

Our Progress Toward Our Net Zero Commitments

August 2024

A Look at the Consumer Staples Sector

Key Points

1. Our second Net Zero Progress Report highlights the progress we've made towards our net zero commitments. In July 2021, we joined the Net Zero Asset Managers initiative, endorsing the aim of achieving net zero emissions by 2050 or sooner. Our strategy for net zero alignment is rooted in active ownership with our investment investee, assessing and managing the financial risks related to climate change.
2. Our net zero commitments cover all our public equity and corporate fixed income holdings, which make up 92% of our total assets under management as at the time of writing this report. Our targets include the following interim targets:
 - 90% of in-scope AUM considered net zero aligned or aligning by 2030¹
 - 100% of in-scope AUM considered net zero aligned or achieving by 2040
 - 100% of AUM considered achieving net zero by 2050
3. The Net Zero Progress Tracker in our report provides a comprehensive overview of our in-scope holdings and their alignment with our net zero goals.

	Not Aligned	Committed to Aligning	Aligning ² – MFS 2030 Target	Aligned ² – MFS 2040 Target	Achieving Net Zero ² – MFS 2050 target
	29.43%	28.82%	16.53%	25.22%	0.00%
Total In-scope AUM *	\$516,009,305,236.492				
Coverage**	94.69%				
Environmental engagements (Aggregate, from baseline date 1 July 2021)***	216				

¹In-scope AUM includes all listed equity and corporate fixed income holdings as of December 29, 2023.

²Coverage here refers to the percentage of our in scope AUM for which Net Zero alignment data is available.

³Environmental engagements are as of 29 December 2023.



4. Our report includes in-depth case studies of companies such as Diageo, Danone and Reckitt Benckiser, which are making significant progress toward decarbonization. These companies are evaluated based on management credibility, financial credibility, technological credibility, competitive credibility and stakeholder alignment. Additionally, we do a deep dive on the consumer staples sector, which presents a complex decarbonization challenge due to its geographically diverse and decentralized supply chains. We use a differentiated materiality framework to assess the financial implications of climate risk and opportunity for this sector.
5. We participate in various industry initiatives to deepen our understanding and management of complex and evolving risks. These collaborations complement our individual engagement efforts, providing scale and momentum.

Endnotes

¹ Our in-scope assets covered by our net zero engagement commitments include all public equities and corporate fixed income assets, approximately 92% of our current AUM.

² The data presented above are aligned with the Net Zero Investment Framework (NZIF) and have been sourced from a third-party data provider.

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