



GEMs ESG Materiality H2 2025

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Introduction

Welcome to our **Global Emerging Markets (GEMs) ESG Materiality** commentary – a bi-annual publication that demonstrates our engagement activity with portfolio companies and showcases holdings helping to create positive impacts in line with the UN Sustainable Development Goals (SDGs).¹

In the latest issue, we provide an update on our voting and engagement activity over the last 12 months, while shining a spotlight on our approach to **climate-adjusted valuations**.

To illustrate our approach in more detail, we share our assessment on **TSMC**, the leading Taiwanese semiconductor company facing climate-related cost pressures from carbon taxes, increasing electricity and raw material costs.

We also provide our reflections from **COP30**, having been on the ground in Brazil, attending COP Finance events and engaging with our Brazilian holdings.

Our vision for responsible long-term investing in emerging market equities

At a glance

- We aim to select quality companies, benefitting from structural growth drivers and trading at attractive valuations, run by management teams that are willing to confront sustainability challenges.
- We avoid sectors we consider to be unsustainable in the long term and will not invest in companies facing material ESG risks without a credible mitigation strategy.
- We seek to improve sustainability performance through engagement as a means of future proofing the business from medium- to long-term risks, taking into account the specific characteristics of emerging markets as well as contributions to the UN SDGs.
- We maintain a low-carbon footprint and prioritise climate engagements with holdings with higher emissions and/or climate-related risks.

Portfolio snapshot

The last 12 months in numbers (GEMs Equity core Strategy)

We had **222** engagements with **53** companies

We engaged **88%** of AUM

We made progress on **34** objectives (43%)

We pursued **79** objectives for change as follows:

- 38** environmental
- 17** social
- 24** governance (including strategy, risk and communication)

Our most engaged SDGs:

	33	objectives/issues ²
	43	objectives/issues
	52	objectives/issues
	53	objectives/issues
	65	objectives/issues

¹ Sustainable Development Goals (SDGs): The SDGs are a set of 17 interconnected goals that were adopted by all UN member states in 2015. They are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere, by 2030.

² In some cases, where we are monitoring performance or raising awareness of an ESG topic rather than pursuing a specific objective, we log this as an 'issue' rather than an 'objective'. This can be more appropriate if the issue is of lower materiality or where we are still in the process of identifying what precise type of change we want to see at a company.

Figure 1:**Our portfolio's carbon footprint, Q2 2025****Federated Hermes GEMs Equity Strategy vs. MSCI EM benchmark**

Source: Federated Hermes as at 31 October 2025. The benchmark is MSCI Emerging Markets index. Scope 3 is upstream only.

We maintained a low carbon footprint versus the benchmark (see above) and prioritised engagement with companies that have higher emissions or are identified as exposed to higher physical and transition risks in our climate risk framework.

We have seen progress in efforts to reach net-zero targets as outlined by the Paris Agreement across the GEMs Equity Strategy with 62.1% of AUM aligned, aligning or committed to net zero (See Figure 2 adjacent), but continued engagement is necessary to deliver on our firmwide commitment to reach net zero by 2050 (Scope 1, 2 and 3).

We have seen progress in efforts to reach net-zero targets as outlined by the Paris Agreement across the GEMs Equity Strategy

Figure 2: GEMs Strategy net zero alignment³

Category	% AUM	% emissions Scope 1, 2 and 3	Definition
Aligned	18.2%	7.8%	A coherent ambition to reduce emissions in line with the 1.5°C target by 2050
Aligning	7.1%	4.1%	An ambition to reduce emissions sufficiently to align with 2°C or lower or have committed to align to 1.5°C.
Committed to net zero	36.7%	35.4%	Publicly announced a net zero ambition to reduce emissions by 2050 or sooner.
Not aligned	3.6%	1.7%	None of the above
Unscored	34.3%	50.9%	
TOTAL	100%	100%	

Source: Federated Hermes 31 October 2025.

Our impact

The companies we invested in delivered:⁴

Greenhouse gas (GHG) emissions (Scope 1, 2 & 3): **69.1%** lower than the benchmark

154 million tonnes of CO₂ avoided

1.5 billion litres of water saved

Circular economy: **215** thousand tonnes of conventional material production avoided

Health care treatments for **1.29** million people

Financial services for **285** million previously excluded people

An average of **24.10%** female board representation and **36.74%** female workforce participation

Average employee turnover of

17.58%

³ Due to further automation of our Paris Alignment assessments, a large portion of companies have shifted from 'Not aligned' to 'Not scored' in this refresh (compared to the April 2025 figures). This reflects that these companies have a climate target in place, however the format or ambition of this target does not qualify the company as Committed, Aligning or Aligned in our methodology.

⁴ Federated Hermes GEMs Equity core strategy holdings as at 31st October 2025. Portfolio snapshot impact data has been calculated in partnership with our impact measurement partner, Net Purpose. Data is as per latest available data at time of writing.

Engagement objective or issue				Theme	Progress update (momentum ⁵ /status)
Bank Rakyat Indonesia		Social Impact of Microfinance	Financial inclusion	<p>Start date: Q2 2021</p> <p>Following our engagement, the company has implemented a plan to enhance its social impact reporting, using a six-pillar framework of impact starting with a focus on pillar 1 – social and economic empowerment. It will be applied to core business impacts and corporate social responsibility (CSR) projects. We can expect to see more on this in the company's 2025 Sustainability report (February 2026).</p>	
Hansol Chemicals		Emission reduction targets	Climate change	Start date: Q3 2024	<p>Since our initial engagement, the company has put in place site-specific Scope 1 and 2 targets. While it represents positive progress, these targets are not science based and Scope 3 disclosure is lacking. We have requested a meeting with the Chair to discuss the company's climate strategy as well as board dynamics and composition in light of the changes to South Korea's Commercial Act.⁶</p>
			Corporate governance		
VA Tech Wabag		Emission reduction targets, Biodiversity management, Gender diversity	Climate Nature	Start date: Q3 2025	<p>While recognising Wabag's critical contribution to addressing climate change through its water solutions and other services, we engaged with the company to establish Scope 3 emission reductions targets. The latter is particularly important given the shift in the company's business model towards more operations and maintenance (O&M). In our meeting with the Chair, he responded positively and verbally committed to setting a target in the future. We also discussed the company's commitment to 'nature positive projects' and learnt that Wabag plans to adopt more Taskforce on Nature-related Financial Disclosures (TNFD) methodologies in the future, for example, using the LEAP approach (Locate, Evaluate, Assess, Prepare) as a means of assessing and mitigating its impacts and dependencies on nature. We encouraged further disclosure on this topic as well as reiterating our view that the company could do more to enhance female participation in the workforce as a means of ensuring it has a diverse pool of talent.</p>
			Human capital management		
Shenzhen Innovance	Board committees	Board effectiveness		Start date: Q4 2023	<p>Engagement is progressing well across ESG topics with notable progress and openness to dialogue. In particular, the company has established nomination, remuneration and appraisal committees which, together with the audit committee, provide professional support in their respective areas. Board members serving on committees have expertise in accounting, financial management, and industry knowledge, ensuring proper function of the committees.</p>
Rumo	Interim emissions target Nature strategy	Climate Nature		Start date: Q3 2023	<p>Rumo remains open to the possibility of aligning its interim climate target to leading standards for the sector, and is pursuing additional analysis internally following our engagement. The company has completed its hybrid locomotive trials yet faces barriers around depreciation and maintenance cost uncertainty that means the technology is too expensive to roll-out across its fleet. The company is pursuing innovative financial instruments and further technology developments with its supplier to assist in this area. We highlighted the opportunity that Rumo's landbank represents as a carbon offset or biodiversity credit source for the company if it engages in nature restoration. It was open to this discussion.</p>
WEG		Health & Safety Supply chain management	Human capital management	Start date: Q3 2022	<p>We visited WEG's headquarters in Jaragua do Sol, Brazil, and met with the Head of ESG to discuss supply chain management. It was clear throughout the site visit that the company has a strong safety culture, and a focus on labour management which contributes to a long-tenured and loyal employee base. The company's safety best practice examples included: clear safety briefings, consistent use of appropriate safety gear, clear walking pathways throughout factories that were adhered to, a policy against phone usage while walking, good ventilation throughout its facilities, special zones to conduct daily safety meetings and track latest safety announcements and key performance indicators (KPIs) in every individual factory on site. Based on our discussions, its high standards are enforced across international sites as well and the company is progressing in its environmental and social performance discussions with suppliers. We encouraged the company to focus its initial attentions on the steel supply chain as its most significant raw material. As its supply chain programme enters a new two-year cycle it is exploring the opportunity of setting goals for the programme for the first time. We encouraged this aim and suggested some goals for consideration that were well received.</p>
			Human rights		
Wheaton Precious Metals	Measuring ESG impact across the mining portfolio; Financed emissions target	Sustainability transparency Climate		Start date: Q2 2024	<p>After further engagement this year, we were invited to formally participate in Wheaton's ESG Materiality review as a key stakeholder representative. We reinforced the need for Wheaton to measure and report financed emissions and set a target to reduce these emissions. Moreover, we reinforced the need for measurement and disclosure of mine-level ESG performance, in particular water and waste. Other key categories we gave weight to were safety and human rights risk management at the mine level.</p>

This information does not constitute a solicitation or offer to any person to buy or sell any related securities or financial instruments.

⁵ Green = Strong momentum with objective met or we expect to meet in the near future. Yellow = Good progress but engagement continuing or recently initiated. Red = engagement stalling.

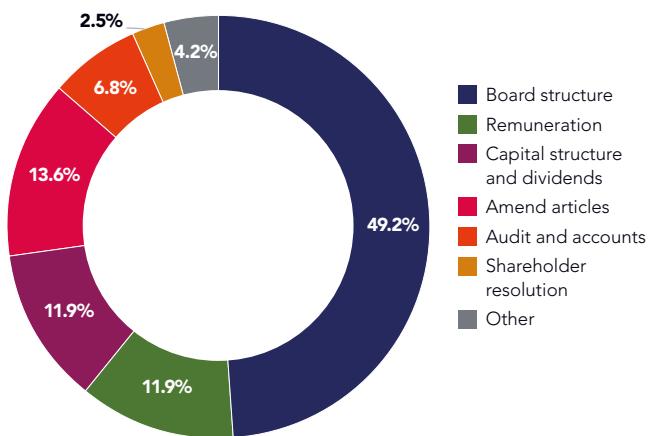
⁶ South Korea's Commercial Act is the primary law governing business, trade, and corporate activities, covering general rules, merchants, companies, insurance, and maritime transport, with recent major amendments in July 2025 significantly boosting corporate governance by expanding director duties, mandating electronic meetings, and introducing cumulative voting to tackle the "Korea discount" and enhance minority shareholder rights.

Governance & Voting

The GEMs Equity team has continued with efforts to improve board diversity and independence across various markets through engagement and voting at company meetings, while also focusing on capital allocation and remuneration. The effective use of capital by senior management is key to long-term shareholder value and has remained a focus of our engagements in 2025.

In the GEMs Equity Strategy, we voted against management on at least one issue at 31.2% of all meetings over the last 12 months, with the majority of these votes against related to board structure (49%) including at **Alibaba**, **Kanzhun** and **Prosus**, all of which fell short of our expectations on board independence and/or diversity (see Figure 3).

Figure 3: Breakdown of votes against management in last 12 months (per issue)



Source: Federated Hermes as at 31 October 2025.

We consider qualitative and contextual factors in our voting decisions, including company progress on governance factors. For example, at **Power Grid**, we voted for two candidates who were flagged as having political affiliations since, on further investigation, we deemed these associations to be either historical or unlikely to impact decision-making.

At **First Rand**, we voted for the implementation of the remuneration report despite the inclusion of a one-off restricted share award for the CEO. While one-off share awards outside of the remuneration policy are not considered good practice, in this case, we were reassured by the strong performance underpin – and by the requirement for at least 70% of the vested award to be part of the CEO shareholding requirement.

At **MakeMyTrip**, a new holding, we were pleased to see the company establishing a fully independent audit committee and improvements in independence, now at 40%. As a result, we voted for all candidates despite the company not quite meeting our expectations of 50% independence.

In **South Korea**, we continue to watch the progress of the 'Corporate Value-Up Programme' in the hope that it may help reverse so-called 'Korea discount'. The revision to the country's Commercial Act in July 2025 to broaden the responsibility of directors to all shareholders was long-awaited and an important step forward in empowering minority shareholders, along with the '3% Rule' which limits the voting rights of large shareholders in appointing audit committee members. Further reforms, such as a mandatory cancellation of treasury shares and changes to inheritance tax, are still in the balance, with reported push-back from the chaebols.

In September, we had an in-person meeting with the Chair of **Samsung Electronics** in our London offices. We took this as a positive signal that the company is prioritising listening to shareholders. We discussed the strategy for its foundry business and board dynamics and composition, emphasising our wish to see more international corporate experience on the board.

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Our impact

In collaboration with Net Purpose, we present the following impact data on a weighted and aggregated basis. These figures are our estimates of the impact of the companies we were invested in as at 31 October 2025 (per latest available data at the time of writing). In parallel, we present the year-on-year (YoY) percentage change in the total weighted impact of the current portfolio as well as the three-year percentage change in total weighted impact of the portfolio,

when considering consistent holdings only⁷ (i.e. those holdings that we have held for three or more years). The impact calculations draw on data from company, sector and industry reports combined with analysis of academic research and other credible sources. Since the estimates are based on company reported data, and we apply a cautious approach to impact attribution, there is likely to be an under-estimation in some cases.⁸

Figure 4: Impact data on a weighted and aggregated basis

		Total company aggregated impact	Three-year holds: % three year change in aggregated impact*	Total weighted impact	YoY% change in total weighted impact**
Climate change	CO ₂ avoided (MT)	153,709,346	95.05%	101,848	63.11%
	% of energy or electricity consumed, renewable	26.99%	39.43%	26.99%	5.88%
Water	Total water consumed or withdrawn (m ³)	3,881,419,899	8.88%	1,157,810	623.81%
	Water saved (m ³)	1,540,500,000	-	17,766,034	-0.18%
Circular economy	Operational waste recycled %	51.46%	-13.63%	51.46%	-4.85%
	Conventional material production avoided (MT)	214,866	108.49%	149	31.61%
Decent work	Employee turnover	17.58%	-12.07%	17.58%	-3.48%
	Incidents***	8,808	4.98%	8	3.34%
Gender equality	% female board representation	24.10%	4.00%	24.10%	-2.08%
	% female senior managers	24%	8.78%	24%	7.24%
	% female employees	36.74%	-2.77%	36.74%	-1.42%
Health & well-being	Number of patients treated	1,289,356	60.38%	7,978	2.10%
Financial & economic inclusion	Number of customers previously excluded	284,937,050	44.07%	154,267	0.72%
	Jobs supported – indirect	195,553,038	35.16%	65,524	22.56%

Source: Net Purpose.

*Impact is 'weighted' according to size of the GEMs Equity holding. Data is for the latest year where data is available, typically 2024. Where data is not yet available for 2024, the prior year figure is used.

**YoY% change in the portfolio weighted impact of the current portfolio (April 2025).

***An incident rate, or Total Recordable Incident Rate (TRIR), is a metric used to compare a company's safety performance against a national average for the same industry.



⁷ The change in the metrics between Oct 2022 and Oct 2025, depending on reporting cycles and latest available data.

⁸ This is particularly the case in relation to financial inclusion where a number of our names are not disclosing sufficient detail to enable us to include their impact contributions. It is also the case for 'green metals', such as copper and aluminium, both of which are critical to the net-zero transition due to the need of these metals for electrification yet, due to methodological constraints, it is currently challenging to attribute 'avoided emissions' to them.

GEMs Equity at COP30

The Federated Hermes delegation joined global leaders at COP30 in Belém, Brazil, and PRI in Person in São Paulo for discussions on the changes needed to mobilise capital at scale and implement policy shifts that recognise the financial cost of failing to act. Hayley McGuinness represented GEMs Equity in this delegation; see her key takeaways summarised below, and the full Federated Hermes delegation write up [here](#).

My COP30:
Hayley McGuinness,
Associate Director –
Responsible investing
& Sustainability



Emerging Markets and Nature were focal points at COP30. Investors have recognised the opportunities (and necessities) of the transition – the money is there, waiting for bankable projects. This is particularly true for emerging markets investments, which are critical to achieving our climate goals. To mobilise capital, we need (1) to fix the warped perception of credit risk in emerging markets which does not reflect real risk; (2) specific and stable policy signals from governments; and (3) to scale innovative and blended financial instruments.

We need emerging economy governments to send signals to the market of what a net-zero transition looks like for them.

Part of my focus was to better understand current efforts to address these issues, and to share insights, as investors and stewards, on further action required. One overarching issue became clear – all stakeholders need to speak the same language and should maintain an open dialogue to ensure their needs are understood.

A key discussion point was the reality that emerging economy transition pathways will differ from those of developed economies – particularly regarding technology and timing. We need emerging economy governments to send signals to the market of what a net-zero transition looks like for them.

Nature, at its heart, is a local issue and a successful conservation and restoration economy requires the creation of economic opportunities 'on the ground' for indigenous and local communities.

Finally, the nature penny has dropped. The conservation and restoration economy is a huge investment opportunity and a key pillar of prudent financial risk management. Valuing and accounting for nature within the financial system is slowly becoming mainstream, alongside recognising and managing nature risk. We joined numerous sessions discussing the mechanisms emerging, and scaling, to support this: from efforts to capitalise transition, adaptation and nature investments on the balance sheet; to further growth of nature as an asset class throughout instruments such as the Landbanks' Nature Restoration Units; to the emergence of ISO standards such as the first global standard to assess biodiversity impacts.

We met with indigenous leaders from the Amazon and Cerrado to discuss the systemic issues at play and the collective approach needed for risk management and value creation. Nature, at its heart, is a local issue and a successful conservation and restoration economy requires the creation of economic opportunities 'on the ground' for indigenous and local communities. We speak a lot about negative tipping points in climate change, but there are positive tipping points too – we have seen these in technology so far (battery, solar pricing), but positive nature tipping points are waiting to be unlocked.





TSMC

Climate financial risk in the semiconductor sector: Taiwan Semiconductor Manufacturing Company (TSMC)



How will climate risk impact TSMC?

- TSMC's net income margin and upside will erode as a result of climate-related risks.
- These risks include: raw material and water availability and costs, energy demand and regulatory costs.
- As the business is so cash generative, and there is still considerable upside for the investment, cost impacts should be easily withstood.
- However, security of water, energy and raw material supply remain material risks for the business.
- TSMC's effective climate risk management is already contributing to lower semiconductor prices and a more secure semiconductor supply globally.
- Companies with smaller cash reserves and less diversified water and energy suppliers will be more vulnerable to climate risk, threatening broader semiconductor supply.

Taiwan Semiconductor Manufacturing Company (TSMC) will face varying climate risks as the world progresses towards a decarbonised economy and adapts to a changing climate. Among the most material risks, are those related to raw material and resource availability and costs, energy demand and regulatory costs. Each of these risks will financially impact the company over the next two decades, and in some cases have already done so. To understand its financial materiality and the impact to company valuation, we prepared a climate-adjusted valuation to price-in climate risks that were not fully accounted for in our base case model; including higher electricity costs, price shocks to raw materials, increased water costs and new carbon regulatory costs. The five key risk assumptions involved are detailed in the breakout box below.

What is the financial impact of these climate risks?

- **Impact to COGS:**⁹ ranges from a 2.5% increase to a 6.5% increase to annual COGS estimates across the 2026 – 2045 period under a climate action scenario.¹⁰

Increasing from 3.1% to 6.9% under a climate inaction¹⁰ scenario, as a result of increased carbon regulatory costs.

- **Impact to NIM:**⁹ reduces NIM by 1.1% to 2.8% across the period, increasing from 1.3% to 2.9% under a climate inaction scenario.
- **Upside impact:** erodes upside by 8%, increasing to 9% under climate inaction.

TSMC's highly cash-generative business acts as an economic moat against climate-risk-induced net income margin erosion. Of course, for the purposes of this analysis, we assumed no cost pass-through by TSMC as we sought to ascertain financial materiality and impact first. In reality, at least in the near-term, TSMC's unmatched market position allows for a 100% cost pass-through rate as it seeks to uphold its long-standing commitment to maintaining gross margins above 53%.¹¹ Regardless, it is clear that TSMC's investment case remains robust even with these risks accounted for, as upside is high enough that even a 9% impact is easily withstood. The same may not be said for a company with smaller cash reserves, which is a threat to broader semiconductor supply.

Energy, water and raw materials: If it's a matter of price, TSMC can likely pay it, but security of supply is another story. Having gained comfort over the resilience of TSMC's valuation to increased energy, water and raw material costs over the next two decades, the focus should be on supply security going forward. Taiwan's Water Resources Agency (WRA) forecasts that demand for water in Taiwan in 2036 will be 7.3% higher than 2021, resulting in a supply gap.¹² The market remains concerned about Taiwan's ability to meet the power demands of its technology sector, with multiple major blackouts in recent years and brownouts described as commonplace.^{13,14} There are simultaneous concerns about the slow pace of renewables growth and the threat it places on TSMC's emissions reduction targets.^{15,16} Although TSMC is actively managing these supply risks, it remains to be seen whether it will be enough to combat any future supply shortages.

⁹ COGS = Cost of Goods Sold; NIM = Net Income Margin

¹⁰ Climate action assumes TSMC achieves its emission reduction targets and is charged the lowest carbon rate under Taiwan carbon regulation. Climate inaction assumes TSMC takes no further decarbonization action, causing emissions to increase, and is charged the highest carbon rate.

¹¹ [News] TSMC to Implement a Significant Price Hike

¹² Taiwan's water woes: Can anything be done? | Politics & Society | 2023-05-30 | CommonWealth Magazine

¹³ Why Taiwan and Its Tech Industry Are Facing an Energy Crisis - Yale E360

¹⁴ The Dual Threat: How Taiwan's Energy Insecurity and Geopolitical Risks Endanger TSMC and the World's Tech Future | FinancialContent

¹⁵ (Reuters) How Taiwan's green power deficit threatens tech industry's bid for net zero - TCAN 台灣氣候行動網絡

¹⁶ Notes from Central Taiwan: Institutional barriers to renewable success - Taipei Times

¹⁷ TSMC Intends to Expand Its Investment in the United States to US\$165 Billion to Power the Future of AI

The company's intention to expand production in the US, materially diversifying currently Taiwan-dominated production, would likely offset this risk.¹⁷

TSMC's effective climate risk management is contributing to lower semiconductor prices and a more secure semiconductor supply. The company's investments in energy security and efficiency, emissions reduction and water efficiency translate directly to costs savings; costs that would otherwise be passed on to customers. This includes ambitious energy efficiency efforts focused on energy savings and lower production intensity.

New Renewable Power Purchase Agreements (PPAs) coming into effect from 2026 will immediately translate to savings on both electricity and carbon regulatory cost. Ambitious water strategies aim to improve production efficiency, diversify water supplies and increase reclaimed water usage. While some of these cost savings are incremental — such as water and carbon regulatory costs — and others, like electricity, more material, without these initiatives absolute absolute water and electricity consumption, and therefore costs, would be significantly higher over time.

More importantly, these efforts strengthen the company's resilience against future water and energy shortages through lower demand and greater diversity of supply, reducing the risk of an impact to production capacity.

Climate scenario assessed (2025-2045) – Key risk assumptions:

- **Electricity generation to triple by 2030¹⁸ and double each decade thereafter**, consistent with historic annual growth rates and increased production of complex chips.
- **Electricity prices in Taiwan will be 5x higher by 2030 and 2.7x higher by 2040**, as the grid battles to keep up with demand, driven in part by increased semiconductor and electrification demand and in the context of a renewables transition.
- **TSMC will have to pay per tonne of carbon emissions from 2026 under Taiwan's new carbon fee regulation.** It allows for a reduced carbon rate to be applied if the company is determined to have an appropriate self-determined reduction plan;¹⁹ we consider a climate action and inaction scenario when exploring this financial impact.¹⁰
- **TSMC's water costs will increase with higher production and more complex chips.**²⁰
- **Raw material costs will see higher-than-expected price hikes as a result of supply and demand shocks.** As the world grapples with supply chain disruptions, growing demand and geopolitical tensions in the metal and critical mineral sectors.²¹

GEMs Equity summary and next steps

The second half of 2025 has seen continued progress from GEMs Equity holdings which have been responsive to engagement and share our vision that sustainability is an integral part of long-term value creation. GEMs companies generally view sustainability as integral to their long-term success, irrespective of political headwinds, and continue to see ESG performance as essential in their efforts to 'win' in Europe and other markets.

We remain positive about opportunities for quality and growth companies that show positive ESG momentum. This momentum is facilitated by the 'ESG friendly' reforms in countries such as South Korea (see above), India (emissions caps for high-impact industries), Taiwan (a new carbon pricing scheme) and Mexico (detailed NDC²² roadmap that provides a clear investment signal to the market). Meanwhile, at COP30, while national climate plans remain weaker than what is required, the event demonstrated that multilateralism is still alive with countries pledging to triple finance for adaptation by 2035 and Brazil's Tropical Forests Forever Fund (TFFF) drawing US\$6bn with indigenous peoples recognised as key stewards of lands and forests.

The GEMs Equity Strategy will continue to:

- Assess the climate and biodiversity risks that our holdings face, with in-depth research into higher-risk names.
- Prioritise engagement with companies to future proof against medium- and long-term risks, particularly focusing on higher emitters in the portfolio and any company facing human rights issues.
- Evaluate our impact across a range of outcome metrics including CO₂ avoided, water saved and jobs created.

The next ESG Materiality report (H1 2026) will include an update on our approach to human rights issues in addition to other topics, such as Indian labour laws.

¹⁷ [TSMC Intends to Expand Its Investment in the United States to US\\$165 Billion to Power the Future of AI](#)

¹⁸ [Power Is Increasingly A Credit Risk for TSMC](#), by S&P Global Ratings

¹⁹ [Recent Developments in Taiwan's Carbon Pricing System - Lexology](#)

²⁰ [Semiconductor manufacturing and big tech's water challenge](#) | World Economic Forum

²¹ [Semiconductor Fabs and Raw Materials: Strategies to Manage the Growing Risk of Supply Bottlenecks](#)

²² Nationally Determined Contributions

The value of investments and income from them may go down as well as up, and you may not get back the original amount invested. Any investments overseas may be affected by currency exchange rates. Past performance is not a reliable indicator of future results and targets are not guaranteed.

Investments in emerging markets tend to be more volatile than those in mature markets and the value of an investment can move sharply down or up.

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