ANNEX IV

Template periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Federated Hermes Global Equity Fund
Legal entity identifier: 549300Y94SJW1QO3BM71

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

☐ **Yes**	☒ **No**
☐ It made **sustainable investments with an environmental objective:** ___%	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 22.9% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It made **sustainable investments with a social objective:** ___%	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Source: Federated Hermes as at 31 December 2022.

To what extent were the environmental and/or social characteristics promoted by this financial product met?

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

The Fund promoted investment in companies exhibiting the following characteristics:

- *Reduced ESG risks;*
- *a willingness to engage on any material ESG issues; and*
- *limited, to no revenue, generated from excluded sectors.*

The MSCI World index was designated as a reference benchmark for the purpose of attaining the above characteristics.

The objective of the sustainable investments was either to: (i) further the attainment of one of the 17 UN SDGs; or (ii) positively contribute to reducing the environmental and social impacts of products sold through processes which mitigated impacts to the environment or to stakeholders including employees, communities, supply chain employees or customers.

The investments underlying this Fund did not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. However, while there was no commitment to make EU Taxonomy-aligned investments, the Fund had exposure to the Climate Change mitigation objective outlined in the EU Taxonomy. Data for the other objectives was unavailable at the time of reporting.

Derivatives were not used in the the period and, as such, did not contribute to the attainment of the Fund's environmental or social characteristics.

How did the sustainability indicators perform?

Please see below:

Environmental Indicators:

Indicator	*Fund*	*Benchmark*
GHG Emissions (Scope 1 & 2: tCO2eq)	*767.6*	*667.6*
Carbon Footprint (Scope 1 & 2: tCO2eq)	*57.3*	*52.8*
Exposure to Fossil Fuels (% involved)	*10.8*	*10.2*
Energy Production from Non-Renewables	*22.1*	*21.7*
Water Emissions (t/EURm)	*0.7*	*1.2*
Hazardous Waste Ratio (t/EURm)	*2.0*	*11.0*

Social Indicators

Indicator	*Fund*	*Benchmark*
Violation of UNGC & OECD Guidelines for Multinational Enterprises	*0.0*	*0.9*
Board Gender Diversity	*33.3*	*32.8*

Environmental and Social Indicators source: Sustainalytics as at 31 December 2022.

Engagement activity and % Investment in excluded sectors

Indicator	*Fund*
*Engagement Activity as a % of AUM**	*82*

*Engagement objectives progress***	*42*
% invested in excluded sectors	*0*

**The percentage of asset under management within a fund that is engaged with.*

*** The percentage of engagement objectives where progress has been made*

…and compared to previous periods?

Not applicable.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

As mentioned in the previous response, the objective of the sustainable investment was either to: (i) further the attainment of one of the 17 UN SDGs; or (ii) positively contribute to reducing the environmental and social impacts of products sold through processes which mitigated impacts to the environment or to stakeholders including employees, communities, supply chain employees or customers.

Sustainable investments contributed via:

- *Providing products or services that have a goal of solving environmental or social challenges we face as a society;*

  AND/OR

- *Investing in reducing their environmental and social impacts and/or re-positioning their business to a more sustainable model. E.g. Investing in clean technology, divesting from fossil fuels to invest more in renewables, improving corporate practices.*

As noted above, the Fund had exposure to the Climate Change mitigation objective outlined by the EU Taxonomy. Data for the other objectives was unavailable at the time of reporting.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

The assessment of sustainable investments to identify where companies may have caused significant harm included:

(i) *Taking into account all adverse impact indicators and other relevant ESG indicators through the Investment Manager's proprietary QESG scoring model (see further detail below) to identify if a company had any sustainability risks;*
(ii) *Screening for contraventions of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, as detailed below; and*
(iii) *Identification, through the use of third party data, of any severe controversies and that, at the time of investment, the company was taking remedial action to prevent the event occurring in the future .*

The Investment Manager also carried out a more detailed assessment of any company which operated in an industry or sector (for example, the Energy sector) that could be considered more harmful with a view to ensuring that either the practices the company had in place limited the amount of harm or that the company was being engaged on that topic.

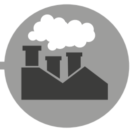
Where a company was deemed to do significant harm to any sustainable objective, the investment in the issuer was not considered a sustainable investment.

How were the indicators for adverse impacts on sustainability factors taken into account?

All mandatory principal adverse impact indicators and those indicators which were deemed relevant to the Fund were taken into account in the Investment Manager’s proprietary QESG Scoring Model (see further detail below), in order to determine current and potential adverse impacts on sustainability factors and to avoid investment in companies that were deemed to do significant harm.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Yes. Using a mix of qualitative and quantitative assessments based on available data, the Investment Manager sought to identify any companies which were in contravention of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (including the ILO Declaration Fundamental Principles and Rights at Work, the eight Fundamental conventions of the ILO and the International Bill of Human Rights). This enabled the Investment Manager to avoid investment in these companies.



How did this financial product consider principal adverse impacts on sustainability factors?

The Investment Manager considered whether companies exhibited any principal adverse impacts on sustainability factors by evaluating the results from the QESG Scoring Model, as well as, the underlying principal adverse impacts on sustainability factors and other sustainability indicators used within the QESG Scoring Model.

The Investment Manager reviewed both the output and the inputs to the QESG Scoring Model to ensure that all relevant information was accurately captured and that the portfolio was not exposed to any sustainability risks not otherwise identified by the outputs.

The Investment Manager used a range of sources to consider the principal adverse impacts on sustainability factors including proprietary analysis from EOS at Federated Hermes (“EOS”) and third party providers such as ISS, CDP, MSCI, Sustainalytics and Trucost.

Where sustainability risks were identified, the Investment Manager either elected not to continue with the investment, or identified the company as a candidate for engagement to encourage companies to act responsibly and improve sustainability.

The relevant principal adverse impact indicators on sustainability factors are disclosed within the sustainability indicators detailed earlier.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31 December 2022

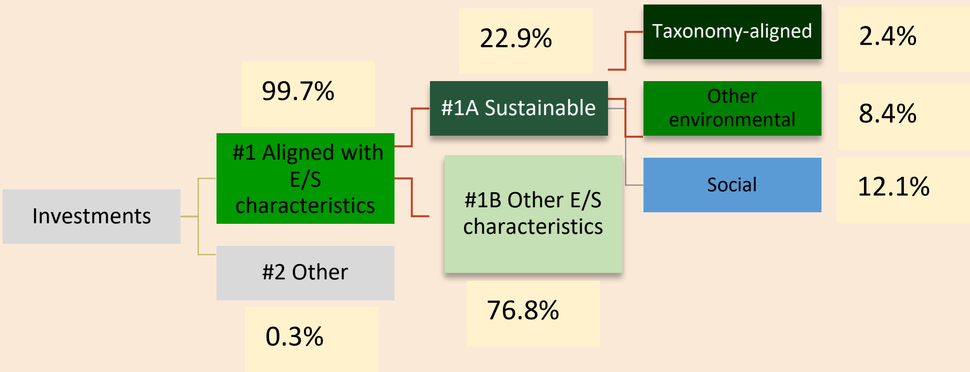
What were the top investments of this financial product?

Largest investments	***Sector***	***% Assets***	***Country***
Apple	*Information Technology*	*4.05*	*United States*
Microsoft	*Information Technology*	*3.55*	*United States*
Alphabet	*Communication Services*	*1.85*	*United States*
Merck & Co	*Health Care*	*1.82*	*United States*
Costco Wholesale	*Consumer Staples*	*1.8*	*United States*
Marathon Petroleum	*Energy*	*1.64*	*United States*
Walt Disney	*Communication Services*	*1.6*	*United States*
CVS Health	*Health Care*	*1.59*	*United States*
ASML	*Information Technology*	*1.56*	*Netherlands*
Hess Corp	*Energy*	*1.54*	*United States*
Novo-Nordisk	*Health Care*	*1.5*	*Denmark*
Walmart	*Consumer Staples*	*1.5*	*United States*
Nike	*Consumer Discretionary*	*1.43*	*United States*
Trane Technologies	*Industrials*	*1.41*	*United States*
Hudbay Minerals	*Materials*	*1.4*	*Canada*

Asset allocation describes the share of investments in specific assets.

What was the proportion of sustainability-related investments?

What was the asset allocation?



***#1 Aligned with E/S characteristics** included the committed minimum of 90% of the Fund's investments in companies that met the characteristics promoted by the Fund and could evidence good governance practices in accordance with the Investment Manager's policy on good governance.*

***#2Other** included the remaining investments of the Fund, that could be held for efficient portfolio management and cash management purposes. These investments included cash.*

*The category **#1 Aligned with E/S characteristics** covers:*
*- The sub-category **#1A Sustainable** covered sustainable investments with environmental or social objectives. The Fund committed that a minimum of 10% of its investments would be in sustainable investments as outlined above*
*- The sub-category **#1B Other E/S characteristics** covered the remainder of this category, which were invesetments aligned with the environmental or social characteristics but did not qualify as sustainable investments.*

In which economic sectors were the investments made?

Sector	***Weight (%)***
Communication Services	*6.49*
Consumer Discretionary	*10.00*
Consumer Staples	*8.23*
Energy	*4.93*
Financials	*13.60*
Health Care	*15.92*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the

Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflects the "greenness" of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

Sector	*Weight (%)*
Industrials	*11.14*
Information Technology	*16.99*
Materials	*7.27*
Real Estate	*2.69*
Utilities	*2.44*

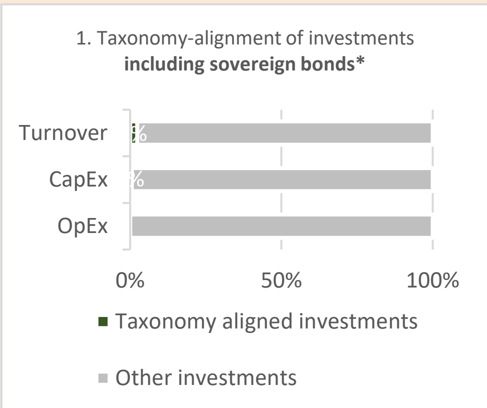
To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

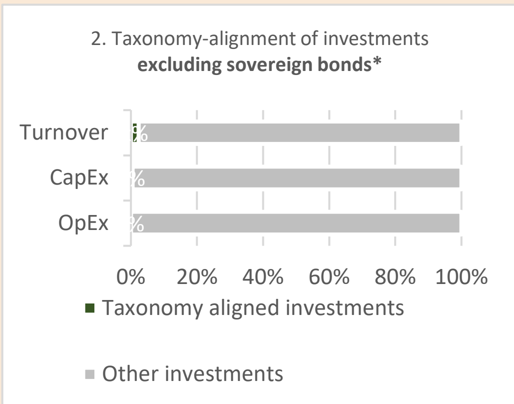
While the Fund did not commit to a minimum amount of sustainable investments with an environmental objective aligned with the EU Taxonomy, 2.4% of the Fund was EU Taxonomy-aligned during the reference period.

These investments' compliance with the requirements laid down under the EU Taxonomy have not been subject to an assurance or review provided by an auditor or third party. Alignment has been obtained through a combination of third-party data and investment research.

An explanation of the reasons for investing in sustainable investments other than those with an environmental objective aligned with the EU Taxonomy is detailed in a separate section below.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.





**For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

What was the share of investments made in transitional and enabling activities?

While the Fund did not commit to a minimum amount of sustainable investments in transitional or enabling activities, 1.53% (based on turnover) of the Fund was invested in such activities during the reference period.

How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

Not applicable

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Fund commited to a minimum of 10% in sustainable investments, but due to the proposed dynamic allocation between environmentally and socially sustainable investments, respectively, a minimum of 3% of the investments underlying this Fund would be invested in sustainable investments with an environmental objective that is not aligned with the Taxonomy.

As of the end of December 2022, 8.4% of the portfolio was invested in environmentally sustainable investments, not aligned with the EU Taxonomy.

What was the share of socially sustainable investments?

The Fund committed to a minimum of 3% in sustainable investments with a social objective.

As of the end of December 2022, 12.1% of the portfolio was invested in socially sustainable investments.

What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?

The portfolio held 0.3% in cash at the end of the period. Although derivatives can be held for efficient portfolio management purposes, there were no investments in derivatives during the period and no other holdings are classified as "other". As such, there were no minimum environmental or social safeguards.

What actions have been taken to meet the environmental and/or social characteristics during the reference period?

The Investment Manager used a disciplined bottom up stock selection process that incorporated ESG factors aimed at the promotion of the environmental and social characteristics, through the following process:

<u>Positive ESG Tilt:</u> The Investment Manager invested in companies with favourable or improving sustainability Indicators. To achieve this the Investment Manager utilised its QESG Scoring Model which considered environmental and social characteristics including (but not limited to) the management of environmental risks (such as impact on climate change and natural resource use) and social risks (such as human & labour rights and human capital management). The QESG Scoring Model rated companies on a low to high scale of 0 to 100. The QESG Scoring Model captured companies with good sustainability indicators but also where improvements to the sustainability indicators could be made. The QESG score allowed the Investment Manager to individually assess the environmental, social and governance scores relative to the benchmark and also to assess this on an aggregated basis considering all three scores. The Investment Manager did not invest in companies whose QESG score was in the lowest 20%.

All portfolio holdings have been through the above process and, therefore, all investment decisions have incorporated E & S characteristics during the period.

<u>Engagement:</u> The Investment Manager leveraged quantitative and qualitative engagement insights generated by EOS through its range of active ownership services. Where sustainability risks were identified, the Investment Manager worked with EOS to engage with companies to address those risks. Engagement occured through meetings with management and the exercise of voting rights. Engagement sought develop a plan to address the issue and deliver positive change within set time periods. Where there was engagement, the four-step milestone approach was implemented to: (i) raise the issue at the appropriate level within the company; (ii) confirm that the company accepts that the issue must be addressed; (iii) develop a plan to address the issue; and (iv) implement the plan satisfactorily. When a companywas not receptive to engagement on sustainability risks, or made insufficient progress in addressing them over time, the company's QESG score was lowered, which could result in divestment from that company.

82% of the portfolio (as a proportion of AUM) has been engaged with and progress has been seen on 42% of the engagement objectives. The proportion of AUM engaged on environmental and social issues and objectives is:

Environmental: 64%

Social:69%

Please note that because we often have a variety of engagement objectives, covering enviromental, social and governance issues, the proportion of AUM engaged on E & S issues will differ from the overall engagement figure.

An example where EOS engaged to promote social and environmental characteristics was with UniCredit. From a social perspective, while the bank's human rights policy and applicability is relatively well-positioned relative to other banks, we indicated that it could make improvements to how it discloses free, prior and informed consent (FPIC) processes for communities and indigenous groups, and how stakeholders are freely able to access grievance and remedy processes at both the borrower and bank levels. The bank agreed that some updates are necessary based on business changes and ongoing dialogue with stakeholders and NGOs, which it sees as valuable.

On its fossil-fuel policies, we indicated that its revenue thresholds might need to be revisited but gained confidence that the bank goes through thorough transition planning analysis from borrowers even if they are below revenue thresholds for certain coal and oil and gas activities. It also indicated that its policies will be updated when it discloses its net zero and sector emissions plans next year. However, it cautioned that short-term financing needs to prevent significant social ramifications, at the behest of European governments facing energy crises, may cause it to reconsider coal-based decisions, but that its general orientation is to wind down and end coal financing over the longer-term in line with its policy.

<u>Exclusions</u>: The Investment Manager did not invest in companies involved in the production of Controversial Weapons or those that are deemed to be in breach of the UN Global Compact.

The Fund has not invested in any companies that violated or breached the exclusions list.

Additionally, as part of the investment strategy, the Investment Manager assessed the corporate governance of a company by reference to its policy on good governance and through the use of the Investment Manager's proprietary corporate governance tool and qualitative analysis, including insights from its own research and EOS. In considering good governance, the Investment Manager assessed, among other things, a company's management structure, employee relations, staff remuneration and compliance with applicable tax rules.

A company was considered to be following good governance practices if the factors set forth above, and any other factors determined to be material by the Investment Manager, (i) met any one of the following criteria:

- *the company's corporate governance was in line with the best practices as defined by EOS in the Responsible Ownership Principles and Regional Corporate Governance Principles documents; or*
- *the company's corporate governance was determined to be in-line with peers both in industry and/or region, taking into account the size of the issuer;*

- *or the Investment Manager and/or EOS was engaging with the company to address enhancements to the company's governance practices, as further detailed in the section of the fund supplement annex titled "What investment strategy does this financial product follow?"*
- *or, (ii) when viewed collectively, were determined by the Investment Manager to adequately meet the criteria set forth above.*

A company was presumed not to be following good governance practices if there were abuses of power or severe controversies involving the relevant company, which were not mitigated through subsequent demonstrative actions.

Further information on the Investment Manager's good governance policy and the EOS Responsible Ownership Principles and Regional Corporate Governance Principles can be found at http://www.hermes-investment.com/sustainability-related-disclosures

How did this financial product perform compared to the reference benchmark?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How does the reference benchmark differ from a broad market index?

The reference benchmark does not differ from a broad market index.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?

The MSCI World Index is a broad market index that does not take into account any ESG or Sustainability criteria. The reference benchmark was therefore not continuously aligned with the environmental and social characteristics promoted by the Fund. It was used as a comparator to evidence whether the Fund's positive ESG tilt was being achieved relative to a relevant broad market index.

How did this financial product perform compared with the reference benchmark?

The MSCI World Index was used as a reference for determining whether the Fund achieved favourable ESG characteristics. This was achieved via a comparison of the Fund's QESG score relative to the benchmark by comparing the % of the portfolio and benchmark with a QESG Score above the median. The comparison is below:

Fund QESG Score: 67

Benchmark QESG Score: 49

How did this financial product perform compared with the broad market index?

See answer to the previous question.