

## SUSTAINABLE FINANCE DISCLOSURE REGULATION: ARTICLE 4

# Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors

Dimensional Ireland Limited

June 30, 2023

### Financial Market Participant

Dimensional Ireland Limited (LEI: 54930017AGN8RP5ZX867)

### Summary

Dimensional Ireland Limited (LEI: 54930017AGN8RP5ZX867; herein “**Dimensional Ireland**”) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Dimensional Ireland.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022. A historical comparison of the period reported on compared with the previous reported period will be made available on or before 30 June 2024.

Principal adverse impact (“**PAI**”) indicators are made up of both mandatory and optional indicators. Dimensional Ireland has populated 18 mandatory indicators as defined by the Sustainable Finance Disclosure Regulation (“**SFDR**”), and two optional indicators. The optional PAI indicators selected from Table 2 and Table 3 of the Regulatory Technical Standards of SFDR are “Land degradation, desertification, soil sealing” and “Operations and suppliers at significant risk of incidents of child labour”, respectively.

### Overview

Dimensional Ireland’s policies to identify and prioritise PAIs on sustainability factors associated with SFDR are approved by the Global Investment Committee. They follow a systematic investment approach that integrates due diligence checks throughout their implementation and risk management processes. Dimensional Ireland and its global affiliates (together “**Dimensional**”) implement due diligence checks to attain the environmental and social characteristics promoted by funds subject to Article 8 of SFDR as part of portfolio design, portfolio management and trading processes. The core of these checks is the integration of reliable environmental and social data. Dimensional monitors all portfolio companies daily for reports of potential involvement in significant controversies. Dimensional advocates for effective oversight of environmental and social risk through engagement with portfolio companies, proxy voting, engagement with regulators and policy makers.

### Investment Stewardship and Governance

Dimensional’s Investment Stewardship group engages with portfolio companies to understand their approach to corporate governance. The group evaluates management and shareholder proposals on a case-by-case basis and seeks to act in the best interests of its clients along with maximising shareholder value.

Governance is overseen by the Global Investment Committee and Dimensional Ireland’s Designated Person for Investment Management (the “**Designated Person**”). Dimensional’s Portfolio Management Group oversees the identification and prioritisation of PAIs which are reviewed at least

annually by the Designated Person. The board of Dimensional Ireland remains ultimately responsible for the implementation of the investment sustainability strategy.

### Methodology

With regards to the methodology, Dimensional Ireland solicits feedback from clients on their sustainability preferences through a number of methods which feed into Dimensional's decision on which PAIs are measured and considered. Across equity and fixed income funds subject to Article 8 of SFDR, Dimensional Ireland applies rigorous methodologies to attain environmental and social characteristics promoted by the funds. The quality of Dimensional's methodology for identifying and assessing PAIs is reliant on the quality of data received.

### Data Sources and Limitations

Dimensional uses external vendors including MSCI ESG Research and Institutional Shareholder Services ("ISS") for their environmental and social data. Dimensional may also conduct in-house research using information from Bloomberg, reported financial data, other company filings, company websites, sector affiliations, industry groups or government entities.

Dimensional uses ISS for data on PAIs. To the best of Dimensional's knowledge, Dimensional believes that the data set provided by ISS is accurate, and that ISS employs best efforts to obtain the information. The environmental and social data landscape is still maturing as there is a lack of company reported data which remains as one of the primary limitations.

Dimensional avoids relying on third-party ESG ratings, which are often subjective, and instead focuses on more objective and consistently reported metrics and takes commercially reasonable efforts to collect and develop external and internal data sets.

### Engagement Policies and References to International Standards

Dimensional has adopted an engagement policy under the Shareholder Rights Directive II which covers Dimensional's approach to engagement and proxy voting. Dimensional's Investment Stewardship Statement includes topics that have been prioritised for engagement. Dimensional monitors portfolio companies' risk oversight practices as part of their standard stewardship activities and may use environment, social and governance data to help identify candidates for engagement or to inform their engagements. On an annual basis, Dimensional's Investment Stewardship Group reviews engagement priorities for the year based on various factors including the interests of investors and reflecting best practice in matters relating to the PAIs.

Dimensional is a signatory to the United Nations' Principles of Responsible Investment, the UK Stewardship Code and the Japan Stewardship Code. Dimensional is a member of the International Corporate Governance Network. Dimensional does not make use of forward-looking climate scenarios.

### Description of the Principal Adverse Impacts on Sustainability Factors

The 18 mandatory indicators as defined by the SFDR are set out in the tables below. The optional PAI indicators selected from Table 2 and Table 3 of the Regulatory Technical Standards of the SFDR are "Land degradation, desertification, soil sealing" and "Operations and suppliers at significant risk of incidents of child labour", respectively.

For the applicable PAI indicators, Dimensional Ireland has included information to describe the actions taken and the future remedial plans relevant to reducing or avoiding the principal adverse impacts identified. Impact has been calculated for the period of 1 January 2022 to 31 December 2022, taken as the average of impacts of the quarter on 31 March, 30 June, 30 September, and 31 December.

A historical comparison of the period ending 31 December 2022 against the period ending 31 December 2023 will be made in the next Statement on Principal Adverse Impacts of Investment Decisions on Sustainability Factors that will be published on or before 30 June 2024.

## Indicators applicable to investments in investee companies

Adverse sustainability indicator		Metric	Impact (2022)	Impact (Year n-1)	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions.	2,019,141.8	N/A	Total GHG scope 1 emissions "financed" by the entity (tCO <sub>2</sub> e). Assets in scope ("AIS"): 92.0% of total assets   Data coverage ("DC"): 88.2% of total assets	<p>Dimensional Ireland's primary objective is to fulfil its fiduciary duty to the investors in the investment solutions it manages.</p> <p>For clients interested in reducing the greenhouse gas emission indicators of their portfolios, Dimensional Ireland offers a range of Sustainability funds that are designed to offer a meaningful reduction in exposure to Scope 1 and 2 GHG emissions and potential emissions from fossil fuel reserves (impact on PAIs 1-4), which may also indirectly improve other greenhouse gas emissions-related indicators (impact on PAIs 5-6).</p> <p>These Sustainability funds have expanded from their inception in 2013 to include equity strategies in developed and emerging markets as well as fixed income strategies. Dimensional Ireland regularly reviews the existing Sustainability fund range and seeks to give investors a broader choice of investment vehicles in 2023. Additionally, Dimensional Ireland is able to offer customised solutions to investors through separate accounts that can take into account PAIs.</p> <p>Dimensional Ireland believes that the integration of sustainability factors in an investment solution should be based on robust, relevant, and comparable data. For these reasons, Dimensional Ireland does not believe it is currently prudent to consider Scope 3 emissions in the investment process. Methodologies to calculate scope 3 GHG emissions currently lack detailed, standardised requirements that would enable meaningful comparisons between companies. Additionally, most of the available Scope 3 GHG emissions data available for companies and included in the PAI calculations is based on modelled data provided by Dimensional Ireland's data vendor. Hence, the estimation</p>
		Scope 2 GHG emissions.	508,769.2	N/A	Total GHG scope 2 emissions "financed" by the entity (tCO <sub>2</sub> e). AIS: 92.0%   DC: 88.2%	
		Scope 3 GHG emissions.	20,773,229.8	N/A	Total GHG scope 3 emissions "financed" by the entity (tCO <sub>2</sub> e). AIS: 92.0%   DC: 88.2%	
		Total GHG emissions.	23,301,140.8	N/A	Total GHG scope 1+2+3 emissions "financed" by the entity (tCO <sub>2</sub> e). AIS: 92.0%   DC: 88.2%	
	2. Carbon footprint	Carbon footprint.	845.1	N/A	Weighted average GHG scope 1+2+3 emissions "financed" by the entity per EURm investment (tCO <sub>2</sub> e / EURm investment). AIS: 92.0%   DC: 88.2%	
	3. GHG intensity of investee companies	GHG intensity of investee companies.	1,738.6	N/A	Weighted average GHG scope 1+2+3 emissions per EURm sales (tCO <sub>2</sub> e / EURm sales). AIS: 92.0%   DC: 88.9%	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector.	9.8%	N/A	Fossil fuel involvement Y/N (% of entity weight). AIS: 92.0%   DC: 90.6%	
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources.	74.4%	N/A	Weighted average non-renewable energy consumption (% of total energy consumption). AIS: 92.0%   DC: 15.8%	
			2.0%	N/A	Weighted average non-renewable energy production (% of total energy production). AIS: 92.0%   DC: 86.6%	
	6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector.	0.1	N/A	Agriculture, Forestry and Fishing. AIS: 0.2%   DC: 0.0%	
			3.4	N/A	Mining and Quarrying. AIS: 5.7%   DC: 0.5%	
			0.9	N/A	Manufacturing. AIS: 28.6%   DC: 6.1%	

			3.2	N/A	Electricity, Gas, Steam and Air Conditioning Supply. AIS: 2.1%   DC: 0.3%	<p>of Scope 3 emissions is based on various assumptions depending on a company's industry, business lines and supply chain profile. A small change in assumptions can lead to significantly different estimates.</p> <p>For investors that have not expressed environmental goals through their choice of their investment vehicle, we are mindful that they have also still entrusted us with their assets and that there may be financial trade-offs involved with reducing PAIs. Careful stewardship of our clients' assets, in line with their objectives, is a responsibility we take seriously.</p>
			0.8	N/A	Water Supply; Sewage, Waste Management and Remediation Activities. AIS: 0.3%   DC: 0.0%	
			0.1	N/A	Construction. AIS: 1.4%   DC: 0.2%	
			0.3	N/A	Wholesale and Retail Trade. AIS: 6.4%   DC: 0.7%	
			2.3	N/A	Transportation and Storage. AIS: 2.1%   DC: 0.2%	
			0.1	N/A	Real Estate Activities. AIS: 2.7%   DC: 0.1%	
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas.	0.1%	N/A	Companies negatively affecting biodiversity-sensitive areas Y/N (% of entity weight). AIS: 92.0%   DC: 89.5%	<p>For clients interested in considering adverse impacts on biodiversity, water and waste, Dimensional Ireland offers Sustainability funds that exclude companies with material involvement in (i) environmentally harmful business activities related to palm oil and factory farming, and (ii) severe environmental controversies related to land use and biodiversity, toxic spills and releases, operational waste and water management.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average.	0.3	N/A	Weighted average emissions to water "financed" by the entity per EURm investment (tonnes / EURm investment). AIS: 92.0%   DC: 1.3%	
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average.	217.5	N/A	Weighted average hazardous and radioactive waste "financed" by the entity per EURm investment (tonnes / EURm investment). AIS: 92.0%   DC: 6.8%	
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.	2.2%	N/A	UNGC/OECD Guideline Violations Y/N (% of entity weight). AIS: 92.0%   DC: 89.5%	<p>For clients interested in considering adverse impacts on social and employee matters, Dimensional Ireland offers Sustainability funds that consider PAI 10. If a company is deemed to be involved in a severe violation of business conduct standards that may pose a material risk to investors, then Dimensional Ireland may temporarily halt further investment in the company and seek further review within its Investment Stewardship Group. Furthermore, all commingled funds</p>

11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises.	29.1%	N/A	UNGC/OECD lack of processes and compliance Y/N (% of entity weight). AIS: 92.0%   DC: 81.8%	managed by Dimensional Ireland consider PAI 14 by excluding companies with involvement in the manufacture or selling of controversial weapons.  Currently, Dimensional Ireland does not consider PAIs 11-13 in its investment process.
12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies.	7.6%	N/A	Weighted average unadjusted (mean) gender pay gap (% of men's salary). AIS: 92.0%   DC: 6.2%	
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members.	31.6%	N/A	Weighted average women on board (% of total board). AIS: 92.0%   DC: 73.3%	
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons.	0.0%	N/A	Controversial weapons involvement Y/N (% of entity weight). AIS: 92.0%   DC: 90.7%	

### Indicators applicable to investments in sovereigns and supranationals

Adverse sustainability indicator		Metric	Impact (2022)	Impact (Year n-1)	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries.	215.0	N/A	Weighted average GHG scope 1+2+3 emissions per EURm GDP (tCO <sub>2</sub> e / EURm GDP). AIS: 8.0%   DC: 5.5%	The government bond investment universe of fixed income funds managed by Dimensional Ireland comprises of sovereign bonds issued by Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Luxembourg, New Zealand, the Netherlands, Norway, Portugal, Singapore, Spain, Switzerland, Sweden, the United Kingdom and the United States. Given the breadth and depth of the fixed income market for these sovereign issuers, it is doubtful whether an investor can influence the public policies of these sovereign countries.
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law.	3 (14.3%)	N/A	Countries subject to social violations (number of countries / % of all countries). AIS: 8.0%   DC: 5.5% Death penalty: Japan, United States, and Singapore	<p>Furthermore, and in contrast to equity investments where board and management of the investee company can be held accountable in shareholder meetings and through engagements, there are no established governance mechanisms through which bondholders can discuss the adverse effects caused by sovereign or supranational issuers on environmental or social factors.</p> <p>As such and due to the likely expected return and diversification concessions involved when excluding certain government issuers from investment, Dimensional Ireland currently does not consider PAIs by investee countries in its investment process.</p>

### Indicators applicable to investments in real estate assets

Adverse sustainability indicator		Metric	Impact (2022)	Impact (Year n-1)	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.	N/A	N/A	No real estate assets	N/A
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets.	N/A	N/A	No real estate assets	N/A

### Other indicators for principal adverse impacts on sustainability factors

Adverse sustainability indicator		Metric	Impact (2022)	Impact (Year n-1)	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Water, waste and material emissions	Land degradation, desertification, soil sealing	Share of investments in investee companies the activities of which cause land degradation, desertification or soil sealing.	N/A	N/A	AIS: 92.0%   DC: N/A	For clients interested in considering adverse impacts from land degradation, desertification and soil sealing, Dimensional Ireland offers Sustainability funds that exclude companies with material involvement in (i) environmentally harmful business activities related to palm oil and factory farming, and (ii) severe environmental controversies related to land use and biodiversity, toxic spills and releases, operational waste and water management.
Human Rights	Operations and suppliers at significant risk of incidents of child labour	Share of investments in investee companies exposed to operations and suppliers at significant risk of incidents of child labour in terms of geographic areas or type of operation.	N/A	N/A	AIS: 92.0%   DC: N/A	For clients interested in considering adverse impacts from child labour, Dimensional Ireland offers Sustainability funds that exclude companies with material involvement in severe social controversies related to child labour.

## Description of Policies to Identify and Prioritise Principal Adverse Impacts on Sustainability Factors

### Overview

Dimensional Ireland and the Global Investment Committee approved the policies associated with SFDR in December 2022.

Dimensional follows a systematic, process-driven investment approach that integrates due diligence checks throughout our implementation and risk management processes. As part of our process for creating an eligible equity universe, we review country risks, exchange listing standards, and individual securities for structural, governance-related issues. For fixed income securities, Dimensional analyses information from the security's prospectus, official statement, escrow agreement, and certain other relevant documents prior to investing in any securities. As part of our portfolio design, portfolio management and trading processes, Dimensional implements due diligence checks to attain the environmental and social characteristics promoted by funds subject to Article 8 of SFDR. The core of these checks is the integration of reliable environmental and social data. As part of Dimensional's risk management process, we monitor all portfolio companies daily for reports of potential involvement in significant controversies, including environmental, social and governance ("ESG") related controversies.

Dimensional advocates for effective oversight of environmental and social risk and other governance best practices through engagement with portfolio companies, proxy voting, engagement with regulators and policy makers, and participation in industry events and organizations.

### Investment Stewardship

Dimensional's Investment Stewardship group often engages directly with the board and management of portfolio companies to better understand their approach to corporate governance, including management of material environmental and social risks.

Dimensional evaluates management and shareholder proposals on a case-by-case basis and seeks to act in the best interests of its clients. Dimensional seeks to maximise shareholder value, considering the standards of relevant legal and regulatory regimes, listing requirements, regional corporate governance codes, and any social and sustainability guidelines of specific funds or accounts.

Please see the Dimensional Ireland Shareholder Engagement Policy and Dimensional's annual stewardship report which describes how we integrate shareholder engagement into its investment strategy in the context of investment in shares of companies traded on an EU regulated market.

### Governance

Dimensional's Portfolio Management Group oversees the identification and prioritisation of PAIs. Its activities are overseen by the Global Investment Committee and with respect to the offering by Dimensional Ireland of any strategies promoting environmental or social characteristics, PAIs are reviewed at least annually by Dimensional Ireland's Designated Person who has responsibility for oversight of the implementation of strategies by the Dimensional Portfolio Management team. The Designated Person reports to the Dimensional Ireland board on a regular basis on the implementation of strategies and escalates any issues noted in the oversight of the portfolios approach to sustainability. The board of Dimensional Ireland remains ultimately responsible for the implementation of the investment sustainability strategy.

### Methodology

PAI indicators are made up of both mandatory and voluntary indicators. The voluntary indicators are chosen based on a variety of factors. In particular, in order to assess and prioritise PAIs, Dimensional Ireland aims to be informed by Dimensional's clients while maintaining a focus on data quality. Dimensional Ireland solicits feedback from clients on their sustainability preferences through a number of methods which feed into Dimensional's decision on which PAIs are measured and considered.



Across equity and fixed income funds subject to Article 8 of SFDR, Dimensional Ireland applies rigorous methodologies to attain the environmental and social characteristics promoted by the funds, including the consideration of certain PAIs. These methodologies include:

- Reduction in exposure to issuers with high greenhouse gas emissions;
- Reduction in exposure to issuers owning coal, oil and gas reserves; and
- Exclusion of companies with material involvement in environmentally/socially harmful business activities or severe environmental/social controversies.

The quality of Dimensional's methodology for identifying and assessing PAIs is reliant on the quality of data received from the investee companies and third-party data vendors. More details about the promoted environmental and social characteristics of the funds can be found on [www.dimensional.com/SFDR](http://www.dimensional.com/SFDR).

### Data Sources and Limitations

Dimensional uses data from external vendors, including MSCI ESG Research and ISS. This data may be cross referenced and validated in order to create proprietary data sets. Additionally, Dimensional may conduct in-house research by using information from Bloomberg, reported financial data, other company filings, company websites, sector affiliations, industry groups or government entities in order to create internal data sets that may supplement the external data sets.

Prior to contracting with ISS for data on PAIs, Dimensional performed extensive due diligence on the company and carried out data quality checks. Representatives of Dimensional and ISS discuss and review the data and applied methodologies. To the best of Dimensional's knowledge, Dimensional believes that the data set provided by ISS is accurate, and that ISS employs best efforts to obtain the information either directly from investee companies, by carrying out additional research or by making reasonable assumptions.

Dimensional's Investment Analytics and Data team and Portfolio Management Group monitor data quality through a variety of automated validations, including period-to-period data changes, comparisons of data between multiple vendors, and more manual quality assurance mechanisms.

The environmental and social data landscape is still maturing. A lack of company reported data remains one of the primary limitations. For example, the coverage of reported greenhouse gas emissions tends to be lower for small and emerging market companies, although the trend of available reported data in these markets continues to improve. Another limitation is the inconsistency of data and methodologies across vendors and companies. Dimensional avoids relying on third-party ESG ratings, which are often subjective, and instead focuses on more objective and consistently reported metrics. Dimensional takes commercially reasonable efforts to collect external data sets and develop internal data sets that allow Sustainability funds to attain their promoted environmental and social characteristics, including the consideration of certain PAIs.

### Engagement Policies

Dimensional has adopted an engagement policy under the Shareholder Rights Directive II. This policy refers to the various disclosures published to outline Dimensional's approach to engagement and proxy voting.

As set out in Dimensional's Investment Stewardship Statement, topics prioritised for engagement may vary by region and country, but in all cases, engagements are tied to our key stewardship priority areas (board structure and composition, material environmental and social risks, shareholder rights, and executive compensation). For instance, we engage with companies to encourage the adoption of robust policies and procedures for managing risk (including environmental and social risk) and effective board oversight.

We monitor portfolio companies' risk oversight practices as part of our standard stewardship activities. We may use ESG data, such as Sustainability Accounting Standards Board data, to help identify candidates for engagement or to inform our engagements. Furthermore, we track our engagements on ESG issues and may follow up with portfolio companies on outcomes. If we believe that portfolio company boards have not adequately addressed shareholder concerns, we may

determine to exercise our proxy votes against the appropriate board members. Common reasons for escalation to exercising proxy votes include a lack of responsiveness to concerns raised by Dimensional or other shareholders (including – where relevant those relating to PAIs), sustained poor governance practices, inadequate disclosure, and unwillingness to engage with shareholders.

For funds subject to Article 8 of SFDR, Dimensional employs a Policy to Assess Good Governance Practices of Investee Companies to satisfy the SFDR requirement that all companies in which investments are made follow good governance practices. As part of this process, exceptional governance concerns identified by Dimensional's Investment Stewardship Group may be escalated for exclusion from funds subject to Article 8 of SFDR. Dimensional does not currently manage funds subject to Article 9 of SFDR.

On an annual basis, Dimensional's Investment Stewardship Group reviews engagement priorities for the year based on various factors including the interests of investors and reflecting best practice in matters relating to the PAIs. The Investment Stewardship Committee oversees engagement activities of the Investment Stewardship Group on a quarterly basis.

More information about Dimensional's general engagement strategy is available in the Investment Stewardship section of our website at <https://www.dimensional.com/who-we-are/investment-stewardship>.

#### References to International Standards

Dimensional is a signatory to the United Nations' Principles of Responsible Investment, the UK Stewardship Code and the Japan Stewardship Code. Dimensional is a member of the International Corporate Governance Network. In March 2020, Dimensional also became a supporter of the Taskforce for Climate-related Financial Disclosures.

Dimensional takes a principles-based approach to alignment to the international standards noted above. For further information on the implementation of Dimensional's sustainable investment approach please see Dimensional's annual responsible investment report which is available on the Dimensional website.

Dimensional does not make use of forward-looking climate scenarios. Modelling future economic damages from climate change poses immense challenges. It is unclear where and when physical effects occur, how quickly climate policies will be introduced, how politics and societal norms will develop, how these developments will affect GDP growth, or what innovations will take place. With all these uncertainties, different climate models can diverge widely in their conclusions. Dimensional therefore believes that estimates of exposure to physical risks and transition risks are too assumption dependant to be useful for informing investment decisions.

#### Historical Comparison

A historical comparison of the period reported on with the previous reported period will be made available in future statements.

## **Disclosure**

This material is not directed at any person in any jurisdiction where the availability of this material is prohibited or would subject Dimensional or its products or services to any registration, licensing, or other such legal requirements within the jurisdiction.

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