3** Mobilise financial resources for developing countries
Sustainable investment infrastructure	Private sector investment is essential for bridging the financing gap for the UN SDGs. Transparency and disclosure regarding a company's interactions with its customers, employees, suppliers and the environment are vital for assessing its prospects. We focus on financial institutions and asset managers offering sustainable investment vehicles, as well as financial data and service providers that help communicate corporate sustainability-related disclosures to investors.	**SDG 12.6** Encourage companies to adopt sustainable practices and sustainability reporting **SDG 10.5** Improved regulation of global financial markets and institutions

Financial Inclusion

Holdings

Largest holdings in Financial Inclusion by portfolio weight

Issuer name	Portfolio weight	Products & services alignment summary	Primary SDG targets
CaixaBank Aligned	2.4%	Bank providing access to financial services for individuals and SMEs through its retail and commercial banking solutions in Spain, Portugal and internationally.	**8.10** Access to financial services **8.3** Formalisation of SMEs **11.1** Safe and affordable housing
Banco de Sabadell Aligned	2.3%	Bank providing access to financial services for individuals and SMEs through its retail and commercial banking solutions primarily in Spain, the United Kingdom and Mexico.	**8.10** Access to financial services **8.3** Formalisation of SMEs **11.1** Safe and affordable housing
Alpha Bank Aligned	2.0%	Alpha Bank is a leading financial institution in Greece, offering a wide range of financial products and services that mobilise finance for Greek businesses and expand access to financial services for individuals and SMEs across the country.	**17.3** Financial resources for developing countries **8.10** Access to financial services **8.3** Formalisation of SMEs
Capital One Aligned	1.8%	Capital One is one of the largest issuers of credit cards in the United States, facilitating access to financial services and consumer credit.	**8.10** Access to financial services **8.3** Formalisation of SMEs **11.1** Safe and affordable housing
Trapeza Eurobank Aligned	1.6%	Eurobank is a leading financial institution in Greece, offering a wide range of financial products and services that expand access to financial services for individuals and SMEs across the country and mobilise finance for Greek businesses.	**8.10** Access to financial services **8.3** Formalisation of SMEs **17.3** Financial resources for developing countries

Aligned company impact thesis summary example

CaixaBank

Financial Inclusion

CaixaBank provides financial services to over 20 million customers primarily in Spain and Portugal, including retail banking, portfolio management, insurance, investment advisory, international banking and other specialist financial services.

Characteristics: Products & services alignment to the UN SDGs

Banks and non-bank financial institutions are crucial for providing and expanding access to financial services (SDG 8.10), including for low-income households (SDG 1.4) and SMEs (SDG 8.3).

- CaixaBank's retail banking has substantial market share in Spain and Portugal, and household lending comprises about half of the company's loan book. The company has a significant presence outside urban centres, with over a thousand branches in rural areas, providing access to unbanked, vulnerable, and elderly communities. Free access to basic financial services is provided for those unable to open a bank account.
- The bank also enhances access through its digital and mobile banking networks. The company's digital-only neobank, Imagin, reaches over 3.5 million banking customers through simple products and financial education tailored for the product's primarily young adult users.
- As the largest provider of business banking in Iberia, CaixaBank supports SMEs by providing dedicated loans, savings products, leasing and merchant payment services. This segment comprises over a third of the bank's commercial lending.
- The bank also operates Europe's largest micro-credit institution, MicroBank. MicroBank serves customers who may struggle to access traditional bank financing with small, affordable loans, including families with a combined income below €25,200 and businesses with up to 10 employees and €2 million in turnover. MicroBank provided over 230,000 microloans and other financing in 2024, totalling over €2 billion.

Standards: Management of key ESG risks

Data privacy & cybersecurity

- Banks handle sensitive customer data, making data privacy and cybersecurity critical for maintaining trust. CaixaBank has strong data privacy and cybersecurity programs certified against international standards and leads peers in external benchmarks. We continue to monitor this area and are encouraged by the bank's governance provisions, privacy impact assessments, and oversight committees.

Key impact metrics

- Loans to SMEs and individual entrepreneurs
- Accounts and products tailored to unbanked individuals

Areas to monitor and potential engagement topics

- Cybersecurity risk and data management
- Human capital management and employee engagement metrics

This is a summary of a detailed impact thesis prepared on the company or issuer. The information highlighted herein is not exhaustive, but illustrative of our process for evaluating a company or issuer for its eligibility in our Future Generations funds.

Aligned company impact thesis summary example

Bangkok Bank

Financial Inclusion

Bangkok Bank is the largest bank in Thailand by total assets, providing a range of banking and financial services, including commercial, consumer, credit card, mortgage lending, international trade financing, investment banking and securities services.

Characteristics: Products & services alignment to the UN SDGs

Banks and non-bank financial institutions are crucial for providing and expanding access to financial services (SDG 8.10), including for low-income households (SDG 1.4) and SMEs (SDG 8.3). Investment and corporate banking services in emerging markets support large companies and the broader economy (SDG 17.3).

- Bangkok Bank supports segments of the Thai economy critical to its growth, from SMEs to corporations, and expands access to financial services to individuals.
- With nearly 1,000 branches across Thailand, Bangkok Bank supports expanded access to financial services in underserved segments of the economy, reaching over 10 million customers with its digital banking solutions. The bank offers products tailored to vulnerable communities, including basic savings accounts for state welfare cardholders and loans for pensioners with reduced income.
- Corporate banking is the company's largest segment, serving large companies across the country. The bank's extensive network of international branches and partnerships further supports its corporate clients in expanding their businesses globally.
- Over half of employment in Thailand is informal. Loans tailored to SMEs make up over one-fifth of the bank's total loan book and serve the informal economy. Bangkok Bank also provides guarantees, digital solutions, and international trade services for SMEs.

Standards: Management of key ESG risks

ESG risk integration processes

- Thailand's agriculture and energy sectors are at serious risk due to climate change and the country's geography. Agriculture and energy collectively contribute roughly one-quarter of Bangkok Bank's loan portfolio. The bank mitigates risks through its responsible lending policy and governance procedures. Enhanced disclosures on the number of cases examined and conclusions reached would be beneficial.

Anti-money laundering (AML)

- Banks must ensure compliance with anti-money laundering (AML) regulations to minimise financial crime. Following a money laundering investigation in 2020, Bangkok Bank enhanced its AML compliance program by deploying an advanced analytics solution to replace legacy systems. We will continue to monitor this issue due to regulatory investigations.

Key impact metrics

- Number of banking agent service points
- Number of registered users for digital banking products

Areas to monitor and potential engagement topics

- ESG monitoring of commercial loan book
- Anti-money laundering reforms

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Education & Information Access

Theme overview

Challenge

Access to education and information can empower individuals with essential knowledge and skills for personal growth and supports economic development. However, quality education is not universally accessible, and internet reliability and affordability vary globally. Approximately 250 million young people are out of school and one-third of the global population lacks internet access.[1,2] This digital divide hinders individuals in their careers and limits the potential for businesses to increase productivity and scale operations.

Investment opportunites

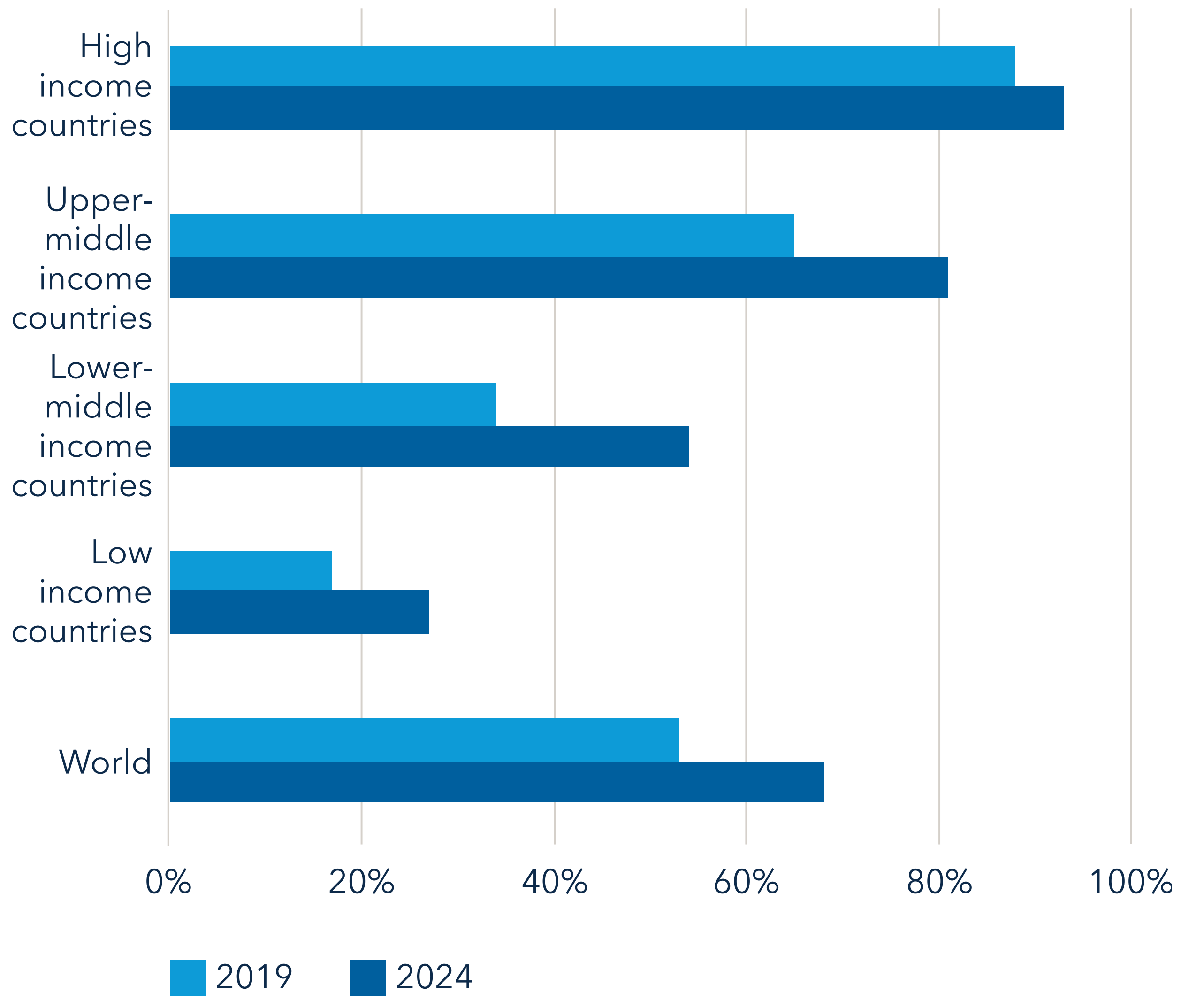
As economies and societies evolve, education can equip individuals with the skills needed to adapt to changing employment and entrepreneurship opportunities. Information and communications technologies further enhance connectivity and the sharing of knowledge, driving innovation, economic growth and the lifelong learning needed to thrive in an increasingly dynamic world. By 2030, nearly 1 billion additional people are expected to have mobile subscriptions, and global mobile data traffic is projected to grow by 19% annually.[3]

Small- and medium-sized enterprises (SMEs) are already a lynchpin of the global economy, providing 70% of jobs and GDP.[4] More widespread access to information has largely made it easier for individuals to launch enterprises, reach customers, and compete with established businesses, which in turn has created opportunities for businesses that serve SMEs.

As we look to the future, artificial intelligence (AI) and other technological advances are poised to further transform the landscape, offering new tools and capabilities for learning, innovation and optimisation. Data centre infrastructure spending is expected to surpass $1 trillion annually within five years, driven in part by the growing demand for and increasing use cases of generative AI.[5] Spending on digital infrastructure and its physical underpinnings is likely to continue increasing as education and technology become ever more essential to economic growth.

1. UNESCO, October 2024.
2. International Telecommunication Union, November 2024.
3. Ericsson, November 2024.
4. WEF, January 2023.
5. Dell'Oro Group, February 2025.

Share of individuals using the internet



Source: International Telecommunication Union, April 2024.
Note: The bars show the proportion of individuals who used the internet from any location in the last three months in countries of different income levels and in the world. Access can be via a fixed or mobile network. Country grouping by income follows the World Bank classification.

Products & services alignment to the UN SDGs

For this theme, we seek out businesses that empower individuals and organisations by providing the education and information infrastructure needed to thrive in an evolving world. We look for alignment in each link of the value chain of industries involved in delivering quality education and supporting access to reliable connectivity.

Hardware manufacturers, software developers, and data centres supply the essential technology infrastructure for online services. AI, developed responsibly, has the potential to supercharge productivity and scientific research across disciplines. Cybersecurity firms protect connected information, while internet service providers, mobile network operators, and satellite companies develop and maintain the physical and wireless infrastructure for access. Online services make information navigable and usable, and IT consulting firms and productivity software help businesses of all sizes leverage technology to better serve their customers.

Some education providers use this infrastructure to deliver innovative learning solutions, making education more accessible and effective for all. Others, like daycare providers, focus on fostering human connection and nurturing environments for the very youngest learners.

Impact metrics we may monitor in this theme include the number of underserved homes and businesses reached with internet connections, the amount invested to expand rural broadband connections, the number of children and families served with daycare, and energy consumption reductions in semiconductors.

Education & Information Access

Example investment opportunities

Eligible companies in our Education & Information Access theme typically fall under one or more of the following categories: access to information and telecommunications; small business productivity; technological upgrading; and education and productive employment.

Primary UN SDGs targeted

4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
3 GOOD HEALTH AND WELL-BEING
10 REDUCED INEQUALITIES

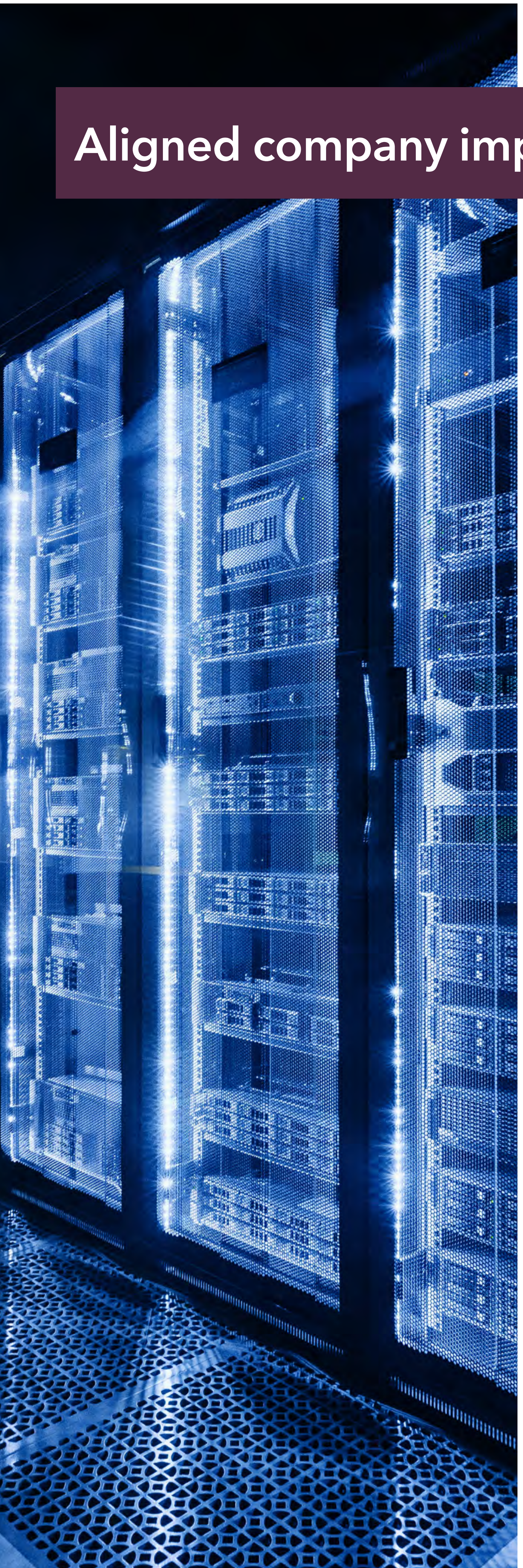
Access to information and telecommunications	It takes companies from a range of industries to provide widespread and reliable access to information and telecommunications. We focus on companies throughout this internet and telephonic ecosystem, including infrastructure providers, network operators, data centres, cybersecurity firms, and semiconductor manufacturers.	**SDG 16.10** Ensure public access to information and protect fundamental freedoms **SDG 9.c** Universal access to information and communications technology
Small business productivity	SMEs lag larger firms in the uptake of digital tools, limiting their ability to scale and compete with market incumbents. We focus on companies that provide digital tools for growing businesses, including those that help SMEs streamline operations and improve productivity.	**SDG 8.3** Promote policies to support job creation and growing enterprises
Technological upgrading	Technology enables the innovation and productivity gains needed for sustained economic growth that improves overall standards of living. AI will likely be a key driver in this transformation, enhancing efficiency, automating complex tasks, and enabling new solutions across various industries. We focus on companies supporting the development of AI as well as companies across the enterprise IT services industry, including cloud service providers, enterprise software developers, data analytics companies, IT consulting firms, and managed service providers.	**SDG 8.2** Diversify, innovate and upgrade for economic productivity **SDG 9.5** Enhance research and upgrade industrial technologies
Education and productive employment	Education supports individual growth, as well as economic and societal development. Job platforms reach a wide and diverse pool of candidates and connect job seekers with potential employers. We focus on a range of educational and employment service providers, from childcare providers and postsecondary education to employment platforms and recruiting services.	**SDG 4.3** Equal access to affordable technical, vocational and higher education **SDG 8.5** Full employment and decent work with equal pay

Education & Information Access

Holdings

Largest holdings in Education & Information Access by portfolio weight

Issuer name	Portfolio weight	Products & services alignment summary	Primary SDG targets
Equinix Aligned	2.3%	Equinix provides data centre and infrastructure services that enhance connectivity and enable businesses to accelerate their digital transformation.	**9.1** Infrastructure development **8.3** Formalisation of SMEs **9.c** Access to ICT & the internet
Broadcom Aligned	2.0%	Broadcom designs and supplies semiconductor and infrastructure software solutions, enabling access to information, technological innovation and productivity.	**8.2** Economic productivity & innovation **9.4** Sustainable & clean industries **9.c** Access to ICT & the internet
Charter Communications Aligned	1.9%	Charter Communications, through its Spectrum brand, provides advanced broadband and voice services that enable digital connectivity for homes and businesses across the United States.	**9.1** Infrastructure development **8.3** Formalisation of SMEs **9.c** Access to ICT & the internet
SK Hynix Aligned	1.5%	SK Hynix is a leader in memory semiconductors, whose DRAM and NAND flash technologies drive innovation and digitisation across industries, supporting the growth of AI and high-performance computing.	**8.2** Economic productivity & innovation **9.4** Sustainable & clean industries **9.c** Access to ICT & the internet
Verizon Aligned	1.2%	Verizon is a telecommunications company whose broadband and wireless network services enable digital connectivity for homes and businesses across the United States.	**9.1** Infrastructure development **8.3** Formalisation of SMEs **9.c** Access to ICT & the internet



Aligned company impact thesis summary example

Broadcom

Education & Information Access

Broadcom, based in the United States, is a global technology company that designs and supplies semiconductor and infrastructure software solutions.

Characteristics: Products & services alignment to the UN SDGs

Semiconductor producers provide essential semiconductors as an input to internet, communications and cloud infrastructure (SDG 9.c), helping to improve productivity through technological upgrading and innovation (SDG 8.2, 9.4).

- Broadcom is a key enabler of expanding access to information and AI. The company's semiconductors, found in smart phones, Wi-Fi routers, cable modems, base station and routing infrastructure, and data centres form the backbone of the internet, with an estimated 99% of internet traffic crossing at least one Broadcom chip.
- Broadcom's semiconductors account for about 60% of the company's sales and include essential chips for smartphones, facilitating affordable access to information by enabling power management, WiFi, Bluetooth, and GPS.
- The remainder of Broadcom's business is IT infrastructure, including network and switch infrastructure and infrastructure software.
- Broadcom's network and switch infrastructure reduces the power intensity of AI compute and is an essential building block to unlocking expected gains in productivity, scientific research and drug discovery. Advanced networking is one of the most important ways to reduce the energy intensity of generative AI.
- The company's infrastructure software segment enhances productivity and helps secure cloud environments. For instance, Symantec cybersecurity software helps organisations detect and prevent cyberattacks, while VMWare software allows companies to run applications across major cloud platforms.

Standards: Management of key ESG risks

Carbon emissions

- A comprehensive pathway to decarbonisation is becoming an essential requirement of many large customers of semiconductor and software companies. Most of the carbon emissions from manufacturing occur upstream in the supply chain, resulting in relatively low carbon intensity for the company. Broadcom is committed to reducing its Scope 1 and Scope 2 operational emissions by 38% by 2030 compared to its 2021 baseline.

Human capital management

- Talent acquisition and retention are critical for many technology companies due to the intense competition for AI expertise. As of 2024, Broadcom's voluntary turnover rate was 2.9%, well below the industry average. This low turnover has been supported by retention initiatives, including increased equity grants and a focus on fostering an entrepreneurial culture.

Key impact metrics

- Employee turnover & satisfaction
- Greenhouse gas emissions intensity

Areas to monitor and potential engagement topics

- Human capital management and talent retention
- Management of carbon emissions and environmental impact

This is a summary of a detailed impact thesis prepared on the company or issuer. The information highlighted herein is not exhaustive, but illustrative of our process for evaluating a company or issuer for its eligibility in our Future Generations funds.

Transitioning company impact thesis summary example

Comcast

Education & Information Access

Comcast is one of the largest multinational telecommunications companies in the United States, offering broadband, wireless and voice communications services to both consumers and businesses.

Characteristics: Products & services alignment to the UN SDGs

Telecommunications companies can lead in providing and expanding access to internet and communications infrastructure (SDG 9.1) and services (SDG 9.c).

- Comcast's wireless, wired and broadband infrastructure expands access to information across the US, connecting over 64 million homes and businesses with reliable, high-speed internet. These business segments currently comprise about a third of Comcast's sales and the focus of the company's capital expenditures (over 90%) is on these segments. We do not consider Comcast's other revenues (predominantly media-related) to be aligned.
- Comcast is also investing heavily to improve the energy efficiency of the network. It is developing new virtual, cloud-based technologies that require less energy than traditional systems, while also upgrading or retrofitting existing infrastructure with more energy-efficient equipment and technologies. Comcast has achieved a 40% improvement in network energy efficiency since 2019, with a target to double network energy efficiency by 2030, which supports the development of sustainable infrastructure.
- Additionally, the company has dedicated programmes that support SMEs, including Comcast RISE, which provides grants, marketing services, technology upgrades, and business consultations. To date, Comcast RISE has supported over 14,000 small businesses with more than $140 million in grants.

Standards: Management of key ESG risks

Human capital

- Employee well-being and engagement is vital for productivity and job satisfaction, and company reputations are often closely tied to the quality of the work environment. Comcast has acknowledged past challenges and continues to invest in supporting its workforce. It has expanded its Employee Resource Groups to further foster inclusion and belonging.

Carbon emissions

- Telecommunications companies contribute to carbon emissions mainly through the energy required for their networks and data centres, and upstream manufacturing and transportation of communications equipment. Comcast aims to become carbon neutral by 2035 and is investing heavily in improving the energy efficiency of its network.

Areas to monitor and potential engagement topics

- Continued rollout of capital expenditure plans for broadband and wireless expansion
- Employee satisfaction

Assessing transition progress

Comcast continues to grow its broadband and wireless business segments, investing over 90% of its capital expenditure in recent years in expanding fibre and wireless infrastructure. While media remains a significant but unaligned portion of the business, the company is divesting some of its media assets. These divestments, along with Comcast's investments, will increase the company's overall alignment in our eligibility framework.

Key transition metrics[1]	Unit	2021	2022	2023
% of capital expenditures invested in cable communications services aligned to the SDGs	%	93	92	94
Number of broadband connections	# (million)	29.6	32.0	32.3
Number of wireless customers	# (million)	4.0	5.7	6.6

1. As defined by Capital Group sustainable investment eligibility process

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Energy Transition

Theme overview

Challenge

Climate change is reshaping our world, with 2024 marking yet another record-breaking year for global temperatures.[1] Rising sea levels, more frequent extreme weather events, diminishing biodiversity, food insecurity and potential population displacement are among the many threats posed by global warming. Mitigating these impacts demands immediate and sustained action, including the deliberate transition of companies in high-emitting and hard-to-abate sectors.

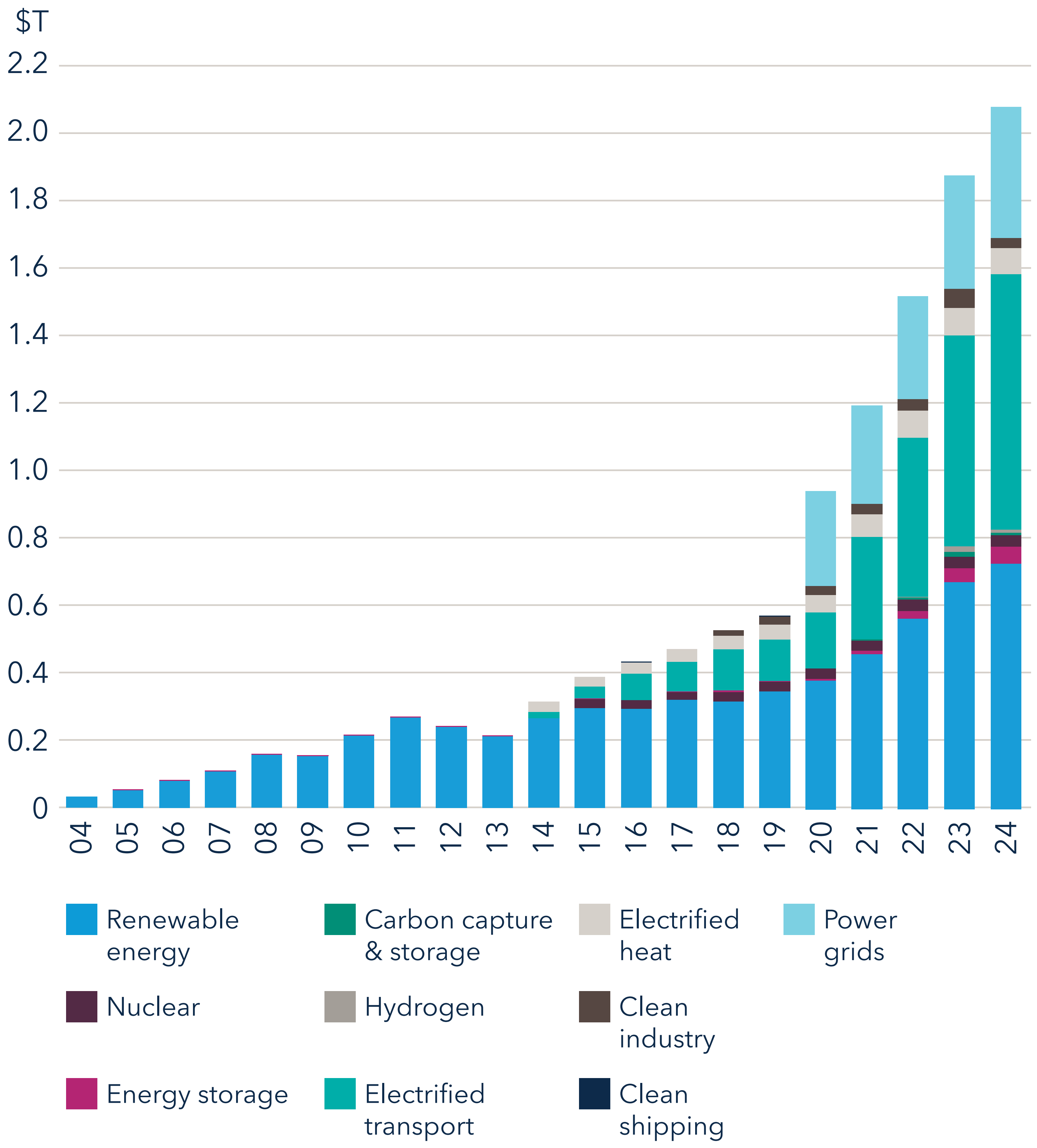
Investment opportunity

The energy transition has entered a period of nonlinear progress as companies, industries and countries recalibrate their strategic plans. Tensions between decarbonisation efforts, energy goals, security, costs and rising demand are reshaping prospects across sectors and nations. Nevertheless, huge changes are already underway and the direction seems set. Over 150 countries have set net zero targets, and more than 10,000 companies worldwide have committed to halving global emissions by 2030.[2] In 2024, global investment in the energy transition reached $2.1 trillion, an 11% increase from the previous year, with the majority spent on renewable energy and electrified transportation (exhibit to right).[3]

However, achieving net zero carbon emissions by 2050 will require nearly triple this annual investment.[4] In our view, companies that are making meaningful changes and are committed to decarbonising their business are key to this global transition and achieving climate goals.

1. NOAA, January 2025.
2. IRENA, November 2024.
3. Bloomberg NEF, January 2025.
4. Bloomberg NEF, January 2025.

Global energy transition investment, by sector



Source: Bloomberg NEF, January 2025. Note: Start years differ by sector, but all sectors are present from 2020 onwards; see Bloomberg NEF report's methodology page for more detail. Most notably, nuclear figures start in 2015 and power grids in 2020.

Products & services alignment to the UN SDGs

Our energy transition theme encompasses a range of industries and activities aimed at reducing reliance on fossil fuels and shifting towards sustainable and renewable energy sources like wind and solar. The demand for products and services in this theme is driven not just by widespread goals to reduce carbon emissions, but also by efforts to expand energy access, achieve greater energy independence, reduce pollution and find alternatives to finite fossil fuel reserves. Cleaner energy solutions for households are just one example of a business opportunity that also offers environmental, health, and economic benefits.

Companies directly involved in producing low-carbon energy are prime candidates for investment within this theme. We also see opportunities in companies adapting their business models to lower the carbon intensity of their energy use and those providing products and services that help other industries transition to less carbon-intensive energy sources and processes. The energy transition will also require substantial innovation and infrastructure development to reduce carbon footprints across various industries. This includes the development and implementation of electric transportation infrastructure, energy storage, improved transmission and distribution networks and technologies to increase energy efficiency.

For Transitioning companies in this theme we evaluate their actions and timelines for phasing out carbon-intensive activities and the potential emissions reduction benefits of their products and services.

Impact metrics we may monitor include absolute emissions and emissions intensity, carbon-free power as a percentage of total generation, the number of people provided with electricity, green capital expenditures (forecasted and actual), and electric vehicles and plug-in hybrids sold as a percentage of total vehicles.

Energy Transition

Example investment opportunities

Eligible companies in our Energy Transition theme typically fall under one or more of the following categories: sustainable energy; access to energy; inputs to the energy transition; and decarbonising transportation.

Primary UN SDGs targeted

Sustainable energy	Achieving net zero by 2050 will require nearly 90% of electricity to come from renewable sources.[1] This necessitates a significant increase in renewable energy production to support future electrification. We focus on companies that develop low- or zero-carbon energy products and services, including nuclear, hydropower, wind, solar and energy management solutions.	**SDG 7.2** Increase global percentage of renewable energy
Access to energy	Nearly every household and business depends on reliable, clean and affordable energy to function and thrive. We focus on companies modernising the power grid, transmission lines and electricity distribution infrastructure.	**SDG 7.1** Universal access to modern energy **SDG 7.b** Expand and upgrade energy services for developing countries
Inputs to the energy transition	The energy transition requires substantial inputs, including raw materials and advanced technologies. We focus on companies that supply critical minerals and materials needed for renewable energy production, electrification, battery storage, and electric vehicles.	**SDG 9.4** Upgrade all industries and infrastructures for sustainability
Decarbonising transportation	Transportation is one of the highest-emitting and most challenging sectors to decarbonise. Lower-emission transport is essential for sustainable infrastructure development in our increasingly urbanised world. We focus on companies developing disruptive technologies and equipment to electrify vehicles, producers of low- or zero-carbon fuels, and lower-carbon transportation options such as rail.	**SDG 9.4** Upgrade all industries and infrastructures for sustainability **SDG 11.2** Affordable and sustainable transport systems

1. IEA, May 2021.

Energy Transition

Holdings

Largest holdings in Energy Transition by portfolio weight

Issuer name	Portfolio weight	Products & services alignment summary	Primary SDG targets
Southern California Edison Aligned	2.5%	Southern California Edison is a subsidiary of Edison International serving customers in the United States (specifically California) with clean energy.	**7.1** Access to energy services **7.2** Share of renewable energy **9.4** Sustainable & clean industries
Pacific Gas & Electric Aligned	2.5%	PG&E is an electric utility providing clean energy to customers in the United States (specifically California) while investing to prevent future wildfires from its overhead power lines.	**7.1** Access to energy services **7.2** Share of renewable energy **9.4** Sustainable & clean industries
Air Products & Chemicals Transitioning	1.6%	Air Products & Chemicals is an industrial gases and engineering company investing in cleaner hydrogen projects that have the potential to support the decarbonisation of carbon-intensive industrial processes.	**9.4** Sustainable & clean industries **11.2** Sustainable transportation **3.4** Non-communicable diseases and mental health
Edison International Aligned	1.4%	Edison International is an electric utility holding company providing clean energy and energy services through its independent companies in the United States.	**7.1** Access to energy services **7.2** Share of renewable energy **9.4** Sustainable & clean industries
Xcel Energy Aligned	1.4%	Xcel Energy is an electric utility servicing customers in the United States that is actively transitioning its generation mix from coal to renewable energy sources.	**7.1** Access to energy services **7.2** Share of renewable energy **9.4** Sustainable & clean industries

Aligned company impact thesis summary example

Electricite de France

Energy Transition

EDF is an integrated electricity provider engaged in electricity generation, transmission, distribution, energy supply, trading, and related services in France and globally.

Characteristics: Products & services alignment to the UN SDGs

The growth of renewable energy production in the energy sector can significantly advance renewable energy deployment (SDG 7.2) and support access to affordable and clean energy (SDG 7.1).

- EDF is the world's leading producer of low-carbon electricity. Over 90% of the electricity EDF produces in Europe comes from zero-carbon sources, mainly nuclear and renewables such as hydropower. The company plans to double its renewable energy capacity by 2030.
- For the next three years, EDF forecasts a continued increase in annual investments to reach €25 billion per year, at least 90% of which will support decarbonisation.
- EDF is also improving energy accessibility through rural electrification, off-grid and microgrid projects, and major infrastructure and grid projects. EDF provides energy access to more than 2 million customers living in rural areas in South Africa, Ivory Coast, Cameroon, Ghana, Senegal, Kenya, Zambia and Togo. These solutions range from the sale of individual solar kits to mini-grids and solar pumps for farmers.
- For over 15 years, the company has provided energy support initiatives to help customers facing payment difficulties and to address energy poverty. This includes offering personalised payment advice, energy-saving tips, and thermal renovation solutions. The "Coup de Pouce" (Helping Hand) service helps low-income households in France reduce their energy bills and carbon emissions by replacing oil, gas or coal-fired boilers with more energy efficient heat pumps.

Standards: Management of key ESG risks

Water stress

- Water stress can impact energy production from hydropower and nuclear activities, forcing plants to reduce output or shut down temporarily. EDF's five largest nuclear reactors in France are located in areas of high water stress, and in recent years, the company has had to curb production due to low river levels and drought conditions. EDF has developed robust water management policies and is working on optimising its water use and reducing environmental strain. This includes piloting a water recovery prototype for the air coolers in its nuclear power plants, investing in desalination infrastructure and dry cleaning solar panels in areas of high water stress.

Carbon emissions

- While energy companies can be significant emitters of greenhouse gases they have an important role to play in decarbonising energy production. EDF has set ambitious carbon reduction targets, including a 60% reduction in direct greenhouse gas emissions by 2025, 70% by 2030, and 80% by 2035 compared to 2017 figures. The carbon intensity of the electricity and heat produced by the EDF Group is around six times lower than the European average and more than 12 times lower than the global average.

Key impact metrics

- Carbon intensity of electricity generation
- Net installed renewable capacity
- Energy access (number of people)

Areas to monitor and potential engagement topics

- Status of nuclear portfolio
- Review of safety record

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Transitioning company impact thesis summary example

Air Products & Chemicals

Energy Transition

Air Products & Chemicals is a global industrial gases company focused on serving a range of end markets with essential gases, process technology and related equipment. The company is also developing large-scale low-carbon hydrogen projects to support the transition to low- and zero-carbon energy.

Characteristics: Products & services alignment to the UN SDGs

Industrial gas companies produce medical gases (SDG 3.4). Their expansion into clean hydrogen can help hard-to-abate industries reduce greenhouse gas emissions (SDGs 9.4, 11.2).

- Air Products has several products that we consider SDG-aligned. These include medical gases, gases used in wastewater treatment, and the company's carbon capture technologies. These collectively account for approximately 5% of Air Products' revenues.
- We believe Air Products contribution to the SDGs may increase further through the other key component of the company's growth strategy: developing and operating some of the world's largest low-carbon (green and blue) hydrogen projects to support the decarbonisation of carbon-intensive industrial processes.[1]
- The balance of Air Products' revenues come from gas products and machinery supporting other industrial processes which we do not consider aligned.
- Low-carbon hydrogen is expected to be key to long-term decarbonisation in a range of hard-to-decarbonise sectors like steelmaking, chemical production, long-range transportation, and heating buildings. Low-carbon hydrogen and hydrogen-based fuels could contribute to abating 20% of human-driven emissions in 2050 if significant and sustained policy support tracks a net zero path.[2]
- While both green and blue hydrogen will require considerable investment and, in some cases, technological advancements to become economical at large scale, Air Products, as a leading supplier of conventional hydrogen, benefits from an established customer base, extensive experience, and physical assets like hydrogen pipelines. These advantages position the company well to commercialise low-carbon hydrogen.
- Although the company is not yet able to realise significant revenue from this segment, its capital commitments and planned production capacity for low-carbon hydrogen have been the largest of its industrial gas peers, totalling $12.9 billion by 2027, which would represent approximately half of the company's capital expenditures.

Standards: Management of key ESG risks

Carbon emissions

- Industrial gas manufacturers have high absolute greenhouse emissions and emissions intensities. Air Products' emissions intensity is above average for its industry, though it has improved recently. The company has a credible strategy for Scope 2 emissions reductions but offers less transparency than peers on Scope 1 emission reduction timelines and lacks a specific long-term target. Further clarity on the company's plans to increase renewable energy use and implement carbon capture and storage (CCS) could enhance investor confidence in the company's plans to lead on low-carbon hydrogen.

Water withdrawals

- Industrial gas production requires significant amounts of water. Excessive water withdrawals can exacerbate local shortages, impacting communities and ecosystems and risk legal penalties and operational interruptions. While Air Products has higher exposure to regions of water stress (about 22% of withdrawals), its water use is lower than peers and its water withdrawal intensity is improving. The company does not have reduction goals, but it has undertaken several water efficiency improvement projects at its large facilities.

This is a summary of a detailed impact thesis prepared on the company or issuer. The information highlighted herein is not exhaustive, but illustrative of our process for evaluating a company or issuer for its eligibility in our Future Generations funds.

Areas to monitor and potential engagement topics

- Plans to set longer-term carbon emissions goals
- Plans to report volume of low-carbon hydrogen produced

Assessing transition progress

Despite its significant potential in helping to abate emissions, blue and green hydrogen currently accounts for less than 1 percent of global hydrogen production and is significantly more expensive to produce than grey hydrogen. Reducing production costs will require advancements in electrolyser technology, scaling up renewable energy sources, and availing of supportive policy and government incentives, each of which carries significant risks. While new management is reviewing the company's major project pipeline in 2025 and has cancelled several clean energy projects, multiple large-scale green and blue hydrogen projects are under construction or past final-investment decision. Air Products may remain on track to be a major supplier of low-carbon hydrogen over the medium term. We continue to monitor the company's capital plans closely as they could affect its continued eligibility based on our criteria. We also monitor regulatory shifts that could reduce the overall potential demand for lower-carbon hydrogen in some markets, such as the US.

Key transition metrics	Unit	2021	2022	2023
Revenue from green and blue hydrogen production	%	0	0	0
Avoided carbon emissions from product use	$MtCO_2$	82	82	99

$MtCO_2e$: megatonnes of carbon dioxide equivalent.

1. Conventional hydrogen production is energy-intensive and relies on fossil-fuel feedstock. Grey hydrogen production emits carbon from the energy burned to separate natural gas molecules and from the process of separating hydrogen atoms from oxygen. Blue hydrogen is also produced from fossil fuels (typically natural gas) but uses carbon capture to trap and store most of the emissions. Green hydrogen is the cleanest, produced with renewable energy in an electrolyser using water as feedstock.

2. McKinsey, November 2022.

Responsible Consumption & Production

Theme overview

Challenge

As the global population continues to grow, our planet's resources are being rapidly depleted. Our material footprint, which measures the total amount of raw materials needed to meet consumption demands, increased by over 70% between 2000 and 2022. Based on current population growth trajectories, by 2050 it would take almost triple the planet's natural resources to sustain current lifestyles globally.[1] Growth in manufacturing and agricultural production to meet rising consumption demands will further stress ecosystems, potentially accelerating deforestation, biodiversity loss and increases in greenhouse gas emissions. Without improvements in resource efficiency, these problems will worsen as standards of living rise, especially since high-income countries consume 10 times more resources per person than low-income countries.[2]

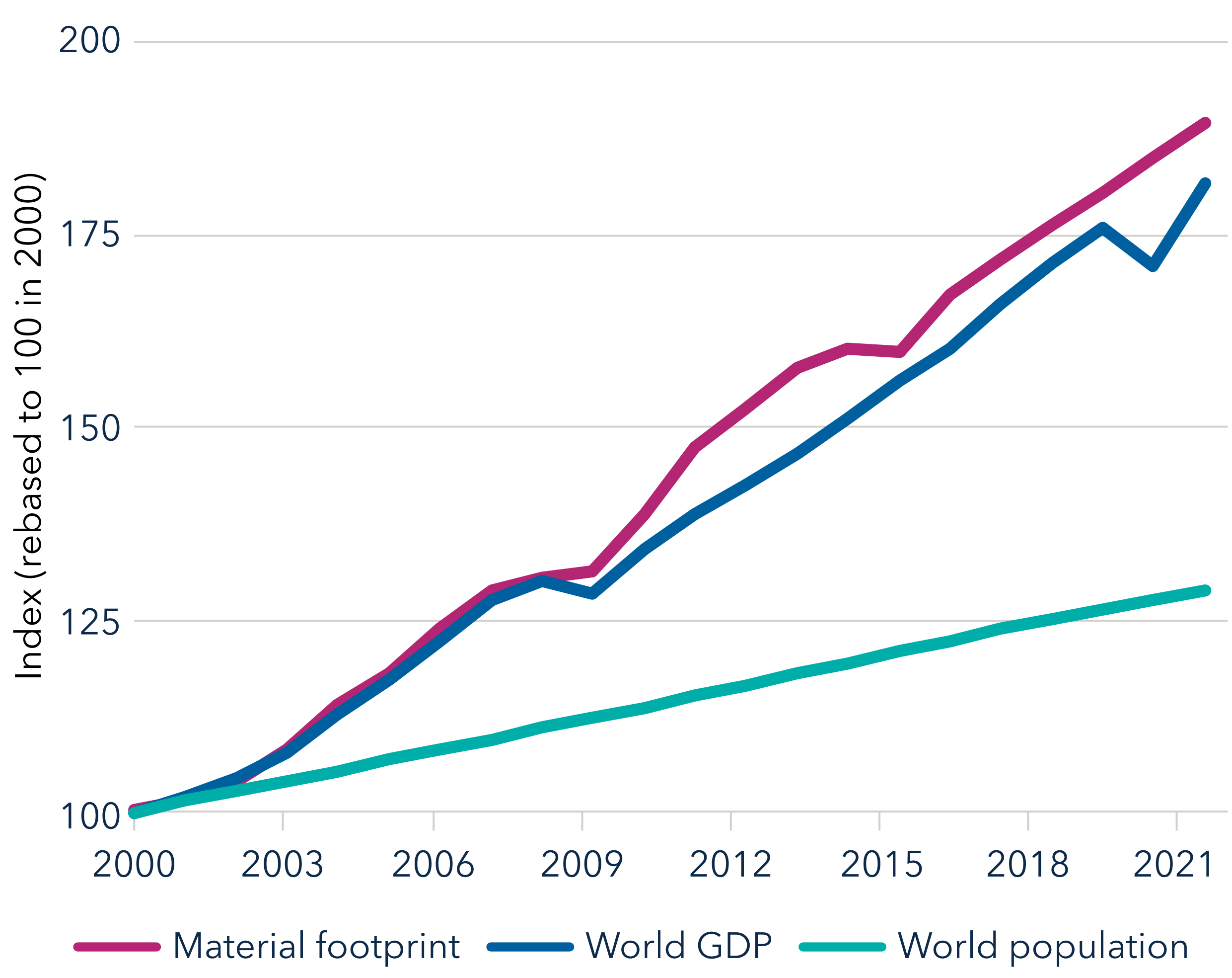
Investment opportunites

Manufacturing and agriculture together account for nearly one-fifth of global GDP and over 40% of global greenhouse gas emissions.[3,4] Productivity and resource efficiency improvements in these sectors are crucial for sustainable development as the global population continues to increase, especially given how critical these sectors are to emerging market economies. These sectors are ripe for innovation, with numerous opportunities to scale up impactful early-stage technologies to help decouple economic growth from environmental degradation. The transition to a more circular economy is expected to represent over $4.5 trillion in opportunity by 2030 as companies retrofit their supply chains for sustainability, innovate in resource management, and develop new business models focused on reuse, repair, and recycling.[5]

Feeding a growing global population in an increasingly resource-constrained world also presents an opportunity for innovation throughout the agriculture value chain, from seed technology to precision agriculture, ensuring food security while reducing the estimated $10-15 trillion in hidden societal costs of our current food system.[6]

1. UN, July 2023.
2. UN, July 2023.
3. World Bank, 2023.
4. US EPA, September 2024.
5. WEF, February 2021.
6. World Bank, September 2024.

Global GDP and material footprint growth index, 2000-2021



Sources: UN and World Bank, as at February 2025. Notes: The two lines show the growth of global GDP and global material footprint, with 2000 numbers rebased to 100. GDP is on a constant 2015 USD basis.

Products & services alignment to the UN SDGs

For this theme, we seek companies with products and services that enhance productivity in manufacturing or agriculture and support the transition to a more circular and sustainable economic system. For example, advancements in hydronic flow control and heating, ventilation and air conditioning (HVAC) technologies reduce the energy consumption of industrial heating and cooling systems. Industrial automation streamlines manufacturing processes, increasing productivity and minimising material waste. Companies developing waste reduction technologies, such as biodegradable materials, could benefit as consumer preferences and regulation likely boost demand for eco-friendly packaging and products. Others are developing advanced recycling techniques to tackle waste management challenges such as plastic pollution.

At the same time, advancements in agricultural technology enable farmers to increase crop yields while optimising resource use and reducing environmental impact. Companies that prioritise sustainability in their supply chains may also be favoured by sustainability-conscious customers and investors, leading to a growing market for technology supporting ethical sourcing and supply chain transparency. Finally, the integration of artificial intelligence (AI) and Internet of Things (IoT) technologies, is revolutionising the way industries monitor and manage their operations and environmental footprints, leading to better data and informed decisions.

Impact metrics we may monitor in this theme include the percentage of a company's products that are recyclable, sales of renewable fuel, greenhouse gases avoided by customers, and the resource intensity of products sold.

Responsible Consumption & Production

Example investment opportunities

Eligible companies in our Responsible Consumption & Production theme typically fall under one or more of the following categories: efficiency in manufacturing; industrial automation; waste reduction, reuse and recycling; and agricultural products and services.

Primary UN SDGs targeted

2 ZERO HUNGER | 8 DECENT WORK AND ECONOMIC GROWTH | 11 SUSTAINABLE CITIES AND COMMUNITIES | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Efficiency in manufacturing	Improving efficiency in manufacturing is vital for reducing resource consumption and emissions. We focus on companies with products and services that support advanced manufacturing processes and energy-efficient machinery that minimise waste and optimise resource use. This includes improved industrial HVAC systems, energy management tools, analytical and test instruments, and sensors to detect leaks.	**SDG 8.4** Improve resource efficiency in consumption and production **SDG 9.4** Upgrade all industries and infrastructures for sustainability
Industrial automation	Automation plays a key role in enhancing productivity and reducing energy use in industrial processes. We focus on companies that are developing and deploying automation technologies, including robotics, AI, and human-machine interfaces.	**SDG 8.2** Diversify, innovate and upgrade for economic productivity
Waste reduction, reuse and recycling	Waste is responsible for 20% of the world's methane emissions, and waste generated per year is expected to increase a further 70% by 2050.[1] Effective waste management is crucial for a sustainable future. We focus on companies developing solutions for waste reduction, reuse, and recycling.	**SDG 12.3** Halve global per capita food waste **SDG 12.5** Substantially reduce waste generation
Agricultural products and services	Sustainable agriculture can drive production efficiency and yield improvement for farmers and is essential for food security and environmental health. We focus on companies that provide essential agricultural products and services, including agricultural trade, more resilient and productive seeds, and farming technologies that reduce the costs and carbon footprint of food production.	**SDG 2.3** Double the productivity and incomes of small-scale food producers **SDG 2.4** Sustainable food production and resilient agricultural practices

1. IFC, April 2024.

Responsible Consumption & Production

Holdings

Largest holdings in Responsible Consumption & Production by portfolio weight

Issuer name	Portfolio weight	Products & services alignment summary	Primary SDG targets
Corteva Aligned	0.5%	Corteva provides seed solutions that support improved crop productivity and resource efficiency.	**8.2** Economic productivity & innovation **9.4** Sustainable & clean industries **12.5** Reduction in waste generation

Aligned company impact thesis summary example

Corteva

Responsible Consumption & Production

Corteva, headquartered in the United States, is a global agricultural company specialising in seed and crop protection solutions.

Characteristics: Products & services alignment to the UN SDGs

Agricultural companies focused on seed technology and can help improve the sustainability of agriculture and improve access to safe and nutritious food through improved crop productivity and resource efficiency (SDG 2.1, 2.4, 12.2).

- Seed innovation is crucial for improving agricultural sustainability. Corteva's seed unit, which accounts for more than half of sales and a significant share of R&D, leads in genetic trait engineering. This innovation enhances crop resilience, boosts yields, and reduces resource use (including land, fertilisers and pesticides). It also improves protection against disease and extreme weather and enhances the nutritional profile of crops.
- While Corteva also produces some traditional crop chemicals (pesticides), which we do not deem aligned, we may consider some of the company's products, including biologicals and biostimulants, to be aligned over time depending on their sustainability characteristics. Since 2023, Corteva has ensured that all new crop protection solutions include at least one sustainability benefit, such as lower use rates, allowing farmers to treat more crops with less product.
- Additionally, Corteva invests significantly in R&D for biologics and sustainable chemistry developing solutions that support sustainable agriculture. The company's initiatives to help farmers sequester carbon generate certified carbon credits and enhance soil health.

Standards: Management of key ESG risks

Carbon emissions

- Chemical companies use fossil fuels in the manufacturing process and as feedstock. Corteva's Scope 1 and 2 greenhouse gas emissions intensity is currently lower than its peer group, and the company aims to cut emissions by 65% by 2030 (relative to 2020 levels), an estimated 42% reduction in absolute emissions. However, Scope 3 emissions, the largest share of the company's total emissions, are rising. The company targets a 20% reduction by 2030, though this will be challenging to achieve. We will monitor the company's progress.

Product quality & safety

- Chemicals found to have harmful impacts on people or the environment can become restricted or banned in various markets or result in regulatory fines, reformulation costs, litigation and compensation expenses. Corteva produces fewer high-risk chemicals than many peers, but some of its products face growing regulatory scrutiny. While the company's glyphosate products have been recertified for use by the US EPA until 2029, the EU is undertaking a broader glyphosate review. Corteva estimates that 90% of its new crop chemicals in 2022 met the company's internal sustainability characteristics (described only broadly in ESG reporting), targeting 100% by 2025.

Key impact metrics

- Research and development as a percentage of total sales
- Greenhouse gas emissions intensity

Areas to monitor and potential engagement topics

- Enhanced disclosure on sustainability characteristics for crop protection solutions
- Progress on Scope 3 emissions reductions

This is a summary of a detailed impact thesis prepared on the company or issuer. The information highlighted herein is not exhaustive, but illustrative of our process for evaluating a company or issuer for its eligibility in our Future Generations funds.

Sustainable Cities & Communities

Theme overview

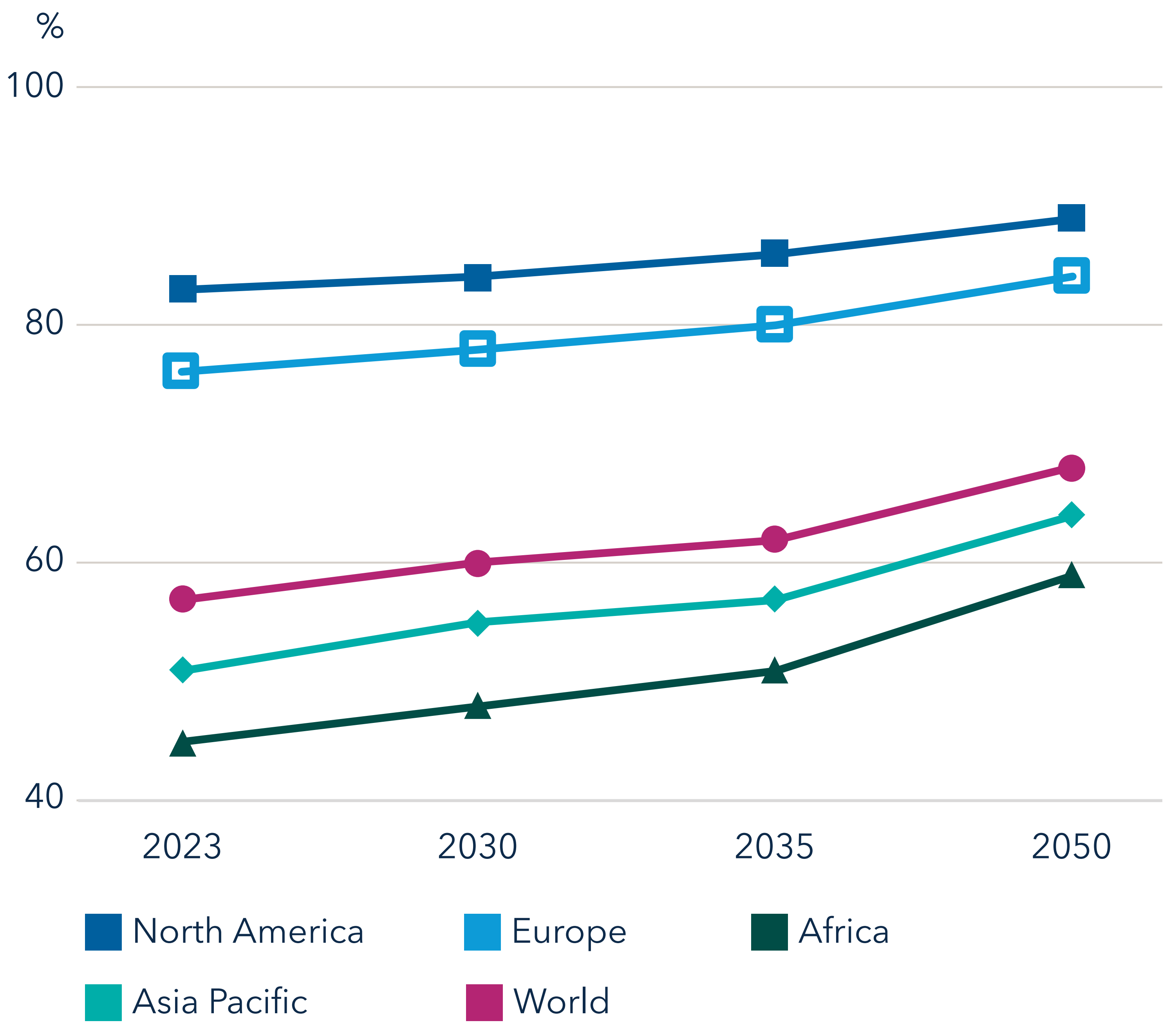
Challenge

As the engines of global growth, cities consume 75% of the world's energy and generate 70% of greenhouse gas emissions – figures that are set to rise as urban populations grow.[1] Cities are already feeling the impacts of climate change, and the increasing frequency and intensity of natural disasters make mitigation and adaption essential. At the same time, many cities face severe housing shortages, inadequate waste management, and significant air pollution, all of which further negatively impact public health and quality of life.

Investment opportunites

More than half the world's population lives in cities today, and urban populations are expected to increase by another 2.5 billion people by 2050[1]. Private investment into housing, sustainable infrastructure, and smart city solutions will be critical, especially in emerging markets. Research by the IFC estimated a cumulative investment opportunity of nearly $30 trillion for climate-smart improvements in emerging market cities by 2030, driven primarily by the demand for green buildings.[2] With over 80% of global GDP generated in cities today, investments in sustainable urbanisation have the potential to support economic growth with lower environmental impacts while improving the lives of billions of people.[3]

Projected share of urban population by region



Source: IEA, April 2024.

Products & services alignment to the UN SDGs

For this theme, we seek out businesses that support sustainable urbanisation and inclusive community development. Lower-carbon building materials, building insulation, and efficient heating, ventilation and air conditioning (HVAC) solutions contribute to reducing consumption of natural resources. Residential developers and builders, particularly those focused on lower-cost solutions, help provide more people with more affordable home ownership. Waste management companies play an important role in maintaining sanitary environments, reducing pollution and safely disposing of hazardous materials. Financial services providers are also critical to the growth and resiliency of cities by financing construction, offering mortgages, and in the case of insurance and reinsurance companies, mitigating the economic losses that can result from natural disasters.

Impact metrics we may monitor in this theme include the percentage of a company's sales coming from lower-emissions building products, greenhouse gas emissions avoided from products and services, the average price of manufactured homes, and the percentage of insurance company premiums that are climate adaptation- or climate risk-linked.

1. IEA, May 2024.
2. IFC, November 2018.
3. World Bank, April 2023.

Sustainable Cities & Communities

Example investment opportunities

Eligible companies in our Sustainable Cities & Communities theme typically fall under one or more of the following categories: sustainable buildings; safe and affordable neighbourhoods; municipal waste management; and catastrophic risk mitigation.

Primary UN SDGs targeted

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
6 CLEAN WATER AND SANITATION

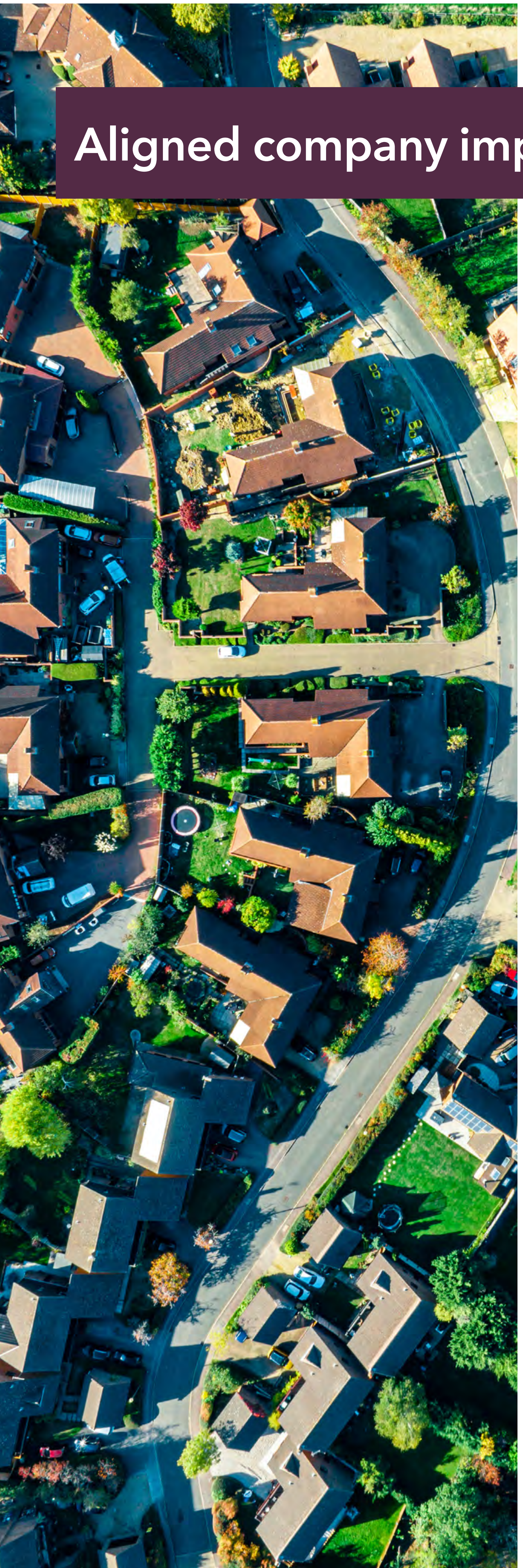
Sustainable buildings	The built environment is one of the largest contributors to global carbon emissions. We focus on companies that produce low-carbon building materials, efficient HVAC and other technologies to improve energy efficiency.	**SDG 7.3** Double the improvement in energy efficiency **SDG 12.2** Sustainable management and use of natural resources
Safe and affordable neighbourhoods	Developers and builders of housing are crucial for addressing the high demand for adequate, safe, and affordable shelter – in cities in developed countries, and in developing countries with rapid urbanisation. We focus on developers and manufacturers of lower-cost housing, as well as financial services firms providing access to mortgages and mortgage insurance.	**SDG 11.1** Safe and affordable housing **SDG 11.7** Provide access to safe and inclusive green and public spaces
Municipal waste management	Municipal waste companies manage the collection, transportation, recycling, and disposal of waste from households and businesses, ensuring safe disposal of non-recyclable and hazardous materials. We focus on waste management companies, including those leading on recycling and waste-to-energy innovations.	**SDG 3.9** Reduce illnesses and death from hazardous chemicals and pollution **SDG 11.6** Reduce the environmental impact of cities
Catastrophic risk mitigation	Economic losses from natural disasters have been increasing. Insurance companies offer policies that transfer the financial risk of natural disasters from individuals and businesses to the insurer. Reinsurance companies, in turn, provide insurance to insurers, further dispersing the financial risks of large-scale disasters. We focus on insurance and reinsurance companies as well as insurance brokerages that advise their clients on maintaining appropriate types and levels of insurance coverage.	**SDG 11.5** Reduce the adverse effects of natural disasters **SDG 13.1** Strengthen resilience and adaptive capacity to climate-related disasters

Sustainable Cities & Communities

Holdings

Largest holdings in Sustainable Cities & Communities by portfolio weight

Issuer name	Portfolio weight	Products & services alignment summary	Primary SDG targets
Carrier Global Aligned	1.1%	Carrier Global provides HVAC and refrigeration solutions, offering technologies that improve the energy efficiency of buildings.	**11.6** Urban air quality & waste management **7.3** Energy efficiency **12.3** Food waste & losses
Sika Aligned	1.0%	Sika is a Swiss multinational speciality chemicals company that produces concrete admixtures, mortar, sealants and adhesives for the construction and automotive industries, contributing to making construction more energy efficient and less resource-intensive.	**9.4** Sustainable & clean industries **12.2** Sustainable use of natural resources
Aon Global Aligned	0.9%	Aon Global is a global insurance brokerage, risk management, and consulting firm that works with clients worldwide to help find and purchase insurance policies to manage disaster risks and support employee well-being.	**11.5** Resilience to disasters **13.1** Resilience & adaptive capacity **3.8** Universal health coverage and essential medicines and vaccines
Sun Communities Aligned	0.9%	Sun Communities provides manufactured housing and residential RVs, offering low-cost housing solutions across the US and Canada.	**11.1** Housing & basic services
American International Group Aligned	0.7%	AIG is a global insurance company that provides a wide range of insurance solutions to help businesses and individuals protect their assets and manage risks.	**11.5** Resilience to disasters **1.4** Access to basic services **8.10** Access to financial services



Aligned company impact thesis summary example

Arthur J. Gallagher

Sustainable Cities & Communities

Arthur J. Gallagher is a global insurance brokerage, risk management, and consulting firm that works with clients worldwide to help find and purchase insurance policies.

Characteristics: Products & services alignment to the UN SDGs

Insurance brokerage services facilitate access to insurance, protecting against financial shocks to companies and individuals, promoting broad economic stability (SDG 8.10) and supporting disaster resilience in communities (SDGs 11.5, 13.1).

- Arthur J. Gallagher, whose brokerage business represents the majority of its revenues, plays a significant role in supporting climate mitigation and adaptation. The company provides bespoke insurance coverage for renewable energy infrastructure throughout the development phase.
- Through its brokerage and consulting services, Arthur J. Gallagher assists companies in designing and implementing cost-effective health care benefits, improving employee retention and welfare. The company also aids in business continuity planning, helping organisations prepare for interruptions caused by pandemics, geopolitical risks and natural hazards.
- Its risk and consultancy business helps clients model the effects of climate change on business operations. Additionally, this division supports financial resilience against cyberattacks by conducting vulnerability assessments to determine clients' cybersecurity needs and appropriate coverage levels.
- The company enhances resilience through its reinsurance programs, helping reinsurers manage risks and avoid financial instability. In poorer communities, the lack of insurance worsens disaster impacts, prolonging recovery and increasing poverty. Arthur J. Gallagher builds community resilience by ensuring access to coverage, mitigating disaster effects and fostering quicker recovery.

Standards: Management of key ESG risks

Data privacy and security

- Data privacy and security is paramount within the financial services sector due to the need to handle highly sensitive customer information. Security breaches can lead to significant financial losses, regulatory penalties and erosion of client trust. Arthur J. Gallagher has data security processes in place but greater detail on the alignment of the company's practices with international cybersecurity frameworks would strengthen investor confidence, especially after the ransomware attack the company suffered in 2020.

Key impact metrics

- Retail insurance brokerage as a percentage of total brokerage sales
- Workforce diversity

Areas to monitor and potential engagement topics

- Further detail on cybersecurity protocols and external assurance
- Efforts to continually improve employee retention

This is a summary of a detailed impact thesis prepared on the company or issuer. The information highlighted herein is not exhaustive, but illustrative of our process for evaluating a company or issuer for its eligibility in our Future Generations funds.

Aligned company impact thesis summary example

Sika

Sustainable Cities & Communities

Sika is a Swiss multinational speciality chemicals company that produces concrete admixtures, mortar, sealants and adhesives for the construction and automotive industries.

Characteristics: Products & services alignment to the UN SDGs

Products that reduce environmental impact or natural resource consumption through innovation contribute to sustainable industrial processes (SDG 9.4) and efficient use of natural resources (SDG 12.2).

- Sika develops products such as concrete additives, roofing window sealants and waterproofing materials that enhance durability and efficiency in building and construction, contributing to more resilient and energy-efficient urban environments.
- Concrete, the world's most widely used construction material, is highly material- and energy-intensive, leading to significant greenhouse gas emissions. Admixtures, a material added to the concrete mix to modify its properties, reduce cement content, improve durability, lower water usage, and enable the use of recycled materials. Sika's admixtures cut carbon emissions by 70 million tons annually and save over 6 billion litres of water.
- Sika is also developing a concrete recycling system that can transform concrete waste into 100% recycled aggregate, a significant improvement from the current 30%. This technology not only recycles materials but also sequesters carbon.
- Additionally, the company's adhesives and sealants for windows and facades, along with its green and cool roof membranes, boost energy efficiency in both new and retrofit buildings. These membranes reflect more sunlight and absorb less heat, cutting building energy consumption by up to 15%.

Standards: Management of key ESG risks

Carbon emissions

- The production of concrete and construction chemicals is highly carbon-intensive. Sika has reduced emissions per product sold and has credible targets for further reductions. The company is also innovating its products to reduce reliance on high-emission inputs, including cement.

Chemical safety

- Chemical safety issues can have damaging health and environmental effects, negatively impacting companies' reputations and posing regulatory and litigation risks. Sika has not experienced any recent chemical safety controversies. The company has not disclosed a strategy for finding alternatives to high-risk chemicals, but produces fewer hazardous chemicals than its median industry peer.

Key impact metrics

- Emissions intensity
- Percentage of inputs that are recycled or renewable

Areas to monitor and potential engagement topics

- Increased transparency over time on customer avoided emissions
- Understanding long-term strategy for the company's stated goals to reduce fossil fuel inputs and scale recycled and renewable inputs

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Clean Water & Sanitation

Theme overview

Challenge

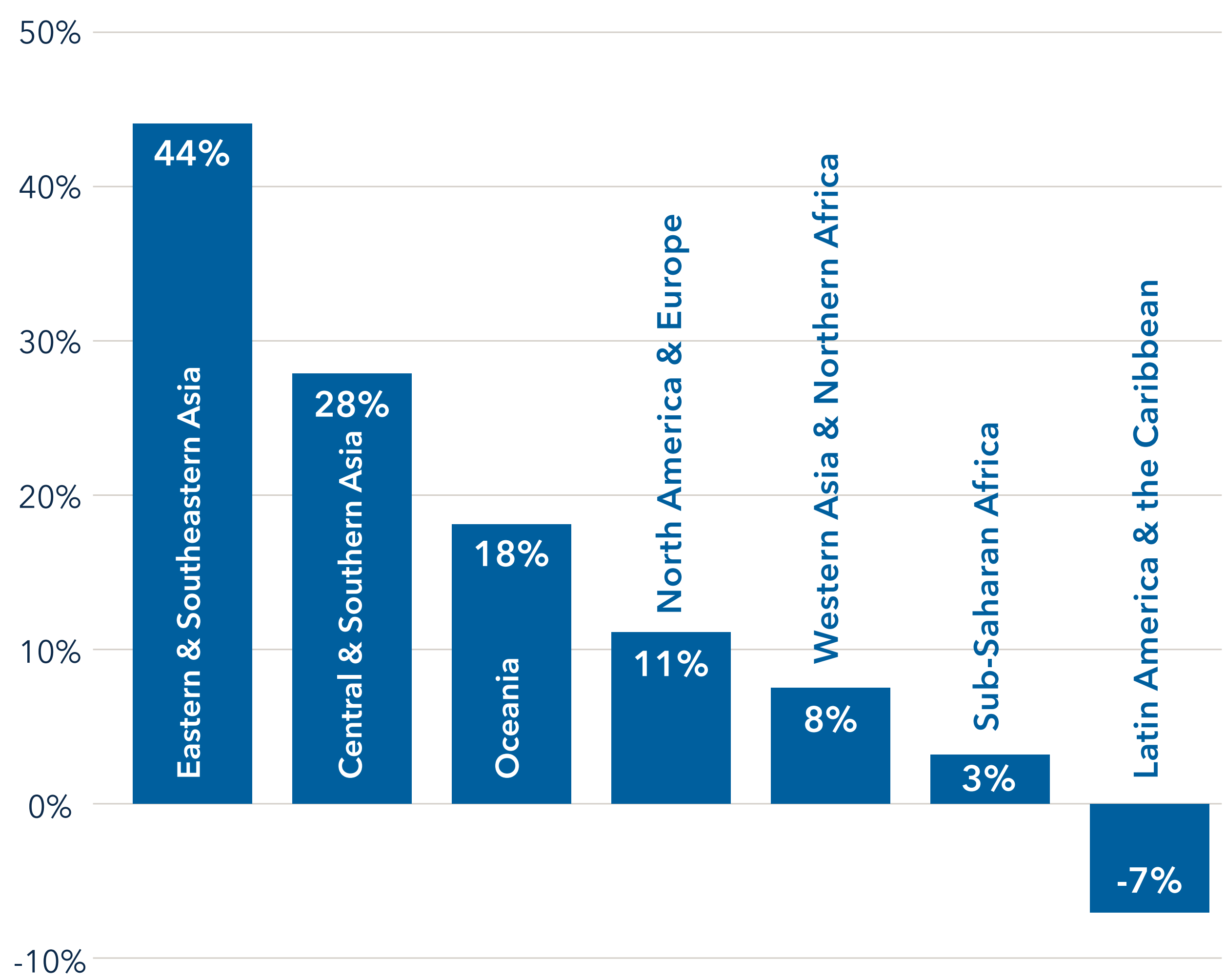
Clean water is a fundamental human need, yet over 2.3 billion people worldwide still lack safe access.[1] Water scarcity, poor water quality, and inadequate sanitation, exacerbated by industrial, agricultural, and domestic pollution, negatively impact health and livelihoods. Climate change intensifies these challenges through increased droughts and floods, disrupting water availability. In regions already facing water scarcity, these issues could reduce growth rates by up to 6% of GDP.[2] Water availability is crucial not only for individuals and communities but also for industries reliant on water, including agriculture, power generation, and data centres supporting artificial intelligence technologies.

Investment opportunites

Increasing access to clean water and sanitation requires substantial investment in infrastructure, technology and sustainable practices. The World Bank estimates that addressing water-related challenges will require almost $7 trillion in investment by 2030 and over $22 trillion by 2050.[3] While much of this capital must come from governments, there are opportunities for private sector investment. These include developing and deploying water purification technologies, building and upgrading water supply and sanitation infrastructure, and integrating water-efficient equipment and processes. Improving water-use efficiency to produce more with less water is a key driver of demand, especially within sectors with high water withdrawals such as apparel, agriculture, energy production, and mining. Progress to date on improving efficiency has been uneven across sectors and geographies (exhibit to right).

On the whole, investment opportunities in this theme are currently more limited than other themes, but we expect them to increase as water demand continues to grow in emerging markets and aging infrastructure needs to be upgraded or replaced in developed markets. Such investments will be critical for improving public health, supporting economic development, growing the global food supply and bolstering resilience to climate change.

Change in water-use efficiency, 2015-2021 (%)



Source: Food and Agriculture Organization of the United Nations, December 2024.

Products & services alignment to the UN SDGs

For this theme, we seek out businesses that contribute to clean water and sanitation solutions. Companies developing advanced water purification and filtration technologies help ensure safe drinking water and provide key inputs for patient safety in medical settings. Companies involved in constructing and maintaining water and sanitation infrastructure play a vital role in expanding access to these essential services, while stormwater management systems help prevent flooding and improve water quality. Water treatment solutions help industries reduce pollution and ensure environmental compliance. Additionally, companies offering innovative water management tools, such as smart irrigation systems and leak detection technologies, contribute to efficient water use and conservation.

Impact metrics we may monitor in this theme include the amount of water treated and recycled, the number of people provided with access to clean water, and the volume of water saved through products sold.

1. World Bank, September 2023.
2. World Bank, May 2016.
3. World Bank, March 2024.

Clean Water & Sanitation

Example investment opportunities

Eligible companies in our Clean Water & Sanitation theme typically fall under one or more of the following categories: water distribution and management; water purification; and water conservation.

Primary UN SDGs targeted

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

6 CLEAN WATER AND SANITATION

Water distribution and management	Efficient and effective water distribution and management are critical for ensuring sustainable water use. We focus on companies, such as water utilities, that provide access to water and manage water infrastructure or develop technologies to improve water distribution and wastewater collection, reduce leakage, and enhance water management practices.	**SDG 6.1** Safe and affordable drinking water **SDG 6.b** Support local engagement in water and sanitation management
Water purification	Access to clean water is fundamental for health and well-being. We focus on companies that provide innovative water purification solutions, ensuring safe and clean water for communities and industries.	**SDG 6.3** Improve water quality, wastewater treatment and safe reuse **SDG 12.4** Responsible management of chemicals and waste
Water conservation	Water conservation is essential for preserving this vital resource. We focus on companies that develop technologies and practices to reduce water consumption, promote efficient water use, and support sustainable water management.	**SDG 6.4** Increase water-use efficiency and ensure freshwater supplies

Clean Water & Sanitation

Holdings

Largest holdings in Clean Water & Sanitation by portfolio weight

Issuer name	Portfolio weight	Products & services alignment summary	Primary SDG targets
Veralto Aligned	1.5%	Veralto Corporation, headquartered in the United States, is the former Environmental & Applied Solutions segment of Danaher Corporation and a global provider of water treatment and product quality solutions, which are essential in enhancing water quality and the safety and traceability of products such as food, beverages and medicines.	**6.3** Water quality **6.4** Water-use efficiency **3.9** Health impact of pollution

Aligned company impact thesis summary example

Veralto

Clean Water & Sanitation

Veralto, headquartered in the United States, is the former Environmental & Applied Solutions segment of Danaher Corporation and a global provider of water treatment and product quality solutions, which are essential in enhancing water quality and the safety and traceability of products such as food, beverages and medicines.

Characteristics: Products & services alignment to the UN SDGs

Companies offering water analytics and treatment solutions support improved water quality (SDG 6.3) and water use efficiency (SDG 6.4). Product quality and traceability services, such as marking and coding, ensure the safety of food and pharmaceuticals, supporting access to safe nutrition (SDG 2.1) and reducing deaths and illnesses from hazardous chemicals and pollution (SDG 3.9).

- The majority of Veralto's revenue comes from products and services that improve water quality in municipal, industrial, packaged goods, and other end markets. The company estimates its products support safe water for over 3.4 billion people, approximately 40% of the global population.
- The company's water quality products include water analytics, important for detecting contamination in wastewater and maintaining municipal drinking water systems, and water treatment and sanitation solutions such as membrane filtration, UV sanitisation and digital monitoring systems.
- Veralto's marking and coding segment, accounting for another quarter of the company's revenue, provides product quality services that improve supply chain traceability, supplier quality management and product quality control for end markets such as pharmaceuticals and consumer packaged goods. Veralto's products include software, printers and laser marking systems for applications such as nutritional labelling on food packaging and codes for product tracing and recalls. The company estimates these services impact 90% of supermarket packaged food in North America and Western Europe.

Standards: Management of key ESG risks

Reporting and disclosure on ESG risks

- Proper disclosure and reporting of ESG risks is crucial for investors to assess a company's preparedness and not be caught off guard by potentially significant issues. Veralto published its first sustainability report in 2023, followed by another in 2024. As Veralto matures as an independent company, its ESG reporting is evolving, with commitments to further improvements.

Human capital management

- Effective human capital management practices are vital for recruiting, retaining employees and fostering innovation. Veralto's employee turnover has stabilised back to pre-pandemic levels and the company employs strategies such as regular employee surveys, training and internal hiring to sustain this improvement. Though detailed data is not provided, the company states that it has achieved gender, ethnic and racial pay equity for US employees.

Key impact metrics

- Gallons of water treated and recycled
- Voluntary employee turnover

Areas to monitor and potential engagement topics

- Board oversight of ESG risks and opportunities
- Supply chain monitoring and due diligence

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Stewardship

Stewardship

Engagement

Across Capital Group, engaging with companies helps us understand management teams, as well as their strategies and stances on key issues and how they are overseen by boards of directors.

ESG-specific engagements are conducted by the ESG team in collaboration with our investment professionals, who are directly accountable for integrating material ESG considerations into the investment process, with the ESG team providing support and deep knowledge.

In our Future Generations funds, engaging with companies can help us better understand how well they are positioned for important global sustainability trends and how they address potential risks. Our extensive access to company management enables us to have meaningful dialogue with companies to deepen our understanding of hard-to-measure ESG and sustainability issues, discern progress on business transitions, encourage disclosure and share best practices.

The additional insight into a company's products and services and ESG risk management practices that we can gain through engagement helps inform whether companies can become eligible or remain eligible for inclusion in our Future Generations funds.

Engagements with Transitioning companies also provide insight into a company's plans for its evolving business and allows us to assess their eligibility for the Future Generations funds on an ongoing basis.

ESG engagements with portfolio companies

Number of issuers engaged

34

Number of engagements[1]

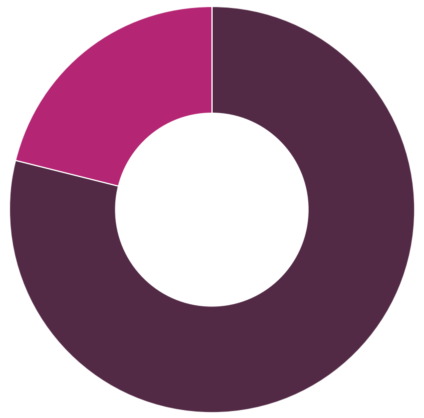
58

% of portfolio issuers engaged with

	Issuers by #	by portfolio weight
Aligned	40%	42%
Transitioning	75%	74%
Total	42%	44%

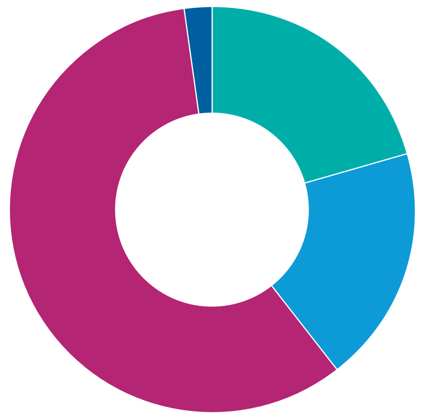
Engagements by geography

Americas	79%
Asia-Pacific	0%
EMEA[2]	21%
Total	100%



Engagements by discussion theme[3]

Environmental issues	21%
Social issues	19%
Governance issues	59%
Other[4]	2%
Total	100%



4. This category consists of E, S and G sub-issues not listed and/or broad ESG discussions without a specific focus on a single issue.

Engagements by ESG type

Environmental issues	
Climate change	9
Natural resources	1
Pollution & waste	2
Total	12

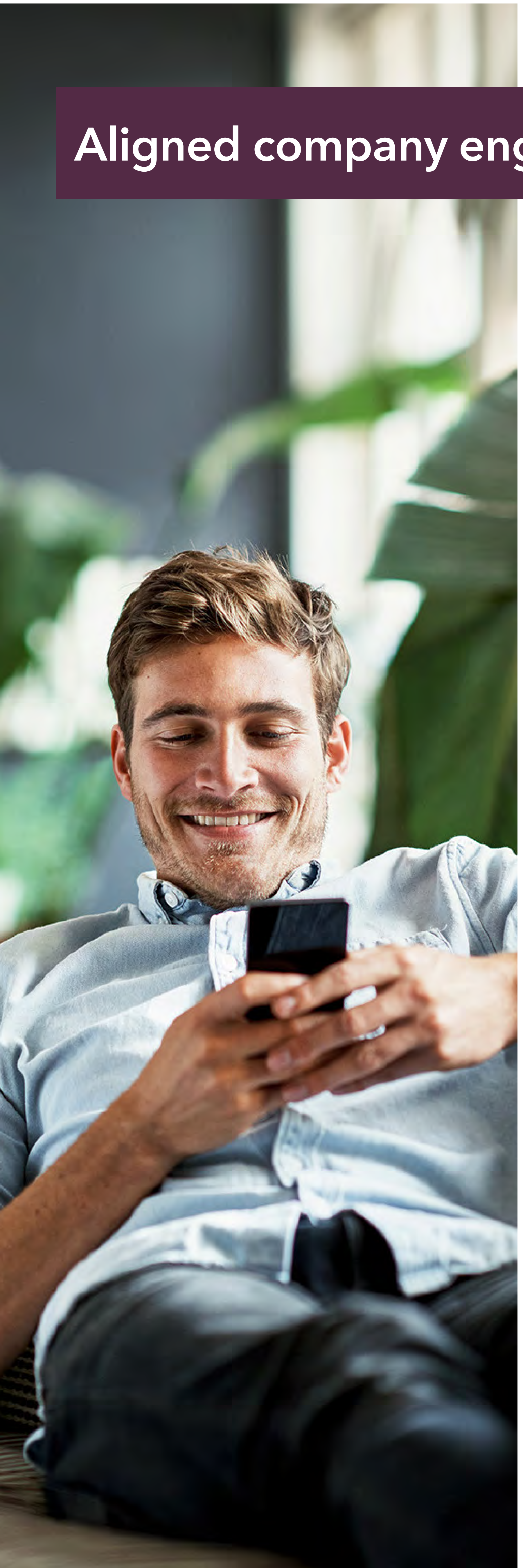
Social issues	
Diversity and inclusion	2
Employee welfare	1
Products and consumer protection	8
Total	11

Governance issues	
Annual General Meeting-related	2
Board-related	14
Executive compensation	17
Shareholder interests	1
Total	34

Other	
Total	1

Data covers Q1 2024 – Q4 2024

1. The total number of engagements includes multiple engagements conducted with the same company.
2. EMEA: Europe, the Middle East and Africa.
3. In a single engagement, Capital Group may discuss multiple E, S and G categories of issues. In these instances, the above reflects the primary issue discussed with the company.



Aligned company engagement example

AT&T

Education & Information Access

AT&T, headquartered in the United States, is a multinational telecommunications company, providing mobile and fixed telephone services, broadband, digital television, and internet.

Characteristics: Products & services alignment to the UN SDGs

Telecommunications providers that focus on expanding fibre and wireless connectivity support improved access to information and communications (SDGs 9.1, 9.c), helping to bridge the digital divide. These companies also support the building of sustainable infrastructure that is resistant to emerging environmental and social threats, particularly climate change and cybersecurity supports (SDG 9.4).

- AT&T supports improved access to information and the sustainability of communications infrastructure through its focus on expanding fibre and wireless connectivity throughout the US. Over the past three years, AT&T has invested up to $8 billion in capital expenditures to deploy higher-speed 5G connectivity nationwide within the US.
- Approximately 11% of the US population is not connected to the internet, with nearly double that number lacking high-speed broadband. AT&T participated in the US government's Affordable Connectivity Program (ACP) which provides discounts on broadband service for eligible households. This initiative includes low-cost broadband offerings and ongoing community investments to deploy, offer and maintain internet and voice services to over a million homes and small businesses in underserved areas.
- The company continues to innovate with new offerings, such as its fixed wireless offering 'Internet Air', which helps rural populations gain internet access. 'Internet Air' is currently available in over 90 markets, with plans for further expansion.

Standards: Management of key ESG risks

Cybersecurity

- Network carriers can be susceptible to data breaches or wrongful use of data, leading to high compliance costs and reputational risk. In March 2024, AT&T announced a significant data breach, resulting in over 73 million customer records on the dark web. Since then, the company has dedicated substantial resources to enhancing security and diligence processes, including implementing a comprehensive security program based on international standards and industry best practices.

Engagement

In August and November 2024, we engaged with AT&T to discuss and understand the company's management of cybersecurity risks following a significant data breach in March 2024.

Management of key ESG risks

Cybersecurity

- The company shared that following the March 2024 data breach they implemented additional measures and enhanced data privacy practices. Multi-factor authentication (MFA) is now required for all employee accounts. Additionally, all third-party data and external cloud contracts will undergo a more rigorous diligence process.
- AT&T hired a new Chief Information Security Officer (CISO) in 2023, who continues to improve the company's cyber resilience. The CISO reports to the Chief Technology Officer (CTO) and provides updates to the Audit Committee twice annually and the board at least once annually. A former employee of the US Central Intelligence Agency (CIA), he has introduced new training programs for AT&T's workforce and enhanced the cyber hardening of physical assets. Our analyst views these as significant improvements to increase cyber resilience.

We are encouraged by the company's response, management and disclosure of these risks to date, and this is an area we continue to monitor and engage with the company on.

Engagement example shown for illustrative purposes only.

Transitioning company engagement example

ENGIE

Energy Transition

ENGIE is a French multinational electric utility company focused on low-carbon electricity generation and energy infrastructure.

Characteristics: Products & services alignment to the UN SDGs

Electric utilities can help provide access to reliable and affordable electricity (SDG 7.1) and expand renewable energy capacity (SDG 7.2).

- ENGIE provides energy access through its electricity distribution grid, balancing growth in zero carbon electricity with continued energy security.
- In 2023, ENGIE generated 47% of its power from zero-carbon sources like wind, solar, and hydropower, and we believe it is on track to reach 50% zero-carbon power generation within the next two to three years. The company is also investing in next-generation fuels, including renewable hydrogen and biomethane, to eventually displace natural gas.
- Additionally, ENGIE is making significant progress in battery storage, targeting 10 gigawatts of battery capacity in Europe and the US by 2030, which will be able to meet peak electricity demand for nearly 5 million households.
- ENGIE is decommissioning its remaining coal assets as part of its broader strategy to achieve net zero carbon emissions by 2045, with its decarbonisation trajectory approved by the Science-Based-Targets initiative (SBTi). The company plans to exit coal in Europe by 2025 and globally by 2027.

Standards: Management of key ESG risks

Employee and contractor safety

- Heights and exposure to high voltage electricity are among the hazards that can pose risks to employee safety at electric utility companies. Following several employee and subcontractor fatalities in 2021, ENGIE instituted reforms, including a comprehensive strategy to improve health and safety culture and eliminate serious and fatal accidents over the long term.

Engagement

In November 2024, we engaged with ENGIE to discuss the company's progress on employee safety improvements and to better understand their climate strategy.

Product & services alignment to the UN SDGs

Energy transition

- Despite shareholder pressure for a more ambitious climate plan, ENGIE believes the best course of action is to remain committed to realistic goals. The company aims to achieve net zero carbon emissions across its entire value chain by 2045. While not aligned with a 1.5°C scenario, it is well below a 2°C scenario and has been certified by the Science-Based-Targets initiative (SBTi).

Management of key ESG risks

Employee and contractor safety

- Improving employee and contractor safety remains a top priority for ENGIE. Following a tragic incident in 2021 that resulted in 16 fatalities, ENGIE implemented a global transformation plan to eliminate serious and fatal accidents. This plan includes enhanced governance and oversight and a dedicated communications program to engage employees in safety initiatives. ENGIE reported that its safety track record has improved year-over-year, with only three fatalities recorded in 2024. The company's ongoing goal is to achieve zero fatalities.

We will continue to monitor ENGIE's progress toward its decarbonisation targets and will look for continued improvements on employee and contractor safety.

Engagement example shown for illustrative purposes only.

Carbon emissions and ESG metrics

Understanding the portfolio's carbon intensity

Carbon intensity in context

We monitor the carbon intensity of our Future Generations funds but do not manage them to a specific target. This aligns with our philosophy on Transitioning companies, some of which are carbon-intensive but are addressing hard-to-abate areas or investing significantly in innovative solutions critical to achieving the SDGs. Our long-term investment horizon allows us to focus on a company's future plans and trajectory, assessing the likelihood of these plans materialising, rather than solely on their current actions and position.

Our investment professionals assess that company's carbon intensity in the context of the ambition and credibility of that company's decarbonisation strategy and the types of products and services it offers, rather than in isolation. Some companies may have higher carbon intensity in their own operations, but provide products or services that help others avoid greenhouse gas emissions (see examples below). Our investment professionals rely on deep, bottom-up research and engagement with companies to assess eligibility, as opposed to relying on often backward-looking third-party ESG data. This provides us with differentiated company-level insights and permits a forward-looking view in line with our long-term investment horizon.

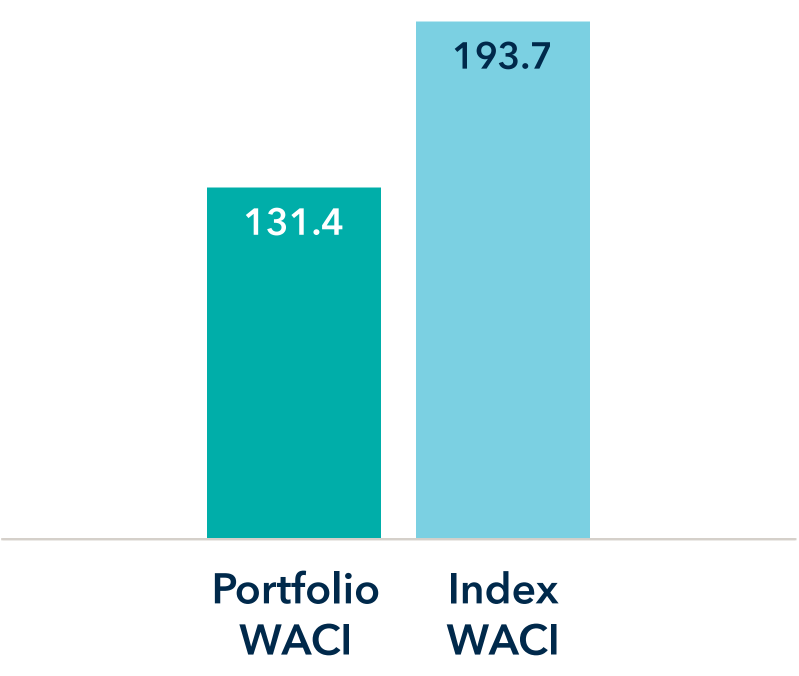
Examples of potential avoided emissions:

- Advances in low-carbon hydrogen could contribute to reducing carbon emissions across many industries
- Data centres consume significant amounts of energy, but reduce emissions in comparison to the on-premises solutions they replace

The information in relation to the index is provided for context and illustration only.
The fund does not have an explicit carbon target.

Portfolio WACI vs. index

Weighted average carbon intensity (tonnes CO_2e/US$M sales)[1]



What is WACI?

WACI (weighted average carbon intensity) is a metric we use to assess the carbon impact of a portfolio at a specific point in time. WACI identifies companies with high carbon intensity per unit of revenue and allows for comparisons across different sectors and between companies of different sizes.

Top contributors to portfolio WACI

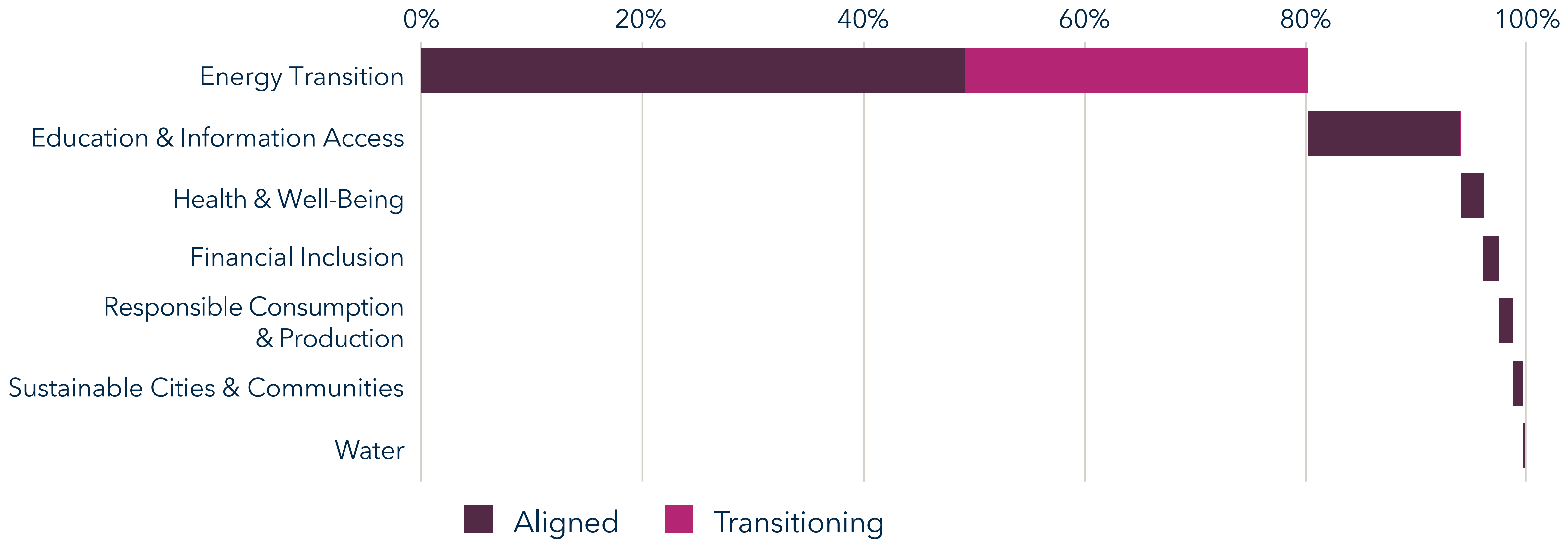
Based on portfolio weight and company carbon intensity

Company	Theme	Eligibility type	WACI contribution	Net zero target?
Xcel Energy	Energy Transition	**Aligned**	29%	Yes
Air Products & Chemicals	Energy Transition	**Transitioning**	29%	Yes
Equinix	Education & Information Access	**Aligned**	6%	Yes
SK Hynix	Education & Information Access	**Aligned**	4%	Yes
Pacific Gas and Electric	Energy Transition	**Aligned**	3%	Yes

Net zero target: Capital Group uses a composite indicator based on MSCI metrics to determine whether to categorise issuers as having a net zero target.

Carbon intensity

Portfolio WACI by theme and Aligned companies vs. Transitioning companies



Data shown is for Capital Group Future Generations Global Corporate Bond Fund (LUX). Index reflects Bloomberg Global Aggregate Corporate Total Return Index hedged to USD.
Sources: Capital Group, MSCI; Bloomberg

1. Carbon dioxide equivalent ($CO2e$) is the number of tonnes of $CO2$ emissions with the same global warming potential as one tonne of another greenhouse gas. WACI calculation was built on the Scopes 1 and 2 emissions of the companies in which we invest. We rely on carbon emissions data from MSCI to estimate the carbon emissions and revenue of issuers. Such data may include estimates based on the third-party data provider's own methodologies for certain issuers where there are no reported, reliable carbon-emissions data. If there are no MSCI data for an issuer (reported or estimated), then we exclude such issuer from our WACI calculations.

Forward-looking climate metrics

The carbon intensity metrics on the previous page assess the climate impact of a company's current operations but do not provide insight into future emissions or how external climate-related factors may affect a company.

For the Future Generations funds, and across Capital Group's funds, we seek to understand the implications of climate change on companies through our deep company research. Forecasting data and third-party projections help us further assess financial risks associated with climate change such as increased risk of flooding or carbon pricing. As part of our analysis, we examine **Climate Value at Risk (CVaR)** metrics that translate different policy and climate scenarios into implied financial risks for companies and portfolios.

Aspects of companies that lead to lower CVaR, such as prioritising renewable energy, increasing energy efficiency and reducing supply chain emissions, align with the themes of our Future Generations funds and reduce transition risk relative to the index in the scenarios analysed.

While CVaR focuses on the financial implications of physical climate and transition risk on a company, it does not provide a clear picture of the company's alignment to carbon reduction pathways. **Implied Temperature Rise (ITR)** helps to quantify a company's contribution to potential global temperature changes based on its emissions reduction commitments and actions. Although ITR methodologies do not fully capture avoided emissions from a company's products and services, the metric is a helpful starting point and unit for comparison.

By evaluating both CVaR and ITR metrics, we gain a more complete view, both of financial risks and environmental impacts, enabling more informed investment decisions that align with sustainability goals.

The information in relation to the index is provided for context and illustration only.
The fund does not have an explicit carbon target.

Projected portfolio financial performance based on CVaR in different climate scenarios[1]

The following NGFS scenarios are publicly available and used across financial institutions as a common reference point for analysing the economic impacts of climate risks.

2°C orderly scenario

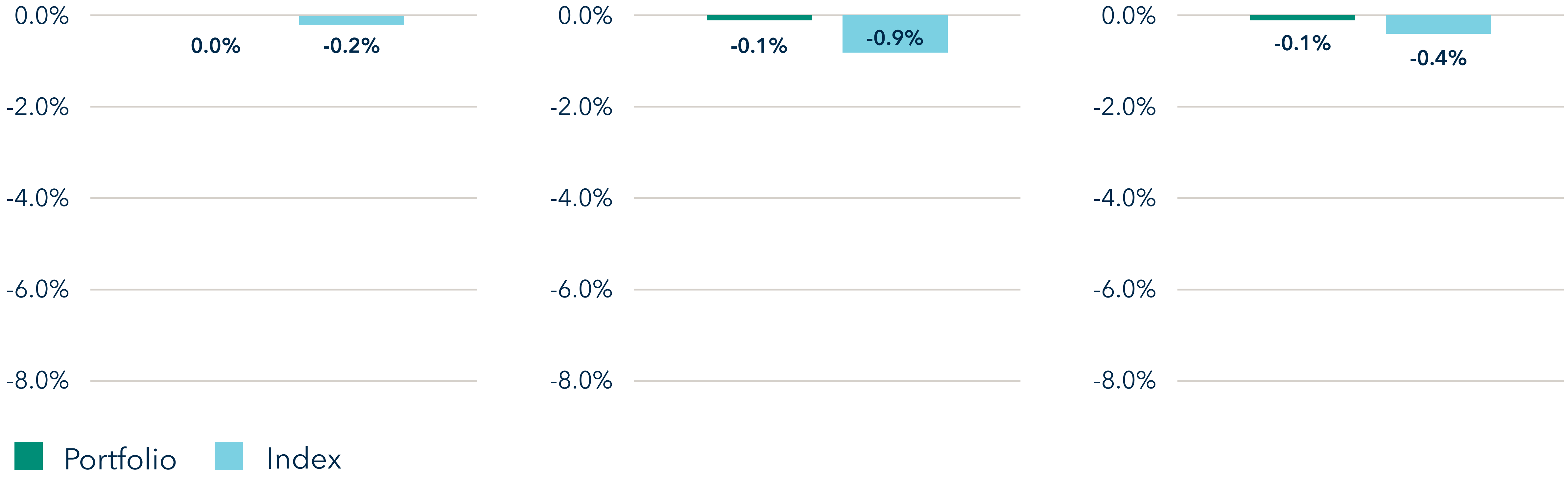
Assumes climate policies are introduced early and become gradually more stringent, keeping warming below 2°.

2°C disorderly scenario

Assumes climate policies are delayed until the 2030s, requiring faster emissions reductions at a higher cost, with increased physical risks.

3°C hot house world

Assumes only currently implemented policies. Emissions continue to rise, with high physical risks, severe social and economic disruption and failure to limit temperature rise.



1. Issuer Climate VaR (expressed as a %), provided by MSCI, is rolled up to portfolio level by applying value at risk to the current value of investment. The calculation for the fund portfolio is inclusive of cash and cash equivalents.

Implied Temperature Rise

Implied Temperature Rise aims to capture the potential impact of the portfolio on future global warming. It is not a prediction on future global warming.

Fund	2.4°
Index	2.5°

Data shown is for Capital Group Future Generations Global Corporate Bond Fund (LUX). Index reflects the Bloomberg Global Aggregate Corporate Total Return Index hedged to USD.
Sources: Capital Group, MSCI, Bloomberg.
NGFS: the Network for Greening the Financial System (NGFS), a network of 114 central banks and financial supervisors.
CVaR: Climate Value at Risk is a metric that translates policy and climate scenarios into implied financial risk for a company or portfolio. Capital Group uses data and calculation methodology provided by MSCI. Data may not be available for all portfolio holdings. Such data may include estimates for certain issuers based on the third-party data provider's own methodologies where there is not reported or reliable carbon emissions data. Therefore, our "reported" and "estimated" figures refer to data obtained from MSCI. If there is no MSCI data for an issuer (reported or estimated), then we exclude that issuer from our climate metrics calculations. We do not use an internal estimation methodology. Sovereign bonds and cash are not in scope of the assessment/reporting. We are closely monitoring the developments of calculation methodologies and data availability for sovereigns. For now these remain nascent. Index carbon metrics are calculated internally based on data inputs from third-party providers.

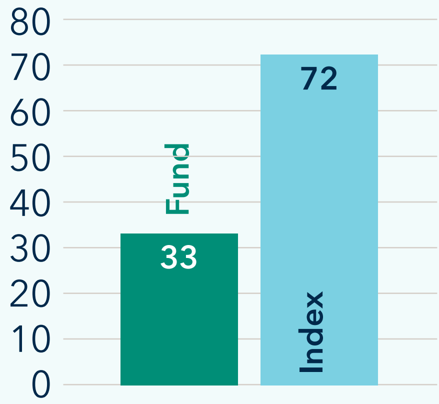
ESG metrics relative to index

MSCI ESG Fund Rating[1] **A**

Environmental

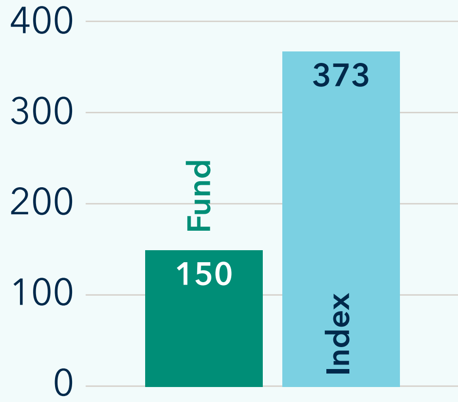
We monitor the carbon intensity, footprint, waste and water withdrawal intensity of our Future Generations fund portfolios, but do not manage these funds to specific targets across these metrics.

Carbon footprint
(Scope 1 & 2)



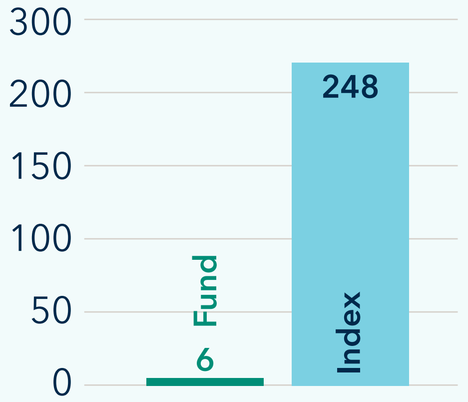
Total weighted Scope 1+2 greenhouse gas emissions (tCO_2e per US$ million invested)

Carbon footprint
(Scope 3)



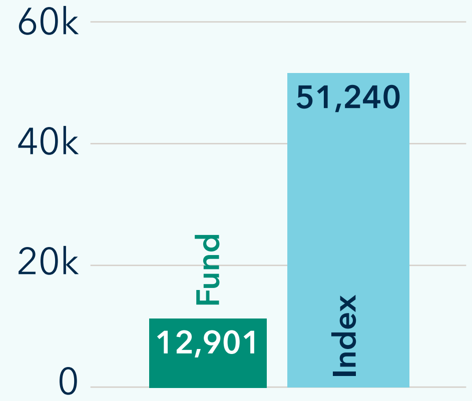
Total weighted Scope 3 greenhouse gas emissions (tCO_2e per US$ million invested)

Waste intensity



Weighted average waste intensity (total waste produced (metric tons) per US$ million sales)

Water withdrawal intensity



Weighted average water withdrawal intensity (cubic meters per US$ million sales)

	Portfolio	Index	Difference
Exposure to issuers with fossil fuel reserves	2.1%	6.3%	↓ 4.2%
% of WACI contribution from issuers without carbon targets	3.2%	9.2%	↓ 6.0%
Exposure to issuers with operations in or near biodiversity sensitive areas that have been implicated in environment-related controversies	5.4%	11.0%	↓ 5.6%
Exposure to issuers facing very severe toxic emissions & waste controversies	0.0%	0.0%	0.0%

The information in relation to the index is provided for context and illustration only. The fund does not have an explicit carbon target.

tCO_2e: tonnes of carbon dioxide equivalent.
WACI: weighted average carbon intensity.

Social

	Portfolio	Index	Difference
Exposure to issuers facing very severe human rights controversies	0.0%	0.0%	0.0%
Exposure to issuers facing very severe employee relations controversies	0.0%	0.0%	0.0%

Governance

	Portfolio	Index	Difference
Exposure to issuers in bottom quartile of MSCI Governance Pillar	7.2%	13.0%	↓ 5.8%
Exposure to issuers with no female directors	0.0%	0.9%	↓ 0.9%

0% Exposure to issuers that violate UN Global Compact principles

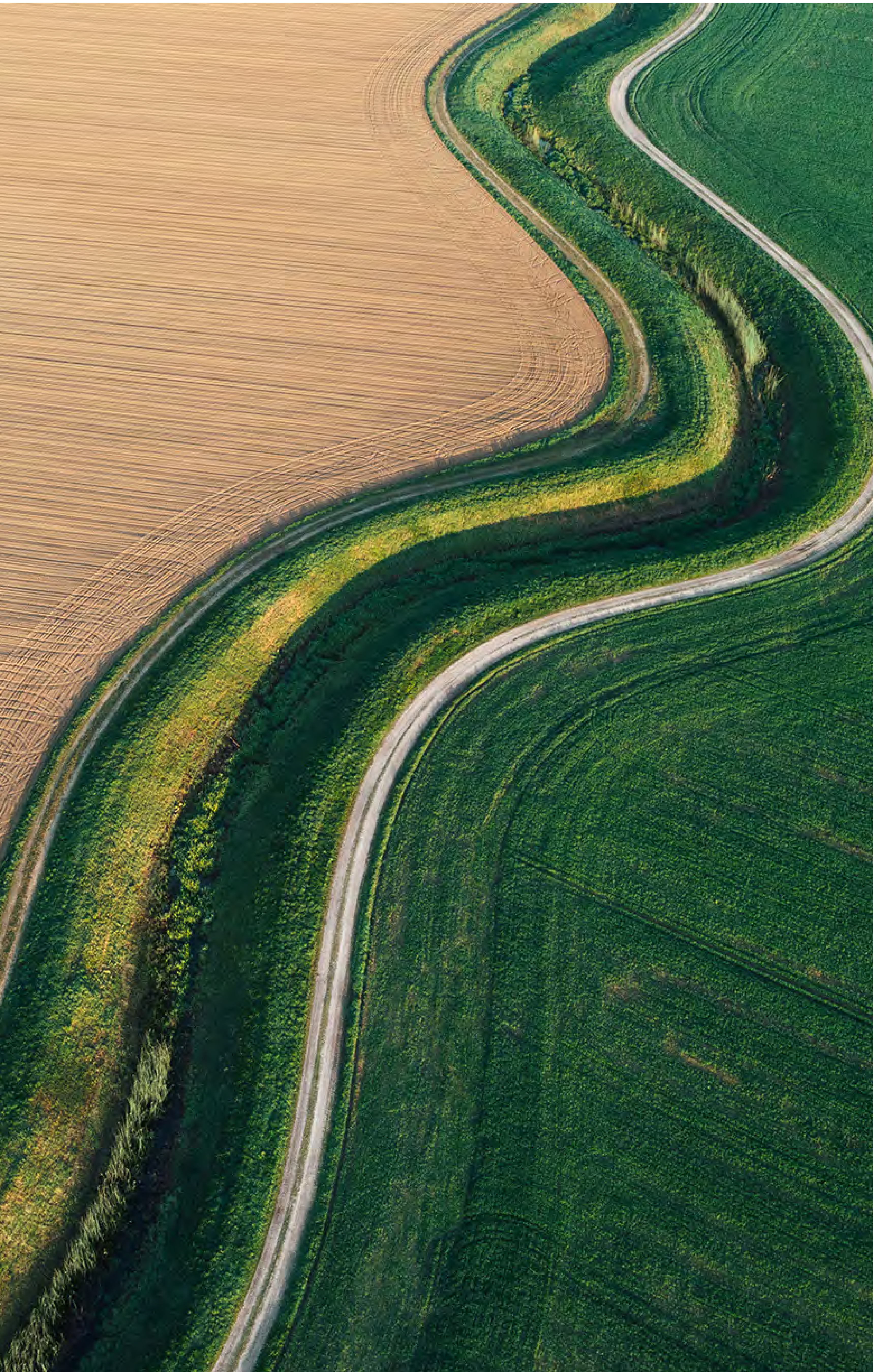
0% Exposure to issuers with ties to controversial weapons[2], nuclear weapons, or >10% revenue from weapons systems

0% Exposure to issuers with >5% revenue from tobacco

0% Exposure to oil & gas upstream producers or issuers with >10% revenue from thermal coal

Data shown is for Capital Group Future Generations Global Corporate Bond Fund (LUX). Index reflects the Bloomberg Global Aggregate Corporate Total Return Index hedged to USD. Data may not be available for all portfolio holdings. Such data may include estimates for certain issuers based on third-party data provider's own methodologies where there is not reported or reliable data. If the selected third-party provider has no data for an issuer (reported or estimated), then we exclude such issuer from our calculations. We do not use an internal estimation methodology. Sovereign bonds and cash are not in scope of the assessment/reporting. Index metrics are calculated internally based on data inputs from third-party providers.
Sources: Capital Group, MSCI, Bloomberg.

1. MSCI ESG Ratings aim to measure a company's management of financially relevant ESG risks and opportunities. They range from AAA to CCC. The MSCI ESG Fund Rating is an aggregation of the ESG Ratings of the rated companies and issuers in the portfolio. For more details see www.msci.com/our-solutions/esg-investing/esg-ratings and www.msci.com/our-solutions/esg-investing/esg-fund-ratings-climate-search-tool
2. Issuers that have any ties to cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.



ESG and norms-based exclusions

Our assessment of products & services alignment to the UN SDGs, as well as our assessment of ESG risks, is highly unlikely to deem certain companies and sectors to be eligible for inclusion in our Future Generations funds. However, to be prudent, we apply the below specific sector and norms-based exclusions that are coded in our compliance systems:

Norms-based	• Companies that violate **UN Global Compact principles**
Weapons	• Companies with any ties to **controversial weapons**[1] • Companies that generate any revenue from the production of **nuclear weapons** • Companies with >10% revenue from **weapons systems**, components and support systems and services
Tobacco	• Companies with >5% revenue from the production of **tobacco**
Fossil fuels	• Companies with >10% revenue from the production and/or distribution of **thermal coal** • **Oil and gas upstream producers** Independent energy & integrated energy companies[2]

Companies violating the UN Global Compact or involved in the business activities outlined above are not deemed to be positively aligned with the UN SDGs and do not meet our sector Characteristics and Standards.

Norms-based analysis determines whether an issuer complies with the universal principles in the United Nations Global Compact (UNGC).

1. Companies that have any ties to cluster munitions, landmines, biological/chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.
2. As defined by Barclays Global Sector Classification (BCLASS).

Fund risks

Capital Group Future Generations Global Corporate Bond Fund (LUX)

Bonds risk: The value of bonds can change as a result of interest rate changes – typically when interest rates rise, bond values fall. Funds investing in bonds are exposed to credit risk. A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Counterparty risk: Other financial institutions provide services to the fund such as safekeeping of assets, or may serve as a counterparty to financial contracts such as derivatives. There is a risk the counterparty will not meet their obligations.

Derivative instruments risk: Derivatives are financial instruments deriving their value from an underlying asset and may be used to hedge existing exposures or to gain economic exposure. A derivative instrument may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the fund.

Emerging markets risk: Investments in emerging markets are generally more sensitive to risk events such as changes in the economic, political, fiscal and legal environment.

Liquidity risk: In stressed market conditions, certain securities held by the fund may not be able to be sold at full value, or at all. This could cause the fund to defer or suspend redemptions of its shares, meaning investors may not have immediate access to their investment.

Operational risk: The risk of potential loss resulting from inadequate or failed internal processes, people and systems or from external events.

Sustainability risk: Environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of an investment of the fund.

Regulatory information

Risk factors you should consider before investing:

- **This material is not intended to provide investment advice or be considered a personal recommendation.**
- **The value of investments and income from them can go down as well as up and you may lose some or all of your initial investment.**
- **Past results are not a guarantee of future results.**
- **If the currency in which you invest strengthens against the currency in which the underlying investments of the fund are made, the value of your investment will decrease. Currency hedging seeks to limit this, but there is no guarantee that hedging will be totally successful.**
- **Some portfolios may invest in financial derivative instruments for investment purposes, hedging and/or efficient portfolio management.**
- **There are additional bonds, counterparty, derivative instruments, emerging markets, liquidity, operational and sustainability risks associated with this fund.**

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The fund(s) is (are) offered only by Prospectus, together with any locally required offering documentation.

In Europe, this is the PRIIPs Key Information Document (KID). In the UK, this is the UCITS Key Investor Information Document (KIID). In Singapore, this is the Product Highlights Sheet (PHS).

These documents are available free of charge and in English at capitalgroup.com, and should be read carefully before investing.

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For Spain: A list of distributors is located at CNMV.es. CIF is registered with the Comisión Nacional del Mercado de Valores ('CNMV') under the number 983.

For Switzerland: The Representative in Switzerland: Capital International Sàrl, 3 place des Bergues, 1201 Genève. Paying agent in Switzerland for CIF: JPMorgan (Suisse) SA, 8 rue de la Confédération, 1204 Genève.

For UK: Compensation will not be available under the UK Financial Services Compensation Scheme.

The list of countries where the Fund is registered for distribution can be obtained online at www.capitalgroup.com

In Europe, facilities to investors (tasks according to Article 92 of the Directive 2019/1160, points b) to f)), are available at www.capitalgroup.com/individual-investors/lu/en/contact-us.html

For European investors, a summary of Fund Shareholder Rights is available at www.capitalgroup.com/eacg/entry-page/shared/summary-of-investor-rights.html

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Capital Group Future Generations Global Corporate Bond Fund (LUX)

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