TT INTERNATIONAL

2025 Stewardship Report

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TT INTERNATIONAL

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Foreword

TT International Asset Management's 2025 Policy and Context Disclosure and Activities and Outcomes Report are organised along the principles of the 2026 UK Stewardship Code and explains our stewardship philosophy, resources, process, and activities. TT is dedicated to achieving the best possible risk-adjusted returns for our investors. We believe that responsible investment is essential for maximising returns for our clients and limiting reputational risk.

In 2025, we had 71 targeted ESG engagements with 61 companies. We voted on 4,655 resolutions at 410 company meetings. We most often engaged with our investee companies on climate change and natural resource use/impact (biodiversity, water), human and labour rights (e.g. supply chain rights, community relations), strategy, and capital allocation.

We continued our collaborative engagements in Climate Action 100+ and Nature Action. In 2025, we took part in Climate Action 100+ engagements with Samsung Electronics and Petrobras. We continued our involvement in the CA100 and IIGCC sector engagement on green steel, which culminated in the publication of a paper titled "Assessing the European Commission's recent steel sector initiatives" that examined how recent policy initiatives from the European Commission aimed at supporting the EU steel sector's decarbonisation. We engaged with Grupo Mexico, Vale, Zijin Mining and Inner Mongolia Yili through the collaborative Nature Action 100 engagement initiative.

We manage assets for some of the world's most sophisticated institutional investors with long investment horizons. This requires us to understand and correctly interpret the investment implications of ESG issues surrounding our investments, so that we can preserve and enhance our clients' capital. By incorporating the ESG insights we glean from our stewardship activities into our investment decisions, we believe we can generate even stronger risk-adjusted returns for our clients.

By serving our investors diligently as a responsible investor, we believe we fulfil our fiduciary duty to our investors such as pension plans, university endowments, and sovereign wealth funds, thus helping them to fulfil their own responsible investment and stewardship obligations.

Luke Poulter

Chief Executive Officer, TT International Asset Management

Policy and Context Disclosure

Organisation, Investment Beliefs, and Stewardship Approach (Disclosure A)

Firm Overview

TT International Asset Management ("TT") was founded in 1988 to manage assets for a highly regarded global macro strategy. Two years later we began managing long-only equities, using the same basic philosophy of combining informed top-down views with rigorous bottom-up company analysis. Over the ensuing three decades, we continued to harness this philosophy to build a suite of award-winning long-only equity and alternative products.

Our long-only strategies now span Asian, Global Emerging Markets, Global SMID-Cap, UK equities, and EM Debt, while our alternative strategies comprise European Equity Long/Short, Emerging Markets Equity Long/Short, European Credit Opportunities, Global Macro, and EM Macro. We managed US$4.96 billion as of 31 December 2025 for some of the world's most sophisticated institutional investors.

TT has four offices globally, with its headquarters in London, United Kingdom, which serves as the firm's primary location for investment management, corporate management, operations, and client servicing. In addition, TT benefits from investment professionals located in Brazil, Mexico, India, and South Africa, who provide local market insight and support the firm's global emerging markets research capabilities.

After 27 years of being structured as an unlimited liability partnership, in early 2020 we were acquired by Sumitomo Mitsui Financial Group, a leading Japanese bank. As well as complementing our naturally conservative culture, this partnership provides us with a stable capital base and scope for growth in one of the world's largest institutional markets. Crucially, we retain the investment autonomy and management and incentive structures that have proven so successful over the past three decades. We also continue to be capacity disciplined in all our strategies to maximise our chances of delivering strong returns for our clients.

Our purpose is to produce exceptional risk-adjusted returns for our clients. By doing so, we hope to enable people to have a comfortable retirement, generate wealth for countries and their citizens, and help fund higher education. We aim to reduce risks for our clients – both to their capital and their reputation – by assessing and mitigating the environmental, social, and governance risks associated with our investments. As part of these efforts, we actively engage with our investee companies on ESG issues and try to drive improvements through our engagement and voting activities. We have specific investment products for clients seeking sustainable Emerging Market and global thematic SMID mandates, whilst for other clients simply looking to improve the ESG credentials of their investments, we help to implement their exclusionary criteria and objectives on portfolio decarbonisation.

Values

Our ultimate aim is to produce strong risk-adjusted returns and provide exceptional client service. Whilst this aim is not unusual amongst our peers, how we achieve it is, because we will always remain true to our unique values:

Excellence

We continuously strive for excellence in all aspects of our business. Dedicated solely to asset management, we deliberately limit our product range to areas where we possess a genuine competitive advantage and offer only authentically active, concentrated portfolios with 50 to 60 stocks and high active share. Similarly, our focus on a relatively small number of sophisticated institutional investors means that each of our clients receives a bespoke service.

Collaboration

TT brings together an experienced, talented and diverse group of professionals, many of whom have been with the firm for a significant part of their careers. We seek to attract, retain, and motivate our people through a collegial working environment, opportunities for career development, and remuneration that supports alignment with our clients' interests.

Our culture combines collaboration with individual accountability. Investment cases are discussed thoroughly within the relevant investment team to test our analysis and draw on different perspectives. We regularly review both the strongest contributors to performance and the largest detractors, encouraging constructive, objective discussion and robust challenge. This collaborative approach operates alongside clear accountability: the Lead Portfolio Manager retains ultimate responsibility for the portfolio, including position sizing, risk management, and portfolio construction.

We value diversity of background, experience, and perspective. Within our investment teams, cognitive diversity helps us challenge assumptions and consider investment ideas from different angles. As an equal opportunities employer, we seek to attract a broad and diverse pool of suitably qualified candidates. Our HR team ensures that all employees are aware of TT's Equal Opportunities Policy. We aim to create an inclusive working environment in which people can contribute, develop, and realise their potential.

TT was an early member of City Hive, an independent think tank and advocacy group seeking to democratise access to investing and investments. We are a founding signatory to its ACT Corporate Culture Standard, a disclosure framework that helps investment firms assess their culture, identify areas for improvement, and communicate progress. The City Hive Academy complements TT's own development initiatives through masterclasses and workshops for professionals across roles and levels, available to all TT employees. Our Head of HR was appointed to the Academy's Advisory Committee in 2024 and now serves on the ACT Global Leadership Council. TT has also successfully recruited one employee through the City Hive Careers Portal.

We work with The Talent Keeper Specialists across a range of coaching activities, including support for employees taking extended leave. Through their Comeback Coaching programme, we offer coaching to women before, during and following maternity leave, helping them prepare for their absence and return to work. This is complemented by resources to support their transition.

TT was one of the original 100 participating firms in the #100BlackInterns initiative, which subsequently developed into the 10,000 Black Interns programme. The wider Foundation reports that more than 10,000 paid internship opportunities were created over five years. TT is a community member of the 10,000 Interns Foundation and has sought to host at least one intern each summer for a six-week placement within our investment team.

In September 2021, TT's CSR & EDI Committee launched a social mobility initiative to broaden awareness of, and access to, careers in asset management among young people from disadvantaged backgrounds. We partner with three London schools, selected using indicators of socioeconomic disadvantage, including eligibility for free school meals. Our annual programme includes one-week interactive work experience placements at TT, workshops at our offices, and visits to the schools to deliver introductory talks about the industry and career opportunities.

Responsibility

Crucially, our culture promotes 'responsibility', as we believe that high standards of corporate responsibility not only make good business sense and benefit the wider society, but also have the potential to protect and enhance investment returns. By incorporating differentiated and material ESG analysis into our long-only and long/short equity strategies, we believe we can generate even stronger risk-adjusted returns for our clients and channel capital towards companies with strong ESG practices. Finally, we are proud to be a certified carbon neutral organisation, having measured and offset our carbon footprint by funding methane abatement and peatland restoration/conservation projects in the developing world. In addition to fully offsetting our carbon footprint, we planted 100 saplings in Peterborough, one of the most biodiversity depleted regions in England.

Alignment

Our compensation is based on the performance we generate for clients, and many of our investment professionals invest a significant proportion of their liquid assets in our products. Remuneration is also based on following TT's investment processes, which include integrating ESG analysis throughout, helping to enhance returns and mitigate reputational risks for our investors. Clients can rest assured that our interests are aligned. Moreover, we are capacity disciplined in all our strategies, which allows us to remain nimble and maximise our chances of delivering outperformance. Rather than simply being asset gatherers, we pride ourselves on our investment-led culture that focuses on doing what is right for our existing clients.

Investment Philosophy and Process

We believe we can deliver strong risk-adjusted returns for our clients by integrating top-down and bottom-up analysis to identify undervalued growth companies.

- **Top-down/bottom-up integration.** We believe that structural inefficiencies within global equity markets offer attractive opportunities for active managers to exploit. Such inefficiencies are partly the result of insufficient analysis of the interplay between macro factors and individual company outcomes. They also stem from a distinct lack of in-depth analysis by the sell-side and buy-side communities, which can result in significant mispricing. Finally, we believe that such inefficiencies are the result of behavioural biases created by the skewed composition of many indices. Indeed, indices can be so skewed to certain large stocks and countries that investors adjust their behaviour to focus on this narrower set of opportunities as opposed to the whole index, and consequently, disproportionate capital is allocated to these larger capitalisation stocks and countries, and compelling investment opportunities in smaller markets can be overlooked. Our process aims to exploit these inefficiencies in an attempt to consistently add value for our investors. To this end, we:

- use a combination of top-down and bottom-up research as a means of allocating capital,
- perform detailed bottom-up fundamental analysis on stocks that we own or may consider owning,
- focus on companies with superior growth, strong free cash flow, and solid balance sheets.

The top-down research alone never buys a stock; each investment we make needs to satisfy our bottom-up process in its own right. The ultimate output of the top-down element of our process is to identify countries, sectors and themes that are most likely to enjoy outperformance. We then allocate our bottom-up research resources to focus on these attractive areas.

Our rigorous bottom-up research looks to find companies that offer a rare combination of growth, quality, and value, as empirical evidence suggests that this is a particularly effective way to generate alpha.

- **ESG and Stewardship.** We believe that investing in companies with strong and/or improving ESG credentials will help to produce superior risk-adjusted returns for our clients. ESG failures can also have material impacts on firms' liabilities and ability to maintain their business models and hence impact their valuation. Consequently, we analyse the ESG risks and indeed opportunities associated with every potential investment. Such analysis enhances our understanding of a company and its ability to deliver sustainable long-term shareholder value. We endeavour to understand material ESG issues that have investment ramifications and incorporate them into our valuation process. Our Head of Sustainability and Stewardship has remuneration targets reflecting the inclusion of a ESG risk analysis framework within our investment approach as a firm. Our analysts and portfolio managers in turn have explicit KPIs related to following TT's investment processes, which include the incorporation of ESG risks and opportunities in their investment research.

- **Sell discipline.** Our sell discipline is a critical part of the process and an area of competitive advantage. Knowing when to sell is as important as knowing when to buy. If the price target on our stock has been reached, the investment case has changed, or the company's governance has deteriorated, then we will return to our original thesis and reassess. If the stock cannot be justified at a revised price target, then it will be sold. Put simply, we do not tolerate any passengers in our portfolios.

- **Risk management.** TT's hedge fund heritage ensures that our risk management capabilities are outstanding and are thus able to play an important role in the investment process. Risk reduction is embedded in the philosophy of our funds, as our teams place significant emphasis on balance sheet strength and robust governance. The teams focus heavily on valuation as they believe that stocks that trade at a significant premium to their intrinsic value are inherently risky. ESG factors are considered and analysed separately, as we believe these can constitute material risk factors that require a different set of analytical tools. The focus on all these risk factors is enhanced by the fact that our portfolio managers have a significant portion of their wealth invested in our funds. This helps to ensure that absolute, as well as relative, risk is considered. As well as measuring overall portfolio risk, we also disaggregate tracking error into its components. To this end, our independent risk team produces detailed daily risk reports, which measure stock-specific risk as well as systematic risk factors including market, region, sector, and style. Using these reports and via regular meetings with the Risk and Sustainability and Stewardship teams, the investment team can ensure that a portfolio's risk budget is deployed in the areas where it is intended.

We hold regular ESG risk reviews on our portfolios. We review the holdings with relatively high governance risks including accounting and audit flags, low external ESG scores, stock-specific controversies, and ESG developments. We also calculate the portfolio's weighted average carbon intensity and analyse the companies that contribute most substantially to this metric, as well as their decarbonisation commitments.

- **Ideas Factory.** We are proud to be home to a vastly experienced, talented, and diverse group of investment professionals. Our 'Ideas Factory' consists of 33 investment experts whose collective knowledge can be drawn upon for all our strategies. As mentioned earlier, by providing a collegial environment, clear opportunities for career progression, and powerful incentivisation, we can successfully attract, retain, and motivate these people to help clients achieve their goals. Indeed, many members of our investment team are long-serving; our Portfolio Managers have an average tenure of 7 years at TT.

  Once an idea has been proposed by an analyst, the investment case will be discussed thoroughly amongst the entire team to test the robustness of the analysis and ensure that a portfolio benefits from a wide range of perspectives. Discussions are constructive, supportive, and objective, incorporating robust challenge without 'finger pointing'. Following these discussions, if a portfolio manager feels that a certain issue has failed to be addressed to their satisfaction, the analyst will be asked to revisit the investment case. Thus, research at TT is an iterative process in which an analyst may have to develop their thesis and refine their forecasts several times until this is satisfactory for the portfolio manager. We believe this ensures that our research remains high-quality, ultimately allowing us to achieve our overarching goal of delivering strong risk-adjusted returns for clients.

- **Genuine active management.** We offer only authentically active, high-conviction portfolios with high active share and are comfortable taking large positions well away from the benchmark in our long-only products. As an investment manager that takes significant active positions in our portfolios, we aim to engage with the management of all the companies we own on a regular basis, including on ESG topics. The purpose of such engagement is to ensure that management objectives and expectations are closely aligned with the goals of our clients. We also actively vote on all issues on every stock that we own as long as there is no share blocking. We believe that our active ownership adds value to our investment decisions. Our proxy voting records are shared publicly on a quarterly basis.

- **Capacity disciplined.** We firmly believe that investment performance suffers from diseconomies of scale if assets under management grow too large. To preserve the integrity of our investment process, we limit the capacity in all our strategies to a level that maximises our chances of delivering strong returns for our clients. Being capacity constrained not only enables us to access many small and mid-cap companies where structural mispricing opportunities are often more significant, but it also affords us greater flexibility when addressing losers and taking profits in winners. When a stock has performed well and reached its price target, we will re-evaluate the price target to see if there is any further upside, but we are willing to reallocate capital to better opportunities if there is not. Meanwhile, when stocks are not performing in line with expectations, we will revisit the investment case and work out why the stock is not working. When the investment case is intact, we will happily add to our position, but when it is broken, we will again recycle capital into higher conviction positions. In all cases it is extremely important to remain nimble by being capacity disciplined.

- **Stakeholder consideration.** Our primary goal is to deliver strong risk-adjusted returns for our clients. In pursuit of this objective, we devote a significant amount of time to analysing how potential investee companies treat external shareholders – ultimately our clients – and the rights they afford them. This is part of the reason that we have a specific focus on free cash flow in our investment process. We find it incredibly useful to frame our discussions with management around the use of excess cash generation. For example, do they have high return-on-invested-capital projects, or would they be willing to return the capital to shareholders? A focus on cash allocation promotes an alignment of interests between management and external shareholders. Another example of our integration of stakeholder analysis would be state-owned enterprises (SOEs), where the interests of external shareholders undoubtedly rank lower than those of the government. For this reason, we are less likely to own such companies, as they would need to have a significantly higher hurdle rate to be accepted as a suitable investment and we would require a higher discount rate to compensate for the higher risk. Shareholder rights are also a key consideration in our ESG research; we carefully review companies' track records of treating minorities fairly and the alignment of executive remuneration with shareholders.

  Of course, we are acutely aware that our remit is far wider than simply our duty to clients. We aim to create a positive impact for the companies and countries in which we invest, as well as for wider society. We engage with our investee companies on issues such as environmental externalities and worker rights. We are a certified carbon neutral organisation, having independently measured and offset our carbon footprint by funding methane abatement and peatland restoration/conservation projects in the developing world.

Our Environmental Solutions strategy, which donated one third of its fees to environmental charities, was wound down in August 2025. We nevertheless continued to support several environmental charities with this strategy's fees throughout 2025 – Heal (Rewilding Charity), The University of Western Australia – Oceans Institute, The Global Returns Project, and the Thousand Year Trust. We selected these charities due to their alignment with our fund's mission and their potential for meaningful impact:

- Heal's primary focus is on rewilding and restoring ecosystems so that nature can take care of itself. Heal also aims to promote conservation and economic and community development. In January 2023, Heal acquired its first landholding of 460 acres near Bruton in Somerset, where it will create a new nature reserve. TT International was the largest single donor to the equity for the purchase of the Somerset site.
- The University of Western Australia – Oceans Institute addresses challenges facing the world's oceans, including climate change, marine biodiversity loss, and unsustainable human use. It does this through research innovation and education of future ocean leaders.
- The Global Returns Project aims to channel private investor capital – a significant but largely untapped source of funding – into a selection of the most effective not-for-profit organisations tackling the climate and nature crisis.
- The Thousand Year Trust aims to triple the amount of Atlantic temperate rainforest growing across the UK over the next 30 years from the current assessed 330,000 acres to one million acres.

The crucial importance of active ownership and stewardship to our investment strategies

TT has always placed great importance on engaging with companies and ensuring that their senior management's aims and strategy remain aligned with practices that add value and protect minority shareholders. As a result, engagement has always been integral to the firm's investment processes, and we regularly meet with executive and non-executive directors of companies in which we invest. We engage on strategic and financial matters, as well as on environmental, social, and governance issues.

We believe that high standards of corporate responsibility and responsible business conduct make good business sense and have the potential to protect and enhance investment returns for our clients. By incorporating differentiated and material ESG insights into our analysis, we believe we can generate stronger risk-adjusted returns for our investors. We also believe that responsible investment limits reputational risk for us and our clients.

We integrate ESG considerations into all our long-only products, and our long/short European equity and credit strategies also consider these factors from a financial materiality perspective. We screen our investments on environmental and social factors and analyse corporate controversies and potential violations of the United Nations Global Compact principles. We measure the carbon intensities of our portfolios and engage with the companies that have sizeable emissions and insufficient disclosure or decarbonisation plans. We exclude from our investment universe companies involved in the manufacturing, supply/distribution, stockpiling, and maintenance of cluster munitions, anti-personnel mines, chemical weapons, and biological weapons. Where companies do not commit to mitigating their adverse environmental or social impacts, we can factor this into our investment decisions as a part of our fiduciary duty and to avoid reputational and financial risks. By serving our investors diligently, we believe we fulfil our fiduciary duty to our clients such as pension plans, university endowments, and sovereign wealth funds, thus helping them to fulfil their own responsible investment obligations.

TT's Governance and Resources for Stewardship (Disclosure B)

Governance of TT's stewardship activities

TT International has an ESG Committee, comprised of representatives from across the business – Investments, Risk, Operations, and Compliance – who meet on a monthly basis to update management and the wider business on ESG developments and ensure all ESG issues are being considered, and all our obligations are consistently met. The ESG Committee reports to the Risk, Operations & Compliance Committee, which in turn reports to the Firm's Management Committee.



Resources for TT's stewardship activities

ESG analysis is integrated into the investment process at TT. We have a dedicated Head of Sustainability and Stewardship, Basak Yeltekin, who is a part of the investment team. The Head of Sustainability and Stewardship develops the framework and process to integrate ESG across our products and proactively works with our fund managers and analysts on ESG analysis and company engagement. Before joining TT in 2020, Basak spent six years at Norges Bank Investment Management, the Norwegian sovereign wealth fund, where she worked closely with the Investment teams and senior management to integrate ESG into the investment process. Prior to Norges, she was a portfolio manager at Harvard University's endowment fund, investing in emerging markets in a long/short equity strategy. In 2025, we had certain team changes, including one of our analysts departing for a private credit opportunity, and the other starting his master's degree in Climate Change, Management and Finance at Imperial College Business School. Mubaasil Hassan is continuing to work part-time and is supporting our stewardship work.

ESG integration is primarily carried out by TT's investment analysts; however, our portfolio managers also actively review and analyse ESG issues and themes when making investment decisions. Such analysis enhances our understanding of sectors, companies, and their ability to deliver sustainable, long-term shareholder value. Our Head of Sustainability and Stewardship informs our analysts and portfolio managers on ESG data sources, as well as how to incorporate these factors as we make and review our investments on an ongoing basis. She also informs them about regulatory changes and market developments, including ESG flows and exclusion trends. Finally, she advises the portfolio managers about proxy voting. Our Sustainability and Stewardship team also provides further analysis when we identify significant ESG risks, as well as when we undertake enhanced due diligence on investments in sustainable strategies.

We subscribe to MSCI ESG research and RepRisk, a news controversy screening service. We also receive ESG data and news alerts from Bloomberg as well as thematic research from Bloomberg New Energy Finance, which helps us with our research into environmental topics. We use Institutional Shareholder Services (ISS) for our proxy voting requirements. We subscribe to ISS and Glass Lewis proxy research which helps us better understand company governance, including management remuneration and capital allocation decisions. We use ISS norms-based research to identify and research potential violations of the UN Global Compact Principles and subscribe to ISS-Ethix research on controversial weapons.

ESG SOURCES	
ESG research and data providers	• MSCI ESG • RepRisk • Bloomberg and BNEF • ISS – Norms-based research • Equity research
Proxy voting analysis	• ISS
Business involvement screening	• ISS-Ethix

In February 2023 we became a signatory to the CDP, an international non-profit organisation that helps companies and cities disclose their environmental impact. We use equity research to deepen our analysis on company and sector specific ESG issues. Finally, we also review NGO research on sectors, companies, and their supply chains. We believe that NGOs do invaluable work to shed light on companies' impacts through their operations and supply chains on society.

TT's incentivisation of the workforce to integrate stewardship and investment decision-making

TT's Head of Sustainability and Stewardship, who is a member of the investment team, has remuneration targets reflecting the inclusion of a sustainability risk analysis framework within our investment approach as a firm. Our analysts and portfolio managers in turn have explicit key performance indicators related to following TT's investment processes, which include the incorporation of ESG risks in their investment research. Adhering to TT's investment processes and procedures is a pre-requisite for all employees and is assessed at the semi-annual review process ahead of the more quantitative assessment of investment performance contributions to our clients' portfolios. We believe that robust ESG analysis helps us to evaluate investment opportunities better, identify investments that can capitalise on relevant ESG themes, and avoid companies with hidden liabilities.

Assessing Our Policies and Processes (Disclosure C)

TT's policies are reviewed on at least an annual basis unless there are any regulatory or other developments that would require an ad hoc update to existing policies.

We updated our ESG Policy and Engagement and Voting Policy in 2025 as a part of our annual review. We formally specified additional factors that our investment teams may consider in their assessment such as tariffs, climate lobbying, and audit and accounting quality; we explicitly referenced board independence and diversity whereas we had previously only referred to board composition. We updated our Engagement and Voting Policy to comment on our climate policy advocacy and outline the oversight for climate policy engagement and stewardship.

TT monitors for compliance with our policies and in turn, our regulatory obligations and effectiveness of existing processes via our quarterly Compliance Monitoring Programme. This is a comprehensive monitoring programme comprising a schedule of pre-defined tests and on-going reviews designed to assess whether the business, operational controls, and procedures meet relevant domestic and international standards. The efficacy of TT's policies and procedures is evaluated via this comprehensive programme, as well as internal and external audits. Results are reviewed on a continual basis and escalated to senior management at least on a quarterly basis.

Our senior management signs off on our policies and submissions such as our annual UN PRI report as well as our Stewardship Report. These submissions are always reviewed by our Compliance team. We carefully document our assessments for EU Sustainable Financial Disclosure Regulation (SFDR) and verify compliance with investment guidelines. When reporting positive impact (such as avoided emissions through investee companies' products), we have solely used company-reported data to avoid greenwashing.

Conflicts of Interest (Disclosure D)

Putting our Clients and Beneficiaries First

TT is a limited company wholly owned by Sumitomo Mitsui Financial Group. As part of the group, we consider potential related-party conflicts that could affect the stewardship of our clients' assets. Our policies and procedures provide for these conflicts to be identified and managed appropriately. Conflicts may also arise from staff members' personal interests or our investment management activities such as managing pension scheme assets for listed companies, or exercising voting rights in companies with which TT or its group has other business relationships.

TT's Compliance team reviews activities undertaken by or on behalf of TT to identify potential conflicts and assess whether the controls in place meet regulatory requirements and client expectations. Where an actual or potential conflict is identified, Compliance ensures that appropriate arrangements are in place to prevent or manage it. All employees are required to report potential conflicts to Compliance promptly.

Compliance assesses potential conflicts relating to proxy voting and determines whether they are material, taking account of their potential to influence TT's independent judgement when voting in clients' best interests. Compliance determines how any such conflict should be resolved or mitigated in accordance with TT's voting policy.

Where a material voting conflict is identified, TT manages it in accordance with its voting policy to ensure that clients' interests take priority over those of TT. This may include disclosure to the client of the conflict and TT's voting recommendation, together with seeking the client's consent before proceeding. No such consent has been required to date. Clients may also contact TT about an upcoming vote or potential conflict, with any voting instructions considered and implemented in accordance with TT's voting policy.

For clients affiliated with a publicly traded company, such as that company's pension scheme, TT prohibits investment in the company's shares to eliminate the associated potential conflicts. These restrictions are incorporated into the investment guidelines and coded into the pre-trade compliance controls in our order management and trading platforms. Portfolio managers receive the applicable investment restrictions and remain in regular dialogue with Compliance about their application. Orders that breach these restrictions are prevented from proceeding without Compliance review.

TT's Conflicts of Interest Committee meets quarterly, or on an ad hoc basis where necessary, to review existing and newly identified conflicts and the arrangements for managing them. A written report is prepared and presented to the Management Committee.

Where TT's internal arrangements are insufficient to ensure, with reasonable confidence, that the risk of damage to clients' interests will be prevented, TT discloses the nature and sources of the conflict, together with the steps taken to mitigate it, so that the client can make an informed decision. Any conflict relating to proxy voting is addressed in accordance with TT's voting policy. A copy of TT's Conflicts of Interest Policy is available on request.

During 2025, we continued to monitor potential and actual conflicts of interest through our quarterly Conflicts of Interest Committee, ongoing Compliance oversight and TT's Compliance Monitoring Programme. Staff receive ongoing training on identifying conflicts and their obligation to disclose them promptly to Compliance. The principal types of conflict remained consistent with 2024, with both existing and newly identified conflicts reviewed by the Committee to assess whether the arrangements for managing them remain appropriate. Examples include:

- **Personal relationships:** Staff may have personal relationships with individuals at counterparties or other external service providers, creating a risk that these relationships influence decisions made on behalf of clients. Staff are required to disclose potential and actual conflicts to Compliance so that appropriate controls can be applied. Counterparty selection must be in clients' best interests and comply with TT's Best Execution Policy where applicable. Relevant relationships are subject to ongoing oversight through the Compliance Monitoring Programme.

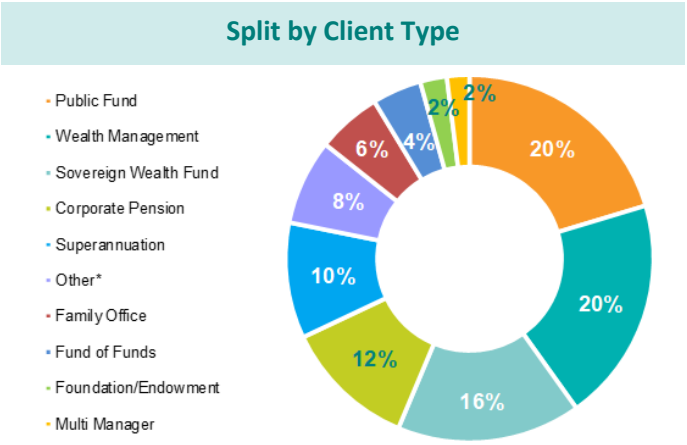
- **Group and related-party relationships:** As part of the Sumitomo Mitsui Financial Group, TT considers potential conflicts involving group entities and their affiliates as part of its established conflicts management framework. These include the risk that a related party is favoured when selecting brokers or other service providers at the expense of clients' interests. TT periodically assesses relevant group relationships, and the Compliance Monitoring Programme reviews dealings with relevant counterparties to ensure there is a bona fide business

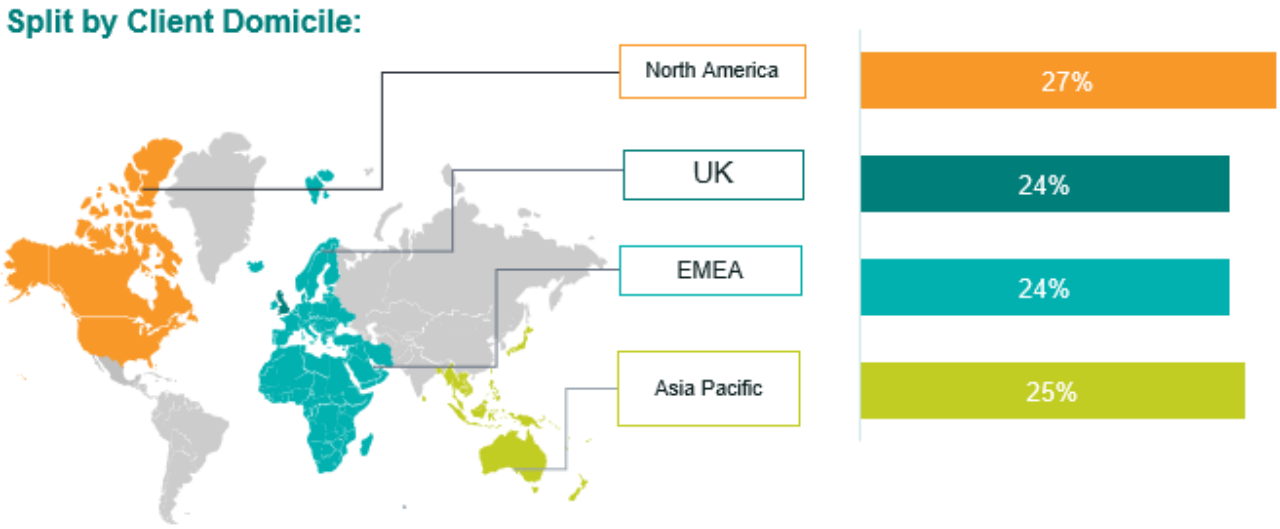
reason for their selection. Selection must be in clients' best interests, with best execution remaining the paramount consideration for brokerage arrangements.

Dialogue with Clients and Beneficiaries (Disclosure E)

Clients

As of 31 December 2025, we managed US$4.96 billion for many of the world's most sophisticated institutional clients, including leading global pension funds, sovereign wealth funds, endowments and foundations, and family offices. Our clients are diverse by both type and geography, as illustrated by the following charts:





We are committed to providing exceptional client service and have built a highly experienced, specialist team to help achieve this. The following information is provided to investors:

- 'Flash' monthly performance email (third business day following month end)
- Detailed monthly/quarterly performance reports (tenth business day following month end)
- Regular thought leadership pieces covering topical issues and investment themes. Topics we visited in 2025 included:
  - *"The end of US exceptionalism and the era of Emerging Markets":* Rob James and Diego Mauro examined how the fading drivers of US exceptionalism, including technology leadership, energy strength and fiscal support, could create a more favourable environment for Emerging Markets,

supported by cyclical tailwinds, structural advantages, attractive valuations, and diversification benefits.

- *"TT Webinar | The end of US exceptionalism and implications for Asia":* Duncan Robertson and Robbie Henderson discussed how Trump's erratic policymaking, rising uncertainty and a weakening dollar could signal the end of US exceptionalism, with potentially significant implications for Asia and regional equity markets.

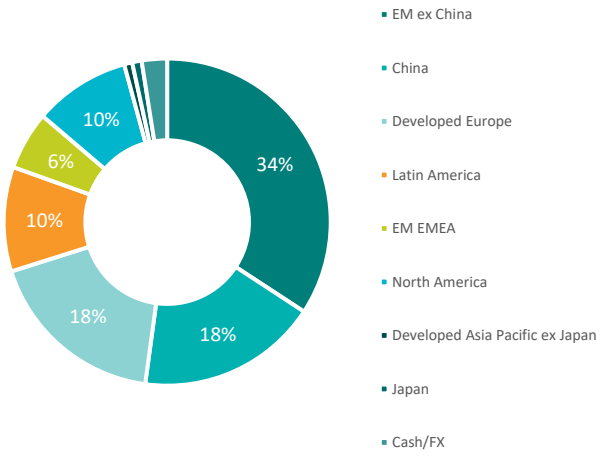
- Quarterly proxy voting data
- Annual strategy ESG reports

We take great pride in the timeliness, scope, and accuracy of our client reporting. We have made a conscious effort to ensure that our reporting is relevant and useful to our clients, incorporating their feedback and bespoke requests wherever possible. We frequently receive positive feedback on our investment reporting. In addition to these reports, we hold regular meetings with our clients – either virtually or face-to-face – to allow them to develop a deeper understanding of key performance drivers and positioning. These meetings usually feature a member of the investment team.

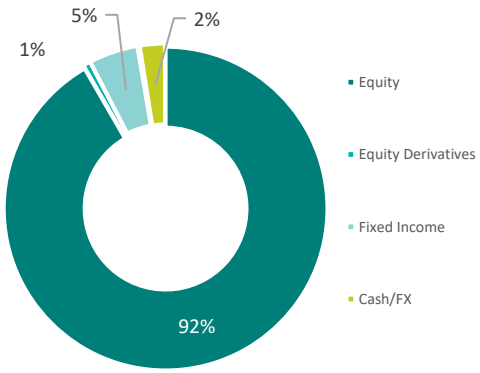
We produce an annual ESG update for our long-only equity strategies; 87 percent of our assets were in long-only equity strategies at the end of 2025. This update covers our ESG activities for the year, selected engagements and outcomes, and any relevant outcomes, carbon metrics and comments on the top contributors to portfolio carbon intensity, voting statistics, and selected vote rationales.

68 percent of our assets under management were invested in emerging markets as of end-2025, with the individual regions outlined below. Emerging Asia ex-China was the largest region at 34 percent of our assets under management. China accounted for 18 percent of our assets, whilst Latin America and Emerging Europe, the Middle East and Africa (EMEA) constituted 16 percent of our assets. The vast majority of our assets were invested in equities and equity derivatives, with a further 5 percent invested in fixed income assets through our EM debt strategy.

Split by Asset Region



Split by Asset Class



Communication of our activities and outcomes

We manage assets for some of the world's most sophisticated institutional investors with long investment horizons. This requires us to understand and correctly interpret the investment implications of ESG issues surrounding our investments, so that we can preserve and enhance our clients' capital. Our investment horizon for our long-only funds is 6 to 18 months, although there are companies that we have held for significantly longer than 18 months in our strategies. The average holding period for our hedge-fund strategies is 4 to 6 months. There will be stocks we hold for two years if the investment is working as expected and there are further milestones, but generally we look for stocks with a clear, near-term catalyst.

We are a signatory to the UN PRI and file a periodic transparency report with the UN PRI where we summarise our ESG policies, practices, and activities. In 2025, we ranked strongly ahead of our peers in ESG integration in both long only and equity and credit hedge funds, as well as policy, governance, and strategy. We saw a marked improvement in our policy score which increased from 70 to 88. Our UK Stewardship Report has also been an important tool in our communication to our clients, including those overseas, who have used it to review our active ownership philosophy, resources, and activities.

We also provide ad-hoc and periodic written reports and assessments to our clients based on their needs and regulatory requirements. Our clients routinely request calls on our ESG integration and specific ESG topics or issues surrounding our investee companies. In jurisdictions where our clients have reporting requirements such as for the Modern Slavery Act of 2018 in Australia, we provide detailed human rights assessments on relevant portfolios and comments on our due diligence efforts on forced labour. We also provide portfolio carbon metrics and company-specific ESG assessments to our investors as requested.

Our client services team is responsible for completing questionnaires from our clients, prospects, and their consultants. In 2025, the team completed over 100 such questionnaires, liaising with various other teams around the business, including our Sustainability and Stewardship team. Most of these questionnaires included sections on ESG and diversity, evidencing continuing client interest in these areas.

Activities and Outcomes Report

Integration Stewardship and Investment (Principle 1)

Signatories integrate stewardship and investment to deliver long-term sustainable value for their clients and beneficiaries.

ESG analysis is integrated into the investment process at TT and is formalised into our investment case template. ESG integration is primarily carried out by TT's investment analysts, but our portfolio managers also actively analyse potential ESG factors when making investment decisions. The Sustainability and Stewardship team supports the investment analysts with additional research and data as required. The final investment decisions lie with the portfolio managers; however, the Head of Sustainability and Stewardship helps to frame ESG issues in terms of financial materiality, potential impact, and timeframe in which they are likely to become relevant. We monitor ESG controversies on a daily and indeed real-time basis and highlight financially material and reputational issues to our investment team.

We endeavour to understand material ESG issues that have investment ramifications and incorporate them into our valuation process. ESG failures can have material impacts on firms' liabilities and ability to maintain their business models and hence impact their valuation. ESG performance can also be a proxy for the quality of management or a factor in the company's risk premium and as such can be integrated into valuation. Salient examples of ESG issues that have financial relevance include corporate governance failures, carbon intensity and changing regulations, environmental liabilities, severe labour or human rights controversies, product liabilities, and corruption, conduct problems, and fraud. Our analysis of ESG risks and opportunities are incorporated into our investment decisions. On the opportunities side, we also actively screen for companies that provide solutions to the world's most pressing environmental and social problems.

TT's approach to integrating ESG factors into our investment analysis includes the following activities:

- **In-depth research, including our proprietary ESG company screen, SDG screen, and ESG checklist**
  We maintain an ESG screen for our portfolios, as well as a single company ESG screen that helps the investment team quickly see how a company ranks versus its sector, and its home market, as well as identifying the most significant ESG controversies and governance risks. We have in-house models to measure our portfolio carbon footprint and corporate governance risks. We monitor significant ESG controversies, as well as ESG ratings changes on our portfolios on a real-time basis. We developed a framework to quantify companies' alignment with the UN Sustainable Development Goals. Our proprietary scoring framework specifically quantifies companies' contribution to the following goals through their operations: No Poverty (SDG 1), Good Health & Well-being (SDG 3), Quality Education (SDG 4), Gender Equality (SDG 5), Industry, Innovation and Infrastructure (SDG 9), Reduced Inequalities (SDG 10), Responsible Consumption and Production (SDG 12), Climate Action (SDG 13), and Peace, Justice and Strong Institutions (SDG 16). We selected these SDGs because we believe that they are most closely aligned with sustainable growth. We are using our SDG framework in addition to our ESG company screen in our engagements with our investee companies.

- **Active ownership (Company/sector engagement and voting)**
  We engage with existing and potential investments to enhance shareholder value. We also strive to vote on all issues on every equity investment as long as there is no share blocking. The information we get from our voting activities is an important tool in our understanding of companies and their alignment with minority shareholders.

- **Collaboration within the investment industry**
  TT collaborates within the investment industry where we have a greater likelihood of achieving meaningful change as a part of a larger group of investors.

Identification of ESG factors that have investment implications

Examples of financially material ESG factors that our investment teams may consider as part of their company and industry analysis include:

- Changes to policy and regulations (e.g. carbon taxes, tariffs)
- Physical climate risk (e.g. extreme weather, flooding, drought, wildfires) and transition climate risk (e.g. decarbonisation strategy and degree of alignment with the Paris Agreement, net zero commitments, climate lobbying)
- Product evolution (e.g. energy-efficient products, nutritional health, access to finance, AI, crypto-currencies)
- Cost and balance sheet implications (e.g. product recalls, environmental and legal liabilities)
- Brand and reputational issues (e.g. poor health and safety record, weak labour practices, cybersecurity and data breaches)
- Artificial intelligence opportunities and risks
- Human rights, labour and supply chain management (e.g. labour relations, human rights, forced labour, child labour)
- Access to raw materials (e.g. biodiversity risks, conflict minerals)
- Shareholder rights (e.g. election of directors, mergers & acquisitions, capitalisation decisions, related party transactions)
- Audit and accounting quality
- Corporate governance (e.g. board composition including independence and diversity, executive remuneration, shareholder rights, bribery and corruption, and board oversight on sustainability)

Promoting Well-functioning Markets (Principle 2)

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

The 2018 "IPCC Special Report on the Impacts of Global Warming of 1.5°C Above Pre-Industrial Levels and Related Global Greenhouse Gas Emission Pathways, In The Context Of Strengthening the Global Response to the Threat of Climate Change, Sustainable Development, and Efforts to Eradicate Poverty" was instrumental in shaping our thinking that climate change and biodiversity loss pose a systemic risk to our lives, as well as to financial markets.

We consider climate change and biodiversity risks as market-wide and systemic because these risks can result in the degradation of life on earth and can also cause involuntary migration, geopolitical strife, loss of food, and pandemics. Pandemics can arguably be linked to biodiversity loss. As biodiversity declines due to deforestation and urbanisation, the risk of pandemics such as COVID-19 increases. As some species go extinct, those that tend to survive and thrive are more likely to host potentially dangerous pathogens that can make the jump to humans[1].

Climate change

The pace of emissions growth decelerated significantly in 2025 vs 2024, with global energy-related CO2 emissions increasing by only 0.4% as per the IEA[2]. Regional trends shifted noticeably in 2025 – for the first time since the 1990s, emissions growth in advanced economies exceeded that of emerging markets. Higher emissions in advanced economies were driven in part by the colder winter, which increased natural gas consumption.

The global electricity mix shifted further toward low-emissions sources, which showed a notable increase in the share of total generation. Renewables accounted for 34% of global electricity generation in 2025 – up from 32% in 2024 and 23% a decade ago—bringing them level with coal, which heretofore was the largest source of electricity.

The IEA noted that renewable energy, nuclear power, electric vehicles, and heat pumps avoided around 3 Gt of CO2, equivalent to roughly 8% of annual global energy-related emissions. These technologies have also displaced more than 35 exajoules of the annual fossil fuel demand, highlighting the growing impact of electrification and low-carbon energy deployment on the global energy system.

Our targeted climate change engagements in 2025 involved 15 companies across 17 separate engagements. These companies accounted for a combined 101 million tonnes of Scope 1 and 2 emissions and had a combined market capitalisation of USD 1.22 trillion as of end-2025, ranging from USD 495 million to USD 281 billion.

Some of the topics we discussed with our investee companies were as follows:

[1] Tollerson, Jeff "Why deforestation and extinctions make pandemics more likely". *Nature*. https://www.nature.com/articles/d41586-020-02341-1.
[2] https://www.iea.org/reports/global-energy-review-2026

- In February 2025, we met with **Pampa Energia** to discuss how the market liberalisation may impact the company's carbon intensity and profitability. Pampa's carbon intensity had been artificially high since legacy assets were not priced on true market rates, and the revenues from electricity production were depressed. Pampa confirmed their belief that carbon intensity will be lower post liberalisation, coupled with a significant reduction in carbon intensity for its E&P business in 2024, primarily due to a shift to shale production, continuing the trend seen in the last two years. Pampa noted that Argentina's power market liberalisation will begin in March 2025 and should be fully implemented by November 2026. However, contracts with CAMMESA, the government-run market operator, will remain in place until 2027-2028, limiting immediate financial impacts. The company also indicated that self-procurement of fuel could improve its emissions profile but remains uncertain about how much it can implement.

- Continuing our CA100+ collaborative engagements, we engaged with **Samsung Electronics** twice in 2025 to get an update on its climate strategy. The company outlined its progress in reducing Scope 1 emissions through operational improvements such as Regenerative Cathode System (RCS) installations, use of alternative gases, and energy efficiency initiatives. It is also in the early stages of supplier emissions mapping and aligning its DX division with SBTi methodologies. Samsung is prioritising near- to mid-term targets over long-term commitments, with a focus on practical integration into business strategy. While challenges remain, particularly around Scope 3 data, partial SBTi validation, and paucity of renewable energy procurement in Korea, the company is actively engaging with policymakers and industry groups to address these barriers.

  Later in 2025, the company noted that its DX division has set an SBTi-aligned Scope 3 target – a 25% reduction by 2030, which is currently awaiting third-party verification. Samsung confirmed Scope 1 & 2 rose 12% in 2024, which was attributed to higher production. Scope 3 also increased, mainly driven by the DS division; Samsung expects power consumption to grow with output and will aim to offset via RECs where available, while not disclosing detailed power forecasts due to commercial sensitivity. Samsung confirmed it remains on track to achieve RE100 by 2027, with overseas sites already sourcing 100% renewable electricity. We also discussed policy advocacy in South Korea. Samsung welcomed the government's more progressive approach to decarbonisation and stated that it continues to call for reforms to facilitate renewable procurement and grid modernisation. The company said it has emphasised to policymakers that expanding renewable energy availability is vital for industrial competitiveness. We were encouraged by the company's confidence in reaching its RE100 commitment and its PPA efforts despite market constraints.

- In June 2025, we met with **Petrobras** as part of our ongoing Climate Action 100+ engagement, focusing on its methane abatement strategy, Scope 3 emissions, and climate leadership potential ahead of COP30. Petrobras provided a detailed update on its methane measurement, monitoring, reporting and verification (MMRV), noting the technical challenges of offshore measurement but outlining active pilots and the deployment of drones and optical gas imaging across offshore assets. The company said its methane plan has received OGMP "Gold Standard" accreditation and, while it has not yet formally reached full Level 4 status, it is implementing the required technology and protocols across sites and progressing towards Level 5. On Scope 3 emissions, Petrobras reiterated the complexity of setting targets, citing market dynamics and regulatory uncertainty; it referenced Brazil's NDCs as the primary mechanism and confirmed it has no immediate plans to set Scope 3 targets, despite increasing its renewables expenditure by 43% and supporting national scenario planning. We also invited Petrobras to participate in PRI in Person and COP30-related investor side events; the company welcomed the invitation and noted it contributes technical input to Brazil's delegations and plays a communications role via the Oil and Gas Decarbonization Charter (OGDC) steering committee. The meeting provided useful insights into Petrobras' methane leadership and climate strategy; we encouraged continued dialogue, particularly on Scope 3 targets and post-2030 ambitions.

- In July 2025, we engaged with **Prestige Estates Projects** to understand and seek clarification on the sharp year-on-year increase in its Scope 2 emissions, which were up more than twelvefold. The company explained that the increase largely reflected electricity consumption attributable to tenants across its commercial portfolio, rather than the group's direct operational footprint. It also noted it was refining its emissions reporting to provide clearer separation between landlord-controlled operations and tenant-related consumption, enabling a more accurate picture of the company's carbon intensity. In its FY25 report, the company provided updated disclosure showing a normalisation of the Scope 2 figure and additionally obtained third-party assurance.

- In January 2025, following our monthly ESG risk review, we identified **IndusInd Bank** as an environmental laggard, with MSCI highlighting its exposure to environmentally intensive industries and related risks. We conducted a benchmarking analysis against Indian banking peers and wrote a letter to the Chair of the CSR Committee. In the letter, we urged IndusInd to implement sector-specific binding policies for high-impact industries, expand its financing exclusion criteria to align with IFC standards, and take steps to advance its green financing targets, which had been on a declining trajectory.

- We met with **Breedon**'s CFO to discuss the company's strategy, market outlook, decarbonisation plans, and broader sustainability considerations across its UK, Irish, and US operations. In discussing the company's decarbonisation strategy, management highlighted two key levers for reducing emissions: replacing fossil fuels with alternative fuels and increasing the use of supplementary cementitious materials (SCMs), including limestone and potentially calcined clay. Breedon noted that its Irish cement plant already operates with very high alternative fuel substitution rates, averaging in the low 80% range, and is targeting the elimination of fossil fuels over time. The company has also invested in on-site solar generation, which can supply up to 100% of the plant's electricity needs at certain times and approximately 20% on average over a year.

  We discussed carbon capture, utilisation and storage (CCUS), particularly the Peak Cluster project in the UK. Management views carbon capture as a critical component of the long-term decarbonisation pathway for the cement industry and highlighted recent progress, including the project's entry into the FEED phase and support from the UK National Wealth Fund. Breedon stressed that the development of carbon transport and storage infrastructure remains essential, noting that carbon capture investments are only viable if storage solutions are available. The company also emphasised the importance of regulatory clarity around carbon border adjustment mechanisms (CBAM) in both the UK and Europe.

  The conversation also covered sustainable construction materials and their role in reducing clinker intensity. Management expects greater use of alternative cementitious materials over the coming years and believes these technologies will be increasingly important in delivering lower-carbon cement products.

We subscribe to the MSCI Climate Value-at-Risk data and research and use the information in our analyses. We internally discuss the climate scenarios that are utilised by MSCI and regularly assess which ones are most aligned with our perspectives on renewables penetration. We also have an internal real-time carbon measurement tool which calculates the weighted average carbon intensity of our long-only strategies vis-à-vis their benchmark.

TT also seeks to make an impact in relation to our organisation's carbon footprint. As such, we have had our market-based carbon footprint independently calculated and assessed by an external body – Carbon Footprint Ltd – and have chosen to offset it.

In 2025, our carbon footprint was 16.5 percent lower year-on-year at 641 tonnes of CO_2e, 69% of which was from air travel. We chose to offset our carbon footprint through four projects in Türkiye, Bangladesh, and Indonesia that also fulfil several of the United Nations' Sustainable Development Goals:

- **Bursa-Hamitler Landfill Gas Collection and Energy Utilisation Project, Türkiye (385 tCO_2e):** This Gold Standard project captures methane generated from the decomposition of municipal solid waste at the Hamitler landfill in Bursa Province and uses it to generate renewable electricity. Prior to the project, landfill gas was released directly into the atmosphere. The project now collects and combusts this potent greenhouse gas, significantly reducing emissions while supplying clean electricity to the Turkish national grid and displacing fossil fuel-based power generation. Additional benefits include improved local air quality, reduced fire and explosion risks associated with landfill sites, and the creation of local employment opportunities. This project supports SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action).

- **Reducing Gas Leakages within the Jalalabad Gas Distribution Network, Bangladesh (85 tCO_2e):** This Verified Carbon Standard (VCS) project reduces fugitive methane emissions from the natural gas transmission and distribution network in the Jalalabad region of Bangladesh. By introducing an advanced Leak Detection and Repair (LDAR) programme, the project identifies and repairs thousands of leaks that would otherwise release methane into the atmosphere. Alongside reducing greenhouse gas emissions, the project improves local air quality, conserves valuable resources, enhances safety, and provides skilled employment and technical training for local workers. This project supports SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action).

- **Reducing Gas Leakages within the Karnaphuli Gas Distribution Network, Bangladesh (44 tCO_2e):** This Verified Carbon Standard (VCS) project focuses on reducing methane emissions from the Karnaphuli Gas Distribution Company Limited network in south-eastern Bangladesh. Using advanced leak detection technologies and modern repair methods, the project prevents the release of methane, a greenhouse gas significantly more potent than carbon dioxide, whilst conserving natural gas resources that would otherwise be wasted. The initiative also builds local technical capacity through training programmes and improves the safety and reliability of gas infrastructure. This project supports SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action).

- **Katingan Peatland Restoration and Conservation Project, Indonesia (128 tCO_2e):** Located in Central Kalimantan, Indonesia, this Verified Carbon Standard (VCS) REDD project protects and restores 149,800 hectares of tropical peatland forest, one of the largest remaining intact peat swamp forests in the world. The project prevents deforestation, peat drainage and fires, thereby avoiding significant greenhouse gas emissions while conserving critical habitats and biodiversity. It also works closely with local communities to develop sustainable livelihoods, reduce poverty and strengthen resilience to environmental and economic challenges. This project supports SDG 13 (Climate Action) and SDG 15 (Life on Land).

In choosing these projects, TT's Environment Working Group prioritised initiatives that combine measurable climate impact through methane abatement and biodiversity protection.

In addition to offsetting our carbon footprint, we contributed to tree planting efforts in the United Kingdom in Peterborough, which is one of the most biodiversity depleted areas in England.

Following discussions with the UN PRI in August 2023, we have become a signatory to the Net Zero Asset Manager Initiative. This initiative asked the signatories to:

- Work in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions by 2050 or sooner across all AUM,
- Set an interim target for the proportion of assets to be managed in line with the attainment of net zero emissions by 2050 or sooner, and
- Review the interim target at least every five years, with a view to ratcheting up the proportion of AUM covered until 100 percent of assets are included.

In August 2024, we submitted an interim target for the year 2030, consistent with a fair share of the 50 percent global reduction in CO2 identified as a requirement in the IPCC special report on global warming of 1.5°C. Initially we aimed for net zero in our sustainable mandates (Sustainable EM, Global SMID, and Environmental Solutions strategies). We will work with our asset owners that are invested in non-sustainable strategies that have adopted a net zero target. We anticipate that the total AUM for our sustainable funds and assets managed for clients with net zero targets will reach 51.3 percent of the total AUM under our long-only equity strategies by 2030. Our 2030 target is that 50.5 percent of the AUM for our sustainable funds and assets managed for clients with net zero targets will have adopted science-based targets. In line with this objective, we systematically review the largest emitters in our portfolios and engage with them on climate change. We are in the process of updating our targets following the relaunch of the initiative and changes to our equity strategies.

We formally support the Task Force on Climate-related Financial Disclosures (TCFD), and in June 2025 we completed our second TCFD report which covers TT's governance, strategy, risk management for climate change risks and opportunities, and metrics and targets.

Biodiversity loss

Biodiversity is the total variety of life on earth. WWF's 2026 Living Planet Report estimates that the planet's wildlife populations have declined by 73 percent since 1970 – a staggering loss in half a century. Live coral reefs have nearly halved in the past 150 years, while more than a third of fish stocks are over-exploited and 22 percent of wetlands have been lost since 1970. The concern is that tipping points are approaching and may result potentially in irreversible change.

Biodiversity is commonly said to underpin the world economy. As the Dasgupta Review on the Economics of Biodiversity asserts, "our economies, livelihoods and well-being all depend on our most precious asset: Nature." Biodiversity loss threatens the health of ecosystems that provide services to the economy such as animal pollination of food crops, natural water treatment, and fertile soil. Biodiversity loss also accelerates climate change. Deforestation alone is responsible for just over 10 percent of global greenhouse gas emissions. Healthy ecosystems absorb large amounts of carbon, mitigating the climate-changing effects of greenhouse gases. Furthermore, human disturbance of ecosystems and biodiversity loss are increasingly linked to the occurrence and spread of zoonotic diseases according to the World Health Organization.

The Dasgupta report also points out that "far more global support is needed for initiatives directed at enhancing the understanding and awareness among financial institutions of Nature-related financial risks, learning and building on

the advances on climate-related financial risks." Therefore, in 2021, we endorsed the Taskforce on Nature-related Financial Disclosures (TNFD). As a global asset manager with the vast majority of our investments in emerging markets, we consider biodiversity loss to be a systemic risk and one that can exert a disproportionate impact on people and businesses in the countries we invest in. We believe that responsible investors have a vital role to play in helping to mitigate the biodiversity crisis by channelling capital towards companies protecting against ecosystem destruction and engaging with companies on their impacts on nature. We believe TNFD can provide a useful framework for companies to report on biodiversity and investors to identify these risks and opportunities.

We had 5 targeted engagements on biodiversity in 2025. Some of the other biodiversity topics we discussed with our investee companies and prospective investments were as follows:

- In our second Nature Action 100 meeting with **Vale**, a global miner and producer of iron ore, we discussed the board's expertise on nature, nature-linked targets in executive pay, and how the company handles community grievances.
- We asked **Smurfit Westrock**, a provider of sustainable packaging solutions, about the impact of its monoculture plantations on water quality and availability in Colombia and the toxic discharge water monitoring at the Westrock mills.
- We discussed with **Grupo Mexico**, a Mexican holding company engaged in mining, transportation, and infrastructure development, the challenges of setting biodiversity target baselines at its older sites for its TNFD reporting and the impact of drought in northern Mexico on its reforestation efforts.
- We met with **Zijin Mining**, a Chinese mining company, to follow up on its biodiversity management plans, which now cover 91% of its sites, up from 66% in 2023.
- Through Nature Action 100, we discussed with Inner Mongolia Yili, a Chinese dairy company, its progress on its 2030 zero-deforestation commitment for paper, soy, and palm oil. We encouraged the company to adopt a formal policy for dairy suppliers, which repeatedly fail to comply with its standards.

In 2025, we continued the Nature Action 100 collaborative engagements with Grupo Mexico, Vale, Zijin Mining, and Inner Mongolia Yili. Nature Action 100 is a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss. The initiative engages companies in key sectors that are deemed to be systemically important in reversing nature and biodiversity loss by 2030. Our team prepared detailed assessments of each of the companies, and we are an active participant in all these engagements.

TT's investment strategy in response to identified systemic risks

We incorporate these aforementioned systemic risks into our investment due diligence and also leverage our expertise in thematic investing to include related investment opportunities as appropriate. For example, in our Global SMID strategy, we seek to invest in a diversified portfolio of small- and mid-cap companies which present the opportunity for long-term growth within the environmental (including solutions for climate change and biodiversity loss), technological, demographic and sociological, top-down, and opportunistic global themes.

Engagements (Principle 3)

Signatories engage to maintain or enhance the value of assets.

Engagement is a cornerstone of our stewardship activities. We primarily engage with companies through meetings with management. Members of the investment team regularly have one-on-one meetings with senior management or investor relations of companies across our investment universe. The purpose of such engagement is manifold, including to:

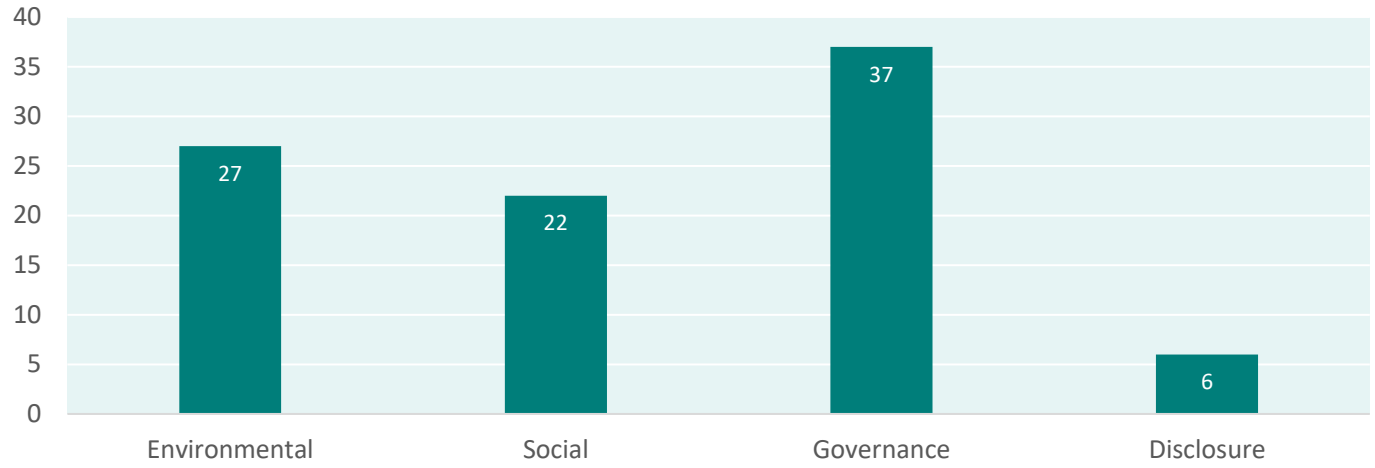
- Understand the competitive environment in which a company operates
- Assess the alignment of management goals and strategy with those of minority shareholders
- Understand key drivers of growth
- Understand a company's risks and vulnerabilities

We prioritise our stewardship activities on the basis of heightened financial and reputational risk and the size of our investments, including where we are amongst the largest investors in a company. We also engage with our investee companies to help them improve their ESG disclosure and market perception. We meet with the chair or other board members and, on occasion, write letters to companies to raise our concerns. Our analysts work with the Head of Sustainability and Stewardship on these targeted ESG engagements.

We track our targeted ESG engagements internally including the outcomes. In 2025, we had 71 targeted ESG engagements across 61 companies. Some of our engagements focus on a single topic, whilst others cover a multitude of ESG issues. It is important to stress that we raise ESG issues during our company engagements more widely; however, the targeted engagements are those where there is a significant ESG risk facing the company and where we need to understand the company's handling of this risk.

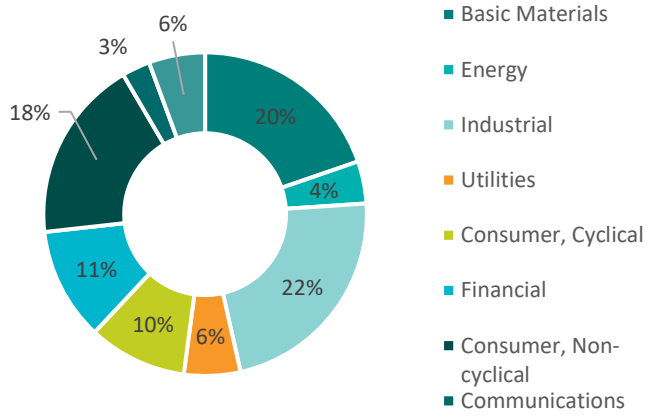
In 2025, 38 percent of our engagements covered an environmental topic, whilst 28 percent discussed a social issue, and 61 percent featured governance topics. Disclosure was also an important topic with 8 percent of engagements touching upon it, we continue to work constructively with our investee companies to improve their disclosure. We believe our companies and the market as a whole benefit from improved non-financial disclosure as investors and market participants continue to pay attention to this area.

Targeted engagements by theme (number of engagements)

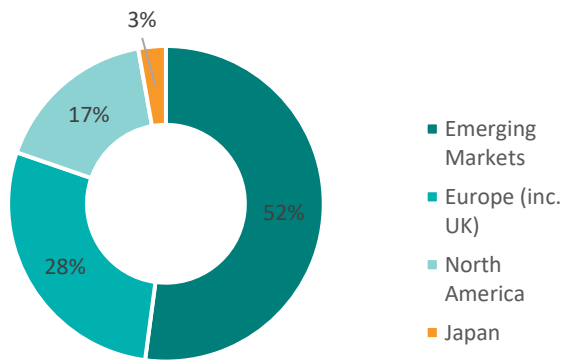


Our thematic engagements are prioritised according to our broader assessment of ESG risks. In 2025, we continued to prioritise climate change, biodiversity, and human rights in our engagements. As discussed earlier, we identify climate change and biodiversity loss as market-wide and systemic risks and therefore prioritise engaging on these topics. On human rights, companies have a responsibility to respect and uphold these fundamental rights in their own operations as well as their supply chains in line with the UN Guiding Principles on Business and Human Rights, and therefore, as responsible investors, we prioritise engaging with companies on this important topic.

Targeted ESG engagements by sector



Targeted ESG engagements by region



We measure the outcomes of our engagements as satisfactory, monitoring, or not successful. In 2025, there were 6 companies (10 percent of all companies within our targeted engagements) where we did not get a satisfactory response to our engagement. We fully exited our investment in three of these companies due to ESG-related concerns. For the

remaining three, we did not deem the lack of responsiveness or the unsatisfactory response to be sufficiently problematic to warrant exiting in the short term. These are discussed further under "Escalation of our Stewardship Activities".

Selected ESG engagements by themes

We include some of our targeted engagements in the table below, including the topic raised and the number of targeted engagements that focused on this topic. As discussed in the foreword to this report, human rights (12 engagements), climate (11 engagements), and general governance (9 engagements) – drove a substantial number of our engagements in 2025. Other important topics were management change with six engagements and biodiversity with five engagements.

Category	Issue	Engagements per issue	Example engagement	Topic raised
E	Biodiversity	5	Vale SA	Nature targets in executive pay and nature expertise of the board
	Climate	11	Samsung Electronics	Scope 1 and 3 emissions targets and renewable procurement
	Environmental Degradation	1	Zijin Mining Group	Biodiversity management plans; riverine tailings disposal at Porgera (JV with Barrick)
	Environmental Impact	2	Capstone Copper Corp	ISO 14001 certification and air pollutant and waste targets
	Environmental Policies	2	IndusInd Bank	Significant exposure to environmentally intensive industries
	Green Capex	6	Balfour Beatty PLC	Investment in the UK's energy transition infrastructure
	Reforestation	1	Pan African Resources PLC	Rehabilitation of the Vlakfontein Gold Tailings Mine
	Waste	2	Capstone Copper Corp	New 2028 waste target and approach to tailings management
	Water	4	Smurfit Westrock PLC	Water impacts of plantations and mill discharge quality
S	Public Health	2	British American Tobacco PLC	Progress of reduced risk products business segment
	Indigenous People	2	Capstone Copper Corp	Adoption of Free, Prior and Informed Consent standards
	Community Relations	4	Vale SA	Community representation and grievance mechanisms at sites
	Health and Safety	3	Axia Energia	Structural safety of Colider Hydroelectric Plant
	Human Rights	10	BYD Co Ltd	Human rights due diligence and forced labour
	Child Labour	1	Endeavour Mining PLC	Allegations of child labour at Senegalese mines
	Russia/Ukraine	1	Anadolu Efes	Exposure to Russian operations
G	Accounting	1	Savannah Energy PLC	Auditor opinion
	Anti-Corruption	1	Entain PLC	Management changes following Turkish bribery case
	Anti-trust	2	CVS Group	Competition and Markets Authority investigation
	Board Independence	1	Robinsons Land Co	Board independence following director resignations
	Cybersecurity	1	Marks & Spencer Group PLC	Cyber attack and remedial measures
	Dividend policy	5	Johnson Electric Holdings	Capital returns
	Ethics	2	BWX Technologies Inc	Extent of involvement in nuclear weapons manufacturing
	General Governance	9	SK Square Co Ltd	Implications of Korean Corporate Governance Reform
	Legal Liabilities	3	Lloyds Banking Group PLC	Legal liabilities from UK motor finance
	M&A	2	Samsung Biologics Co Ltd	Bioepis spin-off to separate CDMO from biosimilars
	Management Change	6	Maplebear Inc	Management succession following COO and CTO departures
	Product Liabilities	1	Stifel Financial Corp	Lawsuit appeal over misrepresented structured notes
	Remuneration	3	Inner Mongolia Yili	Sustainability KPIs in senior management incentives
	Shareholder Rights	3	HD Hyundai	Retiring treasury stock and improving shareholder returns

ENVIRONMENT

In January 2025, our risk review flagged **IndusInd Bank** for its significant exposure to environmentally intensive industries. After benchmarking the bank against its Indian peers, we wrote to IndusInd urging it to adopt binding, sector-specific policies for high-impact industries, expand its financing exclusion criteria in line with IFC standards, and advance its green financing targets. The bank acknowledged our letter; however, did not send any further feedback from its sustainability team as promised.

We met with **Pampa Energia** in February 2025 to discuss how the market liberalisation may impact the company's carbon intensity and profitability. Pampa's carbon intensity had been artificially high since legacy assets were not priced at true market rates, and the revenues from electricity production were depressed. Pampa confirmed their belief that

carbon intensity will be lower post liberalisation, coupled with a significant reduction in carbon intensity for its E&P business due to a shift to shale production, continuing the trend seen in the last two years. Pampa noted that Argentina's power market liberalisation will begin in March 2025 and should be fully implemented by November 2026. However, contracts with CAMMESA, the government-run market operator, will remain in place until 2027-2028, limiting the immediate financial impacts. The company also indicated that self-procurement of fuel could improve its emissions profile but remains uncertain about how much can be implemented.

We engaged with **Capstone Copper** in March 2025, noting that MSCI had highlighted the company's environmental risk management as lagging behind industry leaders, particularly in areas like ISO 14001 certification and mitigation of environmental impacts from air, water, and waste emissions. The company explained it is prioritising Copper Mark certification over ISO 14001, citing the former's broader coverage and annual third-party audit requirements. Capstone is developing a sustainability roadmap aligned with Canadian Sustainability Disclosure Standards 1 and 2 and considering participation in CDP and SBTi. On water use, Capstone remains on track to meet reduction targets despite a temporary rise in freshwater intensity and is setting site-specific goals. At its Cozamin mine, where activities had been linked to micro-seismic impacts, the company changed its mining methods and separately introduced a new health and safety system that links safety performance to compensation across all levels of the organisation.

In March 2025, our ESG review of **Kurita Water** Industries found that the company had been fined ¥236 million for violations of environmental laws and regulations. We engaged with the company to better understand the nature and circumstances of the penalty. Kurita Water explained that in Korea it produces more than 1,000 tons of chemicals per year which it is required to report in advance. However, the firm's local subsidiary failed to do this, resulting in an administrative punishment and a fine. The company has appointed a management officer and it is taking appropriate action on the matter.

We met with **Breedon**'s CFO to discuss the company's strategy, market outlook, decarbonisation plans, and broader sustainability considerations across its UK, Irish, and US operations. A significant portion of the discussion focused on the company's decarbonisation strategy. Management highlighted two key levers for reducing emissions: replacing fossil fuels with alternative fuels and increasing the use of supplementary cementitious materials (SCMs), including limestone and calcined clay. Breedon noted that its Irish cement plant already operates with very high alternative fuel substitution rates, averaging in the low 80 percent range, and is targeting the elimination of fossil fuels over time. The company has also invested in on-site solar generation, which can supply up to 100 percent of the plant's electricity needs at certain times and approximately 20 percent over a year.

We discussed carbon capture, utilisation and storage, particularly the Peak Cluster project in the UK. Management views carbon capture as a critical component of the long-term decarbonisation pathway for the cement industry and highlighted recent progress, including the project's entry into the FEED phase and support from the UK National Wealth Fund. Breedon emphasized that the development of carbon transport and storage infrastructure remains essential, as carbon capture investments are only viable if storage solutions are available. The company also emphasised the importance of regulatory clarity around carbon border adjustment mechanisms (CBAM) in both the UK and Europe.

The conversation also covered the role of sustainable construction materials in reducing clinker intensity. Management expects greater use of alternative cementitious materials over the coming years and believes these technologies will be increasingly important in delivering lower-carbon cement products.

Continuing our CA100+ collaborative engagements, we engaged with **Samsung Electronics** twice in 2025 to get an update on its climate strategy. The company outlined its progress in reducing Scope 1 emissions through operational improvements such as Regenerative Cathode System (RCS) installations, use of alternative gases, and energy efficiency initiatives. It is also in the early stages of supplier emissions mapping and aligning its DX division with SBTi methodologies. Samsung is prioritising near- to mid-term targets over long-term commitments, with a focus on practical integration into business strategy. While challenges remain, particularly around Scope 3 data, partial SBTi validation, and paucity of renewable energy procurement in Korea, the company is actively engaging with policymakers and industry groups to address these barriers.

Later in 2025, the company noted that its DX division has set an SBTi-aligned Scope 3 target – a 25% reduction by 2030, which is currently awaiting third-party verification. Samsung confirmed Scope 1 & 2 rose 12% in 2024, which was attributed to higher production. Scope 3 also increased, mainly driven by the DS division; Samsung expects power consumption to grow with output and will aim to offset via RECs where available, while not disclosing detailed power forecasts due to commercial sensitivity. Samsung confirmed it remains on track to achieve RE100 by 2027, with overseas sites already sourcing 100% renewable electricity. We also discussed policy advocacy in South Korea. Samsung welcomed the government's more progressive approach to decarbonisation and stated that it continues to call for reforms to facilitate renewable procurement and grid modernisation. The company said it has emphasised to policymakers that expanding renewable energy availability is vital for industrial competitiveness. We were encouraged by the company's confidence in reaching its RE100 commitment and its PPA efforts despite market constraints.

We spoke to **Balfour Beatty** about the energy transition as a major long-term growth driver, particularly in power transmission, nuclear, carbon capture, hydrogen, and related enabling infrastructure. The company explained that a key area of growth is power transmission and distribution. National Grid plans to build approximately five times more transmission lines, creating substantial demand for new infrastructure, and Balfour Beatty is already well positioned in this market and involved in early-stage works such as design and site clearance. Many projects are still in Phase 1, and as these projects move into full construction, this will likely have a meaningful positive impact. The company also discussed carbon capture and storage (CCS) as a major opportunity. Balfour Beatty is involved in Net Zero Teesside, a project valued at approximately £800 million to £1 billion over three to four years. Beyond Net Zero Teesside, the company sees further CCS opportunities across the UK's three main industrial clusters: Teesside, Humberside, and the North West.

In June 2025, we met with **Petrobras** as part of our ongoing Climate Action 100+ engagement to discuss its methane strategy and Scope 3 emissions ahead of COP30. The company gave an update on its methane measurement and monitoring, including the use of drones and optical gas imaging at its offshore assets. Its methane plan has received the Oil and Gas Methane Partnership's "Gold Standard" accreditation. Petrobras has increased its renewables budget by 43% but said it has no immediate plans to set Scope 3 targets, citing market and regulatory uncertainty. We will continue to encourage it to develop these targets and post-2030 climate ambitions.

SOCIAL

Human Rights, Forced Labour, and Child Labour

Following reports of forced labour during the construction of **BYD**'s Brazilian automobile factory involving its subcontractor Jinjiang Construction, we sent our questions on human rights due diligence to the company as per their request. BYD terminated its contract with Jinjiang Construction. BYD also stated that it had previously conducted a detailed review of the working and living conditions for subcontracted employees and had asked Jinjiang to make improvements on several occasions. It temporarily hired the Brazilian subcontractor Sepeng Engenharia to oversee the regulation of safety standards, install rest areas, improve site signage, and ensure local employment. BYD restructured worker accommodations, providing a new cafeteria and fully equipped rooms with air conditioning to ensure a better and safer living environment for all employees. Importantly, it also facilitated the return of 167 workers to China whose passports were confiscated, providing financial compensation. Finally, a dedicated compliance committee was formed in response to this incident, consisting of BYD employees, legal professionals, labour law experts, and external consultants, and tasked with ensuring full adherence to labour laws and regulations.

In response to our questions following the Camacari incident where its subcontractor was found in violation of labour laws, BYD provided an update in May on its human rights due diligence, particularly regarding suppliers and subcontractors. The company confirmed that 100% of its Tier 1 suppliers undergo human rights assessments and noted that its 2,474 onsite audits (~18% of supplier base) in 2024 resulted in a 23% downgrade rate in suppliers for new project eligibility, indicating active enforcement of standards that lead to material consequences for suppliers. BYD strengthened its recruitment policies which now explicitly prohibit pay deposits, recruitment fees, and retention of identification documents. We asked about the scope of human rights training, which BYD confirmed is mandatory for all employees. Although it did not confirm whether this training extends to suppliers, contractors, or part-time workers, BYD does promote its human rights expectations to suppliers through conferences and exchanges. The company also plans to launch supply chain ESG management training for procurement personnel.

After **Infineon Technologies** scored poorly in the Know the Chain human rights benchmark, we engaged with the company in April 2025 to understand how it works to prevent forced labour in its supply chain. Infineon gave strong, transparent responses on its approach to supply chain due diligence. It explained that it uses a risk-based framework to audit its Tier 1 suppliers each year, including onsite audits by third parties under the Responsible Business Alliance's process. After its value chain in Malaysia and Singapore was flagged for high recruitment fees linked to bonded labour, Infineon began auditing local service providers that employ migrant workers at its Malaysian site. The company confirmed that its no-recruitment-fees policy is built into its Supplier Code of Conduct and enforced through contracts, audits and monitoring. Its whistleblower hotline is open to all supply chain workers in several regional languages, and it discloses human rights KPIs. We were satisfied with the company's overall approach to responsible sourcing and human rights.

We engaged with **Endeavour Mining** in November 2025 on the allegations that the company (as well as other mining companies operating in Senegal) employs children in the mines. We had reviewed the company’s policies and the Modern Slavery Statement and had not come across any specific risk exposures, as it does not buy from artisanal miners, has robust human rights policies in place, and did not have any reported modern slavery or child labour incident in 2024, but still enquired about this issue. We deemed the company’s response to be very comprehensive and satisfactory. The company explained that they respect the minimum working age and require all employees to present their ID. Its contractors and suppliers are also required to comply with all of Endeavour’s policies, which are enforced through regular audits.

Health and Safety

In October 2025, we discussed dam safety with **Axia Energia**, as well as the improvement in government relations. Axia's 300 MW capacity Colider dam was put under an environmental and structural alert, and the public prosecutor filed for a preliminary injunction requiring Axia / Copel to submit a decommissioning plan within 120 days as a precaution. In that motion, they also demanded a cautionary guarantee of R$200 million to assure reparations for current and potential future damages. Hydro plants are much safer than tailings dams, but it was still helpful to understand the financial ramifications for the company. The company's relationship with the government under its new leadership has significantly improved, and this gave us confidence in terms of the investment thesis.

GOVERNANCE

Shareholder Returns and Capital Allocation

We engaged with **HD Hyundai** about the cancellation of the 10%+ treasury shares. We wrote to HD Hyundai in November 2025 asking that it retire the existing treasury stock as soon as possible and potentially raise the dividend payout. We suggested that the company commit to a holding company discount target of 30 percent in its value-up programme and include it in executive remuneration as a key performance indicator. We also encouraged more ambitious official shareholder return targets at its core subsidiaries.

We had met with **SK Square** in June 2025 during their London roadshow to discuss the Korean corporate governance reform, implications for listed companies, and specifically, the next steps for SK Square to reduce its NAV discount beyond what had been achieved thus far. We sent the company a letter following the publication of its Value-up Plan in November 2025 where we encouraged the company to ramp up its share buybacks to achieve its ambition to reduce the holding discount to 30%.

In January 2025, we followed up with **Johnson Electric**, a Hong Kong-listed maker of motors and motion systems, on our earlier discussions about improving shareholder returns. At the CFO's request, we met to discuss the balance between dividends and share buybacks. We proposed a moderate increase in returns while keeping a strong net cash buffer. The company said it preferred to keep dividends stable, but it did not commit to increasing shareholder returns and cited macroeconomic uncertainty and US tariffs. We also suggested linking management remuneration to total shareholder returns; however, the company did not seem receptive to our suggestion. Because the company's response fell short of our expectations, we reduced our position in the company and later exited.

In July 2025, we met with the CFO of **Robinsons Land**, a Philippine property developer, to discuss board independence and shareholder returns. Only two of its nine directors were independent after two resignations from the audit and risk committees. The company said this was temporary and that it is looking for new directors with strong audit or governance backgrounds. We recommended that it disclose attendance at its audit, governance and risk committee meetings, and the CFO agreed to raise this with the company secretary. We also encouraged the company to consider share-based pay to better align management with shareholders. On shareholder returns, Robinsons Land said there is some scope to raise its dividend payout, balanced against significant capital spending needs.

In September 2025, we engaged with **Minor International**, a Thai hospitality and restaurant group, on how it could unlock more value for shareholders. We believe the company has strong brands that the market undervalues, and we encouraged it to speed up its move to an asset-light model. This would include more asset sales and a larger planned real estate investment trust (REIT). We suggested using the proceeds to reduce debt and buy back shares. Since assets can be sold at higher valuation multiples than the company's own shares trade at, this would create value for

shareholders. We also noted that a short-term fall in revenue or profit would be acceptable if the strategy delivers higher earnings per share.

Litigation

We engaged with **Lloyds Bank** on conduct and consumer protection risks arising from motor finance litigation. Management noted that the Supreme Court judgment in August 2025 removed several of the most severe downside scenarios, although uncertainty remained around the FCA's proposed redress scheme. Key variables include whether the scheme extends back to 2007 or 2014, whether compensation is delivered proactively or only following customer claims, and how the FCA defines a fair commission level. Lloyds currently holds a provision of approximately £1.15 billion and expects any further adjustment to be manageable in the context of the group, with greater clarity likely once the FCA finalised its approach. From an ESG perspective, the issue remains an important test of customer fairness, governance, and remediation processes.

In March 2025, we engaged with **Stifel Financial**, a US wealth management and investment banking firm, after it was ordered to pay $132.5 million in a case over misrepresented structured notes, alongside around $20 million in losses claimed by 16 other families. Stifel confirmed it is appealing the judgment, particularly the punitive damages, and expects the process to take up to a year. When we asked why the claims had not been disclosed earlier, the company explained that the potential losses had not been considered probable or estimable at the time. Stifel said it will set aside provisions for potential damages in its upcoming quarterly reports and highlighted its compliance framework, including staff retraining.

Strategy

In June 2025, we engaged with **Samsung Biologics**, a South Korean biopharmaceutical manufacturer, on its planned spin-off of Samsung Bioepis into a new holding company, Samsung Epis Holdings. The company explained that the spin-off will separate its contract manufacturing business from its biosimilar development, to avoid potential conflicts of interest as it expands partnerships with global pharmaceutical companies. Samsung Biologics confirmed that the timing is unrelated to political developments, and that management responsibilities after the spin-off will be divided in line with Korean regulations. We were satisfied with its responses on the structure, rationale, and governance of the spin-off.

We discussed with **Dalata** its strategic review, which was initiated following continued shareholder frustration with the company's valuation despite substantial capital returns. Management explained that, despite introducing dividends in 2023 and returning approximately EUR 100 million to shareholders through dividends and share buybacks over the previous 12 months, the company's share price still failed to reflect the underlying value of the business, and this prompted the board to launch a strategic review to determine how they should maximise shareholder value. Management emphasised that the review considered two potential outcomes: a sale of the company or a significantly larger share buyback. They stressed that there is no preferred outcome from a management perspective and that the process was conducted with a strong focus on governance. Although management would like to continue leading the business, they acknowledged the importance of avoiding conflicts of interest and confirmed that any decision would be based solely on what delivers the greatest value for shareholders. We understood that the process was being run in a disciplined and transparent manner, with clear communication to stakeholders and an emphasis on completing the review as quickly as possible to minimise uncertainty for employees. Overall, management reiterated that the business continued to generate strong cash flow, providing flexibility to support whichever strategic outcome best enhances long-term shareholder value. The company's acquisition by a consortium was announced in July and closed in November 2025.

Management Changes

In May 2025, we engaged with **nVent Electric**, a provider of electrical connection and protection solutions, on its strategy for supplying liquid cooling for AI data centres and on recent changes to its senior management. nVent explained that it positions itself as a specialist liquid cooling partner to hyperscalers, supported by an installed base of more than 1GW, and plans to grow organically rather than through acquisitions. The company said its management changes aimed to bring greater consistency across the organisation, including the appointment of its interim CFO to the permanent role. We were satisfied with the company's responses.

In April 2025, we spoke with **Bengo4.com**, a Japanese legal technology company, about a wave of senior appointments that left five of its twelve executives, including the CFO and CTO, less than a year in their roles. The CFO explained that as the company grew from a single product to several, it needed leaders with experience of running larger organisations. We will continue to monitor how its management structure evolves as the business grows.

In October 2025, we engaged with **SKAN Group**, a Swiss provider of isolator systems for pharmaceutical manufacturing, on its CEO transition and a past insider trading investigation. The company explained that the incoming CEO brings relevant P&L leadership experience from Mettler-Toledo to support its goal of nearly tripling revenue to CHF 1 billion in the medium term. The outgoing CEO will stay on the board to support the handover. The company had no update on the insider trading investigation, which relates to share trades before SKAN's 2021 listing and led to the former chair stepping aside.

Geopolitics

In April 2025, we engaged with **Infineon Technologies**, a German semiconductor manufacturer, to understand how US tariffs and rising US-China tensions could affect its business. Infineon explained that its manufacturing and supply chain are deliberately diversified, with no front-end production in China and key sites in Austria, Germany and Malaysia. It had also diversified its sources of critical minerals such as silicon carbide and held at least a year's inventory of these materials. We were reassured by the company's broad manufacturing landscape, as well as its increased inventory of critical materials.

Tax

We discussed with **Entain** the potential for tax rises in the UK budget. The company did not expect a significant gambling tax increase, noting that the Treasury’s take is already rising organically and that specific examples showed that higher rates can backfire with a shift to the black market and result in worse player protection.

Sustainability Disclosure

In July 2025, we wrote to **Prestige Estates Projects** to ask about a sharp rise in the Scope 2 emissions figure in its latest Business Responsibility and Sustainability Report. The company clarified that the reported Scope 2 emissions reflect energy consumption attributable to its tenants across the commercial portfolio, rather than the Group’s direct operational footprint. It explained that it was in the process of refining its emissions reporting approach to ensure clearer segmentation between landlord-controlled operations and tenant-related consumption, which would result in a more precise representation of its carbon intensity. Prestige Estates emphasised that although the emissions figures

appeared elevated, they do not reflect an underlying increase in its operational energy usage. A more detailed and updated disclosure would be provided for the upcoming cycle, which would also receive third-party assurance.

Escalation of Stewardship Activities

Signatories, where necessary, escalate stewardship activities to influence issuers.

If an issue gives us cause for concern, then TT's initial discussions will take place on a confidential basis in a one-on-one meeting. However, if a company does not respond constructively, then TT will consider whether to escalate its action, for example by:

- Holding additional meetings with a wider group of management specifically to discuss concerns
- Meeting with the chairman, senior independent director, or with all independent directors
- Writing a formal letter to the company's board
- Expressing concerns through the company's advisers
- Collaborating with other institutions on specific issues
- Making a public statement in advance of the AGM or an EGM
- Submitting resolutions at shareholders' meetings; and
- Requisitioning an EGM, in some cases proposing a change to the board



Our preference continues to be to stay invested and work constructively with our investee companies. The majority of our escalation is through further company engagement – whether at the management or board level. Ultimately, as active managers of our clients' assets, if we are not satisfied that the company is making necessary improvements to its strategy, policies, or practices, we will sell our entire investment, rather than place capital at risk. As a minority investor we can work to affect change at companies, but we are strongly aware that we do not control the companies and can influence them up to a point. Frequently, our exit decisions are motivated by an assessment of an acute ESG risk the company is facing, which is either not remedied well or is not correctly assessed by the market. In a minority of cases, we find numerous risk flags that may not constitute a material risk on a standalone basis, but when aggregated, point to a corporate culture that is lacking in ethics and responsible business conduct, and it can also be a reason for divestment.

We measure the outcomes of our engagements as satisfactory, monitoring, or not successful. There were 6 companies (10 percent of all companies within our targeted engagements) where we did not get a satisfactory response to our engagement. We exited our investment in three of these companies due to ESG-related concerns and client preferences. For the remaining three companies, we did not deem the lack of responsiveness or the unsatisfactory response to be sufficiently problematic to warrant exiting in the short term.

We spoke to a Hong Kong based global manufacturer of electric motors and motion systems regarding improving shareholder returns. We proposed a moderate increase in returns while keeping a strong net cash buffer. The company said it preferred to keep dividends stable and did not commit to increasing shareholder returns due to macroeconomic

uncertainty and US tariffs. We also suggested linking management remuneration to total shareholder returns; however, the company did not seem as receptive to our suggestion. Because the response fell short of our expectations, we reduced our position in the company and later exited.

We wrote to the Chair of the Corporate Social Responsibility (CSR) Committee of an Indian bank, urging the bank to implement sector-specific binding policies for high-impact industries, expand its financing exclusion criteria to align with IFC standards, and take steps to advance its green financing targets, which had been on a declining trajectory. Despite the initial acknowledgment and the company's promise to get back with feedback from the sustainability team, we did not get any further responses from the bank. We exited shortly afterwards for reasons unrelated to ESG considerations.

We sought to engage with a Korean defence company about one of its products, a remote-controlled mine, to ascertain how critical this product was to its operations and whether it was correctly designated a controversial weapon (anti-personnel mine) by a prominent ESG ratings and research provider. We had exited the investment upon our client’s request following this designation but also did not receive any response to our queries.

We spoke to the CFO and IR of an Africa-focused oil and gas company about the fundraising and warrant purchase and subsequent cancellation, and the proposed board changes. Given our view that governance was not satisfactory, we exited our investment.

We sought to engage with an Irish paper and packaging company regarding the impact of its commercial mono-plantations on water quality and availability in Colombia. We sought to understand what measures the company implemented at the plantation level to preserve water aqueducts and limit water contamination from fertilisers and agrochemicals. Finally, we asked about a recently acquired business and the challenge of aligning it with the company’s sustainability targets. The company did not respond to our questions. We did not exit the investment at the time; however, the investment was unwound later in the year due to

We wrote to a Korean holding company asking that it retire the existing treasury stock as soon as possible and potentially raise its dividend payout ratio. We suggested that the company commit to a holding company discount target of 30 percent within its value-up programme and include it in executive remuneration as a key performance indicator. We also encouraged more ambitious official shareholder return targets at its core subsidiaries. There was no response and the company did not do what we asked them for; they haven't raised the dividend payout further; nor did they proactively cancel the treasury shares. We ultimately exited our investment; however, our exit was not primarily motivated by ESG considerations.

Collaborative Engagements

TT has been a signatory of the internationally recognised Principles for Responsible Investment (PRI) since 2016, allowing us to publicly demonstrate our commitment to responsible investment. The PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of ESG factors and support its international network of investor signatories in integrating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate, and ultimately of the environment and society as a whole.

Climate Action 100+

We also participate in collaborative engagements with companies. We joined the Climate Action 100+ collaborative engagement initiative in October 2021. CA100+ focuses on 169 companies that have a major role to play in the transition to a net zero emissions economy; investors are responsible for driving engagement and developing and implementing company-specific engagement strategies. In 2025, we took part in Climate Action 100+ engagements with Samsung Electronics and Petrobras.

Continuing our CA100+ collaborative engagements, we engaged with **Samsung Electronics** twice to get an update on its climate strategy. The company outlined its progress in reducing Scope 1 emissions through operational improvements such as Regenerative Cathode System (RCS) installations, use of alternative gases, and energy efficiency initiatives. It is also in the early stages of supplier emissions mapping and aligning its DX division with SBTi methodologies. Samsung is prioritising near- to mid-term targets over long-term commitments, with a focus on practical integration into business strategy. While challenges remain, particularly around Scope 3 data, partial SBTi validation, and paucity of renewable energy procurement in Korea, the company is actively engaging with policymakers and industry groups to address these barriers.

Later in 2025, the company noted that its DX division has set an SBTi-aligned Scope 3 target – a 25% reduction by 2030, which is currently awaiting third-party verification. Samsung confirmed Scope 1 & 2 rose 12% in 2024, which was attributed to higher production. Scope 3 also increased, mainly driven by the DS division; Samsung expects power consumption to grow with output and will aim to offset via RECs where available, while not disclosing detailed power forecasts due to commercial sensitivity. Samsung confirmed it remains on track to achieve RE100 by 2027, with overseas sites already sourcing 100% renewable electricity. We also discussed policy advocacy in South Korea. Samsung welcomed the government's more progressive approach to decarbonisation and stated that it continues to call for reforms to facilitate renewable procurement and grid modernisation. The company said it has emphasised to policymakers that expanding renewable energy availability is vital for industrial competitiveness. We were encouraged by the company's confidence in reaching its RE100 commitment and its PPA efforts despite market constraints.

In June 2025, we met with **Petrobras** as part of our ongoing Climate Action 100+ engagement, focusing on its methane abatement strategy, Scope 3 emissions, and climate leadership potential ahead of COP30. Petrobras provided a detailed update on its methane measurement, monitoring, reporting and verification (MMRV), noting the technical challenges of offshore measurement but outlining active pilots and the deployment of drones and optical gas imaging across offshore assets. The company said its methane plan has received OGMP "Gold Standard" accreditation and, while it has not yet formally reached full Level 4 status, it is implementing the required technology and protocols across sites and progressing towards Level 5. On Scope 3 emissions, Petrobras reiterated the complexity of setting targets, citing market dynamics and regulatory uncertainty; it referenced Brazil's NDCs as the primary mechanism and confirmed it has no

immediate plans to set Scope 3 targets, despite increasing its renewables expenditure by 43% and supporting national scenario planning. We also invited Petrobras to participate in PRI in Person and COP30-related investor side events; the company welcomed the invitation and noted it contributes technical input to Brazil's delegations and plays a communications role via the Oil and Gas Decarbonization Charter (OGDC) steering committee. The meeting provided useful insights into Petrobras' methane leadership and climate strategy; we encouraged continued dialogue, particularly on Scope 3 targets and post-2030 ambitions.

We joined Climate Action 100+'s first collaborative sector policy engagement on green steel, working with the Institutional Investors Group on Climate Change (IIGCC) and two other asset managers on a "green steel" policy paper. TT's focus was on demand stimulation for green steel and the measures policymakers can take. In July 2024, we travelled to Brussels to meet with DG ENER, the European Commission department responsible for the EU's energy policy, and Eurofer, the European Steel Association, which represents the entirety of steel production in the European Union. The policy paper titled "Investor Priorities for Transitioning the European Steel Sector" was published in September 2024.

In Q1 2025, we embarked on the phase II of our steel policy work with the IIGCC, which culminated in the publishing of the paper "Assessing the European Commission's recent steel sector initiatives." This publication examines recent policy initiatives from the European Commission aimed at supporting the EU steel sector's decarbonisation. Building on our prior work, this report evaluated where recent EU initiatives align with investor expectations and where gaps remain. Key areas discussed include policy clarity, financial mechanisms to support investment, and the establishment of credible sector roadmaps to enable effective decision-making by investors.

Our Head of Sustainability and Stewardship went to Brussels in November 2025 to meet with EU policymakers to discuss topics spanning defence, climate, and water. She also held meetings to discuss green steel and energy and environmental policy with organisations such as euRIC / Recycling Europe (the European recycling industry's main trade association), DG ENER (EU's Directorate-General for Energy responsible for EU energy policy), and DG ENV (EU's Directorate-General for Environment responsible for environmental protection and environmental legislation).

Nature Action 100

We continued our engagements as part of the Nature Action 100 initiative in 2025 with Grupo Mexico, Vale, Zijin Mining, and Inner Mongolia Yili. Nature Action 100 is a global investor engagement initiative focused on driving greater corporate ambition and action to reverse nature and biodiversity loss. The initiative engages companies in key sectors deemed to be systemically important in reversing nature and biodiversity loss by 2030. Our team has prepared assessments of each of the companies, and we are an active participant in these engagements.

In March 2025, we held a follow-up collaborative engagement with **Vale** through the Nature Action 100 initiative, focusing on board oversight of nature, community relations and nature-linked remuneration. We asked Vale to publish more evidence that its board has expertise in nature, biodiversity and indigenous peoples' rights. Vale pointed to a board member responsible for assessing nature-related impacts and dependencies, supported by a dedicated team of five, and committed to expanding disclosure on this in its ESG databook. On remuneration, Vale confirmed that part of executive long-term pay is linked to its 2030 ESG targets, including freshwater intake and the recovery and protection of degraded land. Controversies such as health and safety incidents or environmental issues can reduce or cancel payouts, assessed case by case. While there is no formal board training programme on nature yet, informal sessions,

including on TNFD, have been held. Vale has not committed to aligning all its lobbying with Brazil's Biodiversity Plan but is actively supporting the plan's implementation. It noted that TNFD is helping it refine its approach to ecosystem services, for example by factoring disruption to pollination into site-level planning. On stakeholder engagement, Vale reports grievances to the board monthly and escalates any unresolved issues after a year to the CEO. It invited investor input on its grievance disclosures, and we suggested more detail on who raised each grievance and how each was resolved. Vale plans to publish its 2024 integrated report alongside its TNFD report in May, and to host a supplier roundtable on TNFD implementation and the LEAP approach.

We continued our Nature Action 100 collaborative engagement with **Grupo Mexico**. Grupo Mexico explained it was largely in agreement with the NA100 assessment of the company except for the community engagement, due to its robust complaints system. It discussed its work in TNFD reporting and the challenges, especially in areas such as establishing baseline measurements in old facilities. It explained that the supply chain reporting – a big focus for TNFD – is a major challenge for the company. Grupo Mexico also explained that its reforestation efforts were more muted last year due to drought in northern Mexico. We suggested IRMA as a certification, but the company said it was unlikely to be prioritised with the Consolidated Mining Standard Initiative (CMSI) on its way. Finally, we received the update that the legal case brought by the government about the company's remediation following the 2014 Rio Sonora cyanide spill was dismissed comprehensively.

We continued our Nature Action 100 engagement with **Zijin Mining** in October 2025. Zijin reported that Biodiversity Management Plans (BMPs) now cover 91% of sites (up from 66% in 2023). Each BMP includes project descriptions, biodiversity baselines, and mitigation measures, functioning as both internal guidance and external communication tools. We encouraged Zijin to enhance disclosure by publishing a sample BMP. For operations without full control, such as the Porgera mine (operated by Barrick), Zijin stated it monitors ESG controversies and engages partners to improve practices, including tailings management. The company acknowledged investor concerns about riverine tailings discharge and agreed to relay these to Barrick. Zijin confirmed none of its own operated mines use riverine tailings disposal. On water management, the increases in water withdrawal from high-risk areas reflect changes in Chinese government reporting definitions rather than actual increases in usage. The company confirmed that 28 of its 37 active mines directly access natural water sources, with each required to prepare a Water Resource Assessment Report. A "water balance model" is used to track and optimise water flows and enhance water treatment. Zijin has also expanded international recruitment, appointing a Chief Sustainability Officer with experience engaging with indigenous communities. We thought this was a productive second NA100 meeting with Zijin and were pleased to see the progress the company is making on biodiversity.

In November 2025, we continued our collaborative engagement with **Inner Mongolia Yili** through the Nature Action 100 initiative to discuss biodiversity, deforestation and water stewardship, as well as feedback on the company's NA100 benchmark assessment. Yili said the benchmark did not fully reflect its current practices. It cited a double materiality assessment across all its factories, which found biodiversity risk to be relatively low, and said it would review the results internally, particularly on human rights, where it scored unexpectedly low. Yili outlined its new five-year sustainability strategy. Priorities include completing its Scope 3 emissions inventory, strengthening supplier risk controls and ensuring 99.5 percent of packaging is designed for recycling or recovery. Yili also plans to introduce quarterly sustainability performance reviews, linked to strengthened KPI-based incentives for senior management. It identified heat stress and water scarcity as key climate risks to its dairy supply chain. On deforestation, Yili reaffirmed its zero-deforestation and conversion commitment covering paper, soy and palm oil. Around 67 percent of its paper packaging is now FSC-

certified, and 20 percent of suppliers already comply with the EU Deforestation Regulation. Yili has also resumed sourcing soybeans from US suppliers, which reduces its reliance on Brazilian soy. We welcomed Yili's openness about the challenges of supplier oversight, but we encouraged it to adopt a formal policy for addressing repeated non-compliance by dairy suppliers. Yili acknowledged this gap and committed to consult internally. Nature and TNFD-related work remains at an early stage, with Yili's immediate focus on meeting its 2030 zero-deforestation commitment. We intend to continue engaging with Yili on supplier governance and on integrating nature-related dependencies, risks and opportunities.

Exercising Rights and Responsibilities (Principle 4)

Signatories actively exercise their rights and responsibilities.

TT uses leading proxy advisory firm Institutional Shareholder Services (ISS) for its proxy voting requirements and adopts ISS' proxy voting policies. We have chosen not to create a custom-made voting policy at this time, as we believe that ISS has sufficiently stringent and principles-based policies in place. We diverge from these policies when our investee companies have specific circumstances that principles-based voting may not take into account, or where we do not see a misalignment between executives and shareholders in areas such as executive remuneration or capital allocation. We also diverge from the policy where principles-based voting may bring about unintended, undesirable outcomes such as reducing board independence. We provide explanations for selected votes where we diverged from policy to explain our thinking to our clients in our annual fund updates, as well as in this Stewardship Report.

TT strives to vote on all issues on every equity investment unless there is share blocking. We have a share lending programme; however, we always retain a minimum stake for voting purposes. Our shares were successfully voted at 98.8 percent of all votable meetings in 2025. We exercised our voting rights for 96.3 percent of our held shares in 2025.

In 2025, we were unable to exercise our votes in one meeting. Two of the proposals asked shareholders to declare whether they are a controlling shareholder or have a personal interest in the resolution, a standard requirement in Israel. Under our proxy voting policy, these items received a "refer" recommendation rather than an automatic vote instruction, which in turn stopped the automatic instructions for the remaining proposals from being submitted. We should have manually entered an AGAINST instruction on these two items, as we are not a controlling shareholder. We have since reviewed this process so that these declaration items are flagged and actioned manually in future.

Voting by market

Market	Votable Meetings	Voted Meetings	Percentage
India	64	64	100%
United Kingdom	51	51	100%
China	38	38	100%
Japan	34	34	100%
USA	27	27	100%
Cayman Islands	25	25	100%
Taiwan	17	17	100%
Germany	15	15	100%
Ireland	13	13	100%
Netherlands	13	13	100%
Brazil	11	10	91%
Switzerland	11	11	100%
Indonesia	10	10	100%
South Korea	10	10	100%
Canada	7	6	86%
Denmark	7	7	100%
Argentina	6	6	100%
Luxembourg	5	5	100%
Poland	5	5	100%
France	4	4	100%
Turkey	4	4	100%
Jersey	3	3	100%
Mexico	3	3	100%
Philippines	3	3	100%
Australia	2	2	100%
Belgium	2	2	100%
Bermuda	2	2	100%
Greece	2	2	100%
Italy	2	2	100%
Kazakhstan	2	1	50%
Saudi Arabia	2	2	100%
Sweden	2	2	100%
Thailand	2	2	100%
United Arab Emirates	2	2	100%
Austria	1	1	100%
Chile	1	1	100%
Egypt	1	0	0%
Finland	1	1	100%
Hong Kong	1	1	100%
Israel	1	0	0%
Mauritius	1	1	100%
South Africa	1	1	100%
Virgin Islands (UK)	1	1	100%

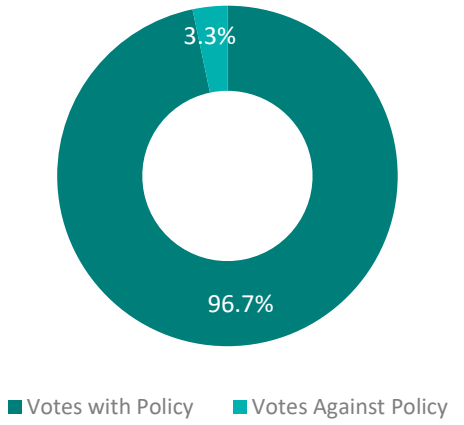
Our Corporate Actions team facilitates our voting activities as well as corporate actions. ISS provides us the proxy research, which is then reviewed by TT. Whilst we are guided by ISS in this regard, we will always vote in what we believe is our clients' best interests. We specifically discuss the meetings where ISS issues a recommendation against

management and hold internal discussions. Our Head of Sustainability and Stewardship helps to advise the portfolio managers, but the voting decisions are ultimately the portfolio managers' responsibility. We internally record our rationale where we diverge from ISS recommendations. We also track shareholder resolutions on environmental and social matters.

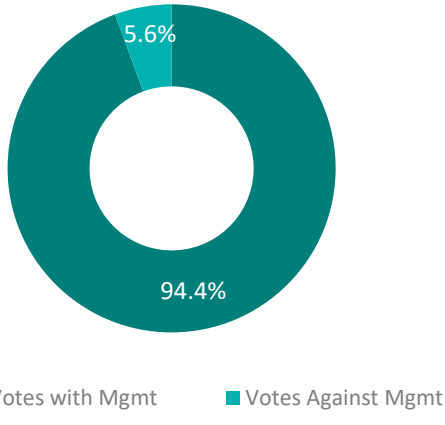
In 2025, we voted on 4,655 resolutions across 410 meetings. 5.6 percent of our total votes were against management, but in 34.7 percent of the meetings, there was at least one resolution where we cast a vote against or abstained. Votes cast during the reporting period were the least in line with management on compensation matters in 2025, where only 88 percent of the votes followed management recommendations.

Voting Disclosure	1/1/25-31/12/25
Shareholder meetings at which our clients' shares voted	410
Shareholder meetings at which our clients' shares voted against or abstained	144
Number of resolutions voted	4,655
Number of resolutions voted against	286
Number of resolutions abstained	75

Vote alignment with policy



Vote alignment with management



We diverged from ISS recommendations on 3.3 percent of all votable items – 41 percent were director related, followed by executive remuneration (23 percent), company articles (13 percent), capitalisation (6 percent), audit related (5 percent), and strategic transactions (5 percent). Our voting records for the calendar year can be found on our website[3].

[3] Responsible Investing – TT International

Voting by Strategy

	Long-only										Hedge Funds	
	GEMS	EM Unconstrained	Sustainable EM	Asia ex Japan	Asia ex China	Detroit	Global SMID	UK	Environmental Solutions*	Asia Pacific**	Mid-Cap	EM Long/short
Votes with Policy	92%	92%	93%	96%	98%	98%	98%	99%	99%	98%	97%	96%
Votes Against Policy	8%	8%	7%	4%	2%	2%	2%	1%	1%	2%	3%	4%
Votes with Management	91%	91%	91%	94%	94%	96%	93%	99%	97%	94%	94%	86%
Votes Against Management	9%	9%	9%	6%	6%	4%	7%	1%	3%	6%	6%	14%

**Closed 6 August 2025*

***Merged with TT Asia ex Japan on 31 July 2025*

Across our long-only strategies our votes against policy ranged between 0.9 and 8.1 percent – the lowest figure for the TT UK strategy and the highest for our Global Emerging Markets strategy. In terms of votes against management, we were most aligned with management for the UK strategy (voting against only 0.6 percent of the time) and least for our EM Unconstrained strategy (voting against management 9.2 percent of the time). Approximately 40 percent of our votes against management for the EM Unconstrained strategy were on director elections, which highlights our focus on board s

SELECTED VOTES AGAINST MANAGEMENT AND OUR RATIONALE

Capital Allocation and Issuance

Tencent Holdings Limited (05/25) Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights

ISS recommended voting against the resolution because the company had not set a discount limit for share issuances for cash or non-cash consideration. Without a limit, existing shareholders could be diluted on unfavourable terms. We voted against the proposal; it passed with 30.9 percent dissent.

BYD Company Limited (06/25) Approve General Mandates to Issue Additional H Shares and BYD Electronic Shares

ISS recommended voting against both share issuance mandates for BYD and its subsidiary BYD Electronic International. Each issuance limit was more than 10 percent of the relevant class of shares, and no discount limit was set. We voted against both proposals; each passed with 28.8 percent dissent.

Debt Financing and Guarantees

BYD Company Limited (06/25) Authorise Board to Determine the Proposed Plan for the Issuance of Debt Financing Instruments

Management sought authority to increase its financing flexibility. We accept that the board needs reasonable discretion over the capital structure. However, the proposed issuance could raise the debt-to-equity ratio to nearly 38 percent and could include convertible bonds. The company gave too little detail, particularly on the conversion price and

potential dilution, for us to judge the full effect on shareholder value; therefore, we voted against the resolution. This proposal passed with 24.2 percent dissent.

Sany Heavy Industry Co., Ltd. (12/25) Approve Estimated Cap for Providing Guarantees to Controlled Subsidiaries

ISS recommended voting against the guarantee cap because of its high quantum at 173 percent of equity. This was not a novel request from the company – in 2024 the company had asked for guarantees of 293 percent of equity. Some of the subsidiaries are less than 100 percent owned, and the company did not specify whether its guarantees would match its ownership stake. That means it could take on more risk than its stake justifies, without a convincing reason. We followed ISS and voted against the proposal. This proposal passed with 19.1 percent dissent.

Remuneration

Beiersdorf AG (04/25) Approve Remuneration Policy

ISS recommended voting against Beiersdorf's remuneration policy because of significant increases (+33%) in total maximum compensation for all executives without a compelling rationale due to the significant scope for discretionary payments via "reappointment" / retention bonuses. We voted against as the company chose to increase salaries whilst curtailing bonuses rather than increasing the LTIP. Furthermore, the retention bonuses continue to feature in its policy, and we believed this risked a disconnection between pay and performance. This proposal passed with 13.3 percent dissent.

Prosus NV (08/25) Advisory Vote to Ratify Named Executive Officers' Compensation

ISS recommended voting against the proposal. The FY25 long-term incentive (LTI) grant has a fair value of USD 35.5 million, a one-off grant covering the whole four-year appointment. There is also a future "moonshot" award with a potential payout of USD 100 million. The share appreciation rights plan was not sufficiently transparent; the share options have no separate performance conditions, and much of the LTI award vests before the third anniversary, which goes against best practice. We followed ISS and voted against the proposal. It passed with 12.7 percent dissent, which is much higher as a share of the free float because of the company's unequal voting rights.

Swiggy Limited (01/25) Approve Swiggy Employee Stock Options Plan 2024

ISS recommended voting against the proposal because the scheme allows stock options to be granted at an exercise price below the current market price and vest at an accelerated rate. We shared ISS's concern; discounted options weaken the alignment between executive rewards and shareholder returns, and accelerated vesting does not help to bring about robust long-term performance. We voted against the proposal. This proposal passed with 14.2 percent dissent.

360 ONE WAM Limited (11/25) Approve 360 ONE Employee Stock Option Scheme 2025 – Series 2 and Extension to Employees of Subsidiary Companies

The company brought this option plan back after shareholders rejected it at the September AGM where it had received 27 percent of votes against (including ours), and it needed 75 percent approval to pass. This time the plan was split into three resolutions, with a total dilution of around 6 percent including options already granted but not yet vested. The

proposals still provided scant detail on the performance targets. In the previous year, the company had also granted 3.1 percent of its shares to employees, which was a reasonably high amount. The company said the targets would be based on revenue, operating profit, and personal performance, but we believed that the board still had too much discretion. We voted against both resolutions, which passed with 10.2 percent dissent.

Prestige Estates Projects Limited (09/25) Approve Remuneration of Uzma Irfan, Zayd Noaman and Faiz Rezwan as Executive Directors

ISS recommended voting against all three pay resolutions. There is no absolute cap on the commission element, so pay is open-ended and could lead to discretionary payouts. The company did not disclose the threshold and target performance conditions that determine variable pay outcomes. The approvals would also last indefinitely, thus shareholders would not get to review the payments in future. We followed ISS and voted against all three proposals. All three passed, with 13.5 percent dissent on Uzma Irfan's remuneration and 39.5 percent dissent on Zayd Noaman's and Faiz Rezwan's pay.

Board Accountability

Swiggy Limited (01/25) Amend Articles of Association

The company proposed to amend its articles of association to allow its co-founder and CEO Sriharsha Majety to nominate himself to the company's board as long as he either held 67.7 million equity shares (3 percent of the issued share capital vs his then-ownership of 6.7 percent) or retained a senior management role. Unlike co-founder Lakshmi Nandan Reddy Obul, whose nomination rights were contingent on both a specific shareholding and full-time employment, Majety would retain the ability to nominate himself without holding a senior management role. ISS noted that this structure would allow him to remain on the board even if he stepped down from an executive position and significantly reduced his stake, creating an imbalance of rights compared to other shareholders. These differential nomination rights raised concerns for us, and we voted against. This proposal passed with 15.6 percent dissent.

Prosus NV (08/25) Re-elect Koos Bekker and Steve Pacak as Directors

ISS recommended voting against Koos Bekker and Steve Pacak because the company keeps a share structure with unequal voting rights. ISS also noted that Steve Pacak chairs the audit committee as a non-independent director, which is out of line with market practice. Unequal voting rights hurt non-controlling shareholders, because their dissent on topics such as remuneration has little effect on the outcome. We followed ISS and voted against both directors. The re-elections passed with 8.3 percent and 7.0 percent dissent respectively, which is indeed a much higher as a share of the free float because of the unequal voting rights.

Board Independence

Akbank (03/25) Elect Directors (Bundled)

For a company with 60 percent free float, there was only one independent director on the board, resulting in 11 percent board independence. There was also no female director except for Ms Sabanci, the chair of Sabanci Holding and 41% owner of the bank; we therefore voted against the director elections. We had discussed this issue with it before and the bank had pointed out that the majority of Akbank management is female; however, this is not the same as the supervisory board being independent or having sufficient gender diversity. This proposal passed; however, positively,

the bank appointed three independent and highly qualified female directors to its board in 2026. By reaching 40 percent female representation on the board, the bank achieved its target of at least 30 female representation by the end of 2027 ahead of schedule and exceeded its own commitment.

PDD Holdings Inc. (12/25) Elect Director Lei Chen

ISS recommended voting against the non-independent director nominees Lei Chen, Jiazhen Zhao, and Haifeng Lin because the company had not established a majority independent board. We agreed with ISS; board independence at PDD has kept falling, and the share price has lagged over the same period. We see board independence as especially important for protecting minority shareholders, so we voted against the election of Lei Chen. This proposal passed with 9.6 percent dissent.

MercadoLibre, Inc. (06/25) Elect Director Stelleo Passos Tolda

ISS recommended withholding votes for Stelleo Passos Tolda because he sits as a non-independent member on some key board committees. Board independence at the company has fallen sharply and, at 56 percent, is too low for a free float of 92.6 percent. The company classes him as independent, but he is a former employee and was a special adviser to the company until he joined the board. We followed ISS and withheld our vote. This proposal passed with 36.3 percent dissent.

Turkiye Garanti Bankasi AS (03/25) Ratify Director Appointments

ISS recommended voting against the ratification because neither the board nor the audit committee was sufficiently independent. Board independence was only 9 percent, and the audit committee had no independent directors. We believe an independent audit committee is essential for proper oversight of financial reporting and risk, especially at a systemically important bank. We followed ISS and voted against the proposal. This proposal passed with 3.2 percent dissent.

PT Telkom Indonesia (Persero) Tbk (05/25) Approve Changes in the Boards of the Company

In February, sitting commissioner Isa Rachmatarwata was arrested on corruption charges. The allegations were unrelated to the telecoms sector but gave us sufficient concern as to not ratify the changes to the board. This proposal passed with 34.9 percent dissent.

Banco Macro SA (04/25) Elect Directors for a Three-Year Term

The company published the names of only four of the seven proposed principal board nominees and two of the three alternate nominees. Depending on how the undisclosed nominees are classified, board independence could be anywhere from 23 percent to 46 percent, short of a majority. We therefore voted against the non-independent nominees Jorge Pablo Brito, Carlos Alberto Giovanelli, and Nelson Damian Pozzoli. We also voted against the undisclosed director and alternate nominees. These proposals passed with between 5.4 percent and 7.6 percent dissent.

Grupo Financiero Galicia SA (04/25) Fix Number of and Elect Directors and Alternates

ISS recommended voting against the proposal. The company had disclosed the names of its director nominees, but the proposed board would be only 22 percent independent, which we consider to be too low. We voted against the proposal, which nevertheless passed.

JSW Infrastructure Ltd. (07/25) Re-elect Sajjan Jindal as Director

ISS recommended voting against Sajjan Jindal, a non-independent director. The board is chaired by a promoter director and is not majority independent. Jindal also attended less than 75 percent of board and committee meetings in the last financial year, with no satisfactory explanation. We followed ISS and voted against his re-election. This proposal passed with 2.8 percent dissent.

MakeMyTrip Limited (09/25) Re-elect Savinilorna Payandi Pillay Ramen and Mohit Kabra as Directors

ISS recommended voting against both non-independent directors because most of the board is not independent. We followed ISS and voted against both directors; however, both resolutions passed.

Korea Electric Power Corp. (KEPCO) (05/25) Elect Jeong Chi-gyo as Inside Director

ISS recommended voting against the non-independent nominee Jeong Chi-gyo. As a large company, KEPCO's board should be majority independent, and it is not. We voted against the proposal, which nevertheless passed.

Trip.com Group Limited (06/25) Elect Rong Luo as Director

ISS recommended voting against the non-independent nominee Rong Luo because the board is not one-third independent. After the meeting, independence would rise only to 25 percent, from 22 percent in 2024. We voted against the proposal, which nevertheless passed.

Director Attendance

360 ONE WAM Limited (09/25) Re-elect Rishi Mandawat as Director

ISS recommended voting against Rishi Mandawat because he attended less than 75 percent of board and committee meetings in the last financial year, with no satisfactory explanation. We followed ISS and voted against his re-election. This proposal passed with 24.3 percent dissent.

SELECTED VOTES WHERE WE DIVERGED FROM ISS POLICY AND OUR RATIONALE

Board Independence and Composition

Savannah Energy Plc (06/25) Re-elect Steve Jenkins and Mark Iannotti as Directors

ISS supported Steve Jenkins's re-election, whilst acknowledging that he was not independent but on grounds that he does not sit on the Audit or Remuneration Committees. We disagreed and voted against. Steve Jenkins and Mark Iannotti have each served on the board for over 11 years and both have served with Andrew Knott for more than a

decade, so we consider them affiliated. That takes board independence below 50 percent, which is not enough for a company with a free float of nearly 70 percent. We spoke to the company before the AGM about these directors' tenure and board refreshment. The company's response was unconvincing, citing the inability to find suitable replacements "with fairly short notice." Given this, and our concerns about the long suspension of the shares, we opposed their re-election. These proposals passed with 13.2 percent and 17.0 percent dissent, respectively.

Longfor Group Holdings Limited (06/25) Elect Shen Ying as Director

ISS supported Shen Ying's election to the board. We voted against because we do not think it is best practice for the Head of Human Resources to sit on the board's compensation committee, as she would be overseeing her own function. This proposal passed with 3.2 percent dissent.

Equatorial SA (04/25) Approve Classification of Tiago de Almeida Noel as Independent Director

ISS supported classifying Tiago de Almeida Noel as an independent director. He is an employee of Opportunity, which owns 10.12 percent of the company's issued share capital, so we did not consider him independent. We abstained on his election in the cumulative vote and did not support ratifying his independent status. This proposal passed with 9.6 percent dissent.

Nexans SA (05/25) Re-elect Francisco Perez Mackenna as Director

ISS recommended voting against because the director held more outside mandates than its guidelines allow. However, all of Perez Mackenna's other roles are within the Quiñenco Group, the parent of Invexans, which is Nexans' largest shareholder. We welcomed the shareholder's voluntary cut in its board seats from three to two and voted in favour. This proposal passed with 34.8 percent dissent.

Remuneration

Alpha Services & Holdings SA (05/25) Amend Remuneration Policy

ISS recommended voting against the amendments to the remuneration policy. However, we did not consider Alpha's remuneration report, policy, or the proposal to distribute profit to employees from its dividend reserve to be problematic. We believed it was only natural that the company would look to reward its employees after fifteen years of legal constraints from the Hellenic Financial Stability Fund. We therefore diverged from ISS and voted in favour of the proposal. This proposal passed with 26.0 percent dissent.

Centrica Plc (05/25) Approve Remuneration Report

ISS recommended voting against Centrica's remuneration report because of a 28.7 percent increase in the CEO's salary that was materially above that of the wider workforce, which grew by 3.5-4 percent. However, when Christopher O'Shea was appointed to this role, his pay was set lower as he was new in the role (£775,000 compared to the former CEO's salary of £957,000), and with this increase in salary, he is only achieving the median overall CEO remuneration for FTSE 100. Furthermore, the company had seen strong three- and five-year performance vs the broader FTSE. We voted in favour of the report. This proposal passed with 40.0 percent dissent.

London Stock Exchange Group plc (05/25) Approve Remuneration Report

ISS recommended voting against London Stock Exchange Group's remuneration report because the company proposed that threshold vesting increase from 25% to 50% for median performance against the global peer group. We considered the revised threshold to be reasonable. It remained more demanding than those applied by US peers and broadly comparable to European peers. We therefore voted in favour. This proposal passed with 30.4 percent dissent.

PT Telkom Indonesia (Persero) Tbk (05/25) Approve Remuneration of Directors and Commissioners for FY2025 and Tantiem for FY2024

ISS supported the proposal for the remuneration of directors and commissioners, but we voted against it. We considered the payments to commissioners to be excessive, including bonuses of more than three times their board fees. Given the company's involvement in several corruption cases, we did not think this was appropriate. This proposal passed with 7.3 percent dissent.

Swiggy Limited (04/25) Approve Financial Assistance to Swiggy Employee Stock Option Trust

We had voted against the ESOP 2024 proposal at the January 2025 meeting because of structural concerns: stock options could be issued at a discount, and vesting could be accelerated under undefined conditions. ISS supported this renewed proposal from the company. The ESOP would not increase dilution to shareholders, which is currently 9.6 percent, but it would allow an interest-free loan to the ESOP trust of up to 5 percent of capital. We did not think this was in shareholders' interests, so we departed from ISS and voted against. This proposal passed with 7.5 percent dissent.

BE Semiconductor Industries NV (04/25) Approve Remuneration Report

ISS recommended voting against the remuneration report. The board had made a discretionary award of 70,000 shares, worth EUR 10.4 million, to the CEO. CEO pay was well above peer medians, and we did not believe that the financial targets for the annual bonus were sufficiently demanding. On the other hand, we noted that the board had cut the award by about 40 percent from the 120,000 shares the CEO qualified for. Disclosure on how the award was calculated had improved, and it was the final discretionary award: the new 2024 policy banned further discretionary long-term incentive grants. On balance, we abstained. This proposal failed with 60.9 percent of votes against.

Gerresheimer AG (06/25) Approve Remuneration Policy

ISS recommended voting against the policy because it kept the option of guaranteed variable pay for new executives and provided accelerated vesting for good leavers. It also included a broad derogation clause with no stated limits. We believed the accelerated vesting provision was reasonable given the possibility of a takeover, and we voted in favour. This proposal failed with 52.2 percent of votes against.

Infineon Technologies AG (02/25) Approve Remuneration Policy

ISS recommended voting against the policy. It objected to a higher maximum on the long-term incentive and a weaker total shareholder return (TSR) target. It also raised concerns about a +/- 30 percent bonus modifier, change-of-control clauses, and a vague derogation clause. We did not consider the revised TSR target out of line with market practice:

the previous target was very demanding, and other financial targets now take its place, and we voted in favour. This proposal passed with 43.3 percent dissent.

Equatorial SA (04/25) Approve Remuneration of Company's Management and Fiscal Council

ISS recommended voting against the resolution to approve the remuneration. In its view, disclosure covered only 2.75 of the 9.75 statutory executives, which raised questions about pay through subsidiaries. We found no disclosure suggesting a different number of executives, and the figures were consistent over the past three years. Executive and board pay had risen by a modest 9.9 percent year on year; therefore, we voted in favour. This proposal passed with 42.3 percent dissent.

PKO Bank Polski SA (06/25) Approve Remuneration Report

ISS recommended voting against the report because it did not disclose the annual bonus targets, threshold or achievement levels. This made it hard to judge how pay was aligned with performance. We noted that no annual bonus was paid in the year and that, as a state-controlled bank, PKO does not run a long-term incentive plan. We voted in favour. This proposal passed with 38.5 percent dissent.

CTS Eventim AG & Co. KGaA (05/25) Approve Remuneration Policy

ISS recommended voting against the remuneration policy, citing unexplained fixed pay levels, a higher bonus cap, undefined long-term incentive metrics, and a weak response to last year's failed remuneration vote. However, we saw clear improvements. The policy introduced a share-based long-term incentive with a three-year performance period and a one-year holding period and removed the discretionary "special performance" bonus. It also cut maximum pay from EUR 12 million to EUR 7.5 million for the CEO and EUR 2.8 million for other executives. We voted in favour; this proposal passed with 36.4 percent dissent.

Balfour Beatty Plc (05/25) Approve Remuneration Report

ISS recommended voting against the report because of a 15.2 percent off-cycle salary increase for the CFO in February 2025, coming after a 4 percent rise in July 2024. We accepted the company’s explanation that the increase moved his pay closer to FTSE 100 levels; furthermore, ensuring that the CFO would continue to serve as the incoming executive, Philip Hoare, joined was in shareholders' interests, so we voted in favour. This proposal passed with 29.8 percent dissent.

Capital Structure and Share Issuance

Longfor Group Holdings Limited (06/25) Approve Issuance of Equity or Equity-Linked Securities without Pre-emptive Rights

ISS recommended voting against the resolution for two reasons: the overall issuance limit was above 10 percent of the relevant share class, and no discount limit was set for cash or non-cash issuances. The company is highly indebted (net debt to EBITDA of 7.7x and an Altman Z-score of 1) and exposed to the Chinese real estate sector, so we believe that financial flexibility was paramount. We departed from ISS and voted in favour. This proposal passed with 10.5 percent dissent.

Savannah Energy Plc (06/25) Authorise Issue of Equity without Pre-emptive Rights

ISS supported both resolutions because the amounts and durations were within recommended limits. Savannah sought authority to issue 10 percent without pre-emptive rights for general purposes, plus another 10 percent for an acquisition or specified capital investment. This was in line with the Pre-Emption Group Guidelines, which let UK-listed companies disapply pre-emptive rights for up to 20 percent of capital. The company also confirmed it would use the authority in line with those guidelines. Even so, we thought the authority was too large and were concerned about dilution for shareholders, so we voted against both resolutions. They passed with 13.5 percent and 13.6 percent dissent respectively.

Shareholder Rights

Dalata Hotel Group Plc (04/25) Approve Amendments to the Constitution of the Company

ISS recommended voting against the amendments because they would let the company hold virtual-only shareholder meetings. Ireland's Companies (Corporate Governance, Enforcement and Regulatory Provisions) Act 2024 now allows fully or partly electronic general meetings. Dalata also told shareholders it did not intend to hold wholly virtual meetings except in extreme circumstances. We voted in favour, but this proposal failed with 40.4 percent of votes against, and it needed to receive super majority support.

VOTING ON ENVIRONMENTAL AND SOCIAL TOPICS

A significant number of the management proposals on environmental or social issues (29 out of 59) were to approve political donations for UK companies; we voted in favour of all of these. Two of the management proposals were climate-related, putting climate transition plans to a shareholder vote. We voted in favour of both: Centrica’s proposal to approve its climate transition plan and SSE’s proposal to approve its net zero transition report.

In 2025 we assessed and voted against nine shareholder proposals on environmental issues (seven at Kyushu Electric Power relating to its nuclear operations, including halting the Sendai plant and withdrawing from the nuclear fuel cycle, plutonium use and pluthermal generation; one at Shell requesting disclosure on whether its LNG and natural gas plans are consistent with its net zero commitments; and one at The Timken Company to adopt science-based GHG emissions reduction targets including full value chain emissions), all of which we voted in line with ISS.

RATIONALE FOR SELECTED VOTES WHERE WE VOTED ON ENVIRONMENTAL AND SOCIAL ISSUES

The Timken Company (AGM, 05/25) Shareholder Proposal to Adopt Science-Based GHG Emissions Reduction Targets Inclusive of Full Value Chain Emissions

Green Century Capital Management filed this proposal, asking Timken to adopt independently verified short- and medium-term science-based targets covering emissions across its full value chain. Timken's disclosure and target setting lag some international peers, but they are broadly in line with US-listed peers. The company discloses its Scope 1 and 2 emissions. It also has a 2030 target to cut Scope 1 and 2 emissions intensity by 50 percent. In addition, the company expects to comply with upcoming regulation, including CS3D and California SB 253 and SB 261, which should address the proponent's concerns on disclosure and target setting. We therefore did not consider support warranted at this time. We will continue to monitor the company's progress on value chain emissions.

Centrica Plc (AGM, 05/25) Approve Climate Transition Plan

Centrica's climate disclosures meet market standards. It reports in line with the TCFD and TPT recommendations, and its Scope 3 disclosure is complete. Furthermore, the company has brought its climate targets forward and increased their ambition. It now aims to cut Scope 1 and 2 emissions by 50 percent by 2032 (base year 2019) and reach net zero by 2040, compared with its previous targets of a 40 percent cut by 2034 and net zero by 2045. For Scope 3, it targets a 28 percent intensity reduction by 2030 and net zero by 2050. Centrica benchmarks its emissions against third-party pathways, including the UK Climate Change Committee's 1.5°C-aligned Balanced Net Zero Pathway. It discloses capital expenditures linked to the plan through 2028, and climate targets make up 37.5 percent of the weighting in its annual and long-term incentive plans. The plan has some gaps: there are no short-term targets, and near-term emissions may exceed a well-below 2°C pathway before falling in the 2030s. On balance, we considered the company's climate commitments and reporting to be robust and supported the plan.

Shell Plc (AGM, 05/25) Shareholder Proposal Requesting Disclosure on Whether and How its LNG Demand Forecast, LNG Production and Sales Targets, and New Capital Expenditure in Natural Gas Assets Are Consistent with its Climate Commitments

The proposal was filed by the Australasian Centre for Corporate Responsibility (ACCR), ShareAction, Brunel Pension Partnership, Greater Manchester Pension Fund, and Merseyside Pension Fund, together with more than 100 individual shareholders. We acknowledged the merits of the proponents' case. LNG is central to Shell's strategy: it is expected to make up around 30 percent of Shell's upstream production by 2030, and Shell plans to grow LNG sales by 4 to 5 percent a year. However, Shell has committed to publishing enhanced disclosure on the role of LNG in its strategy before the 2026 AGM, including how it aligns with its 1.5°C net zero target. It will also continue to develop the Climate Change and Energy Transition section in its Annual Report. This may not fully meet the proponents' request, but it is a positive step for disclosure on LNG within Shell's climate transition plan.

SSE Plc (AGM, 07/25) Approve Net Zero Transition Report

SSE has set 1.5°C-aligned targets approved by the SBTi and is making progress against its near-term targets. It has raised its supplier engagement target from 50 percent to 90 percent of suppliers by spend, setting science-based targets by 2030. It has also started disclosing estimates of its Scope 3 – category 1 and 2 emissions, and it provides detailed analysis of climate-related risks and opportunities. The company remains committed to investing around £17.5 billion to FY27 under its Net Zero Acceleration Programme Plus, although this is down from £20.5 billion. We noted that SSE's Scope 1 carbon intensity and its absolute Scope 1 and 2 emissions rose year on year, and the company's description of its intensity target as "on track but with risk". SSE has cut its installed capacity target for FY27 to ~7GW from 9GW, and it is unlikely to meet its 50TWh renewable generation goal by 2030. Its reported Scope 3 emissions also rose by 2 percent. SSE will now hold a vote on its transition report every three years, but it will continue to report progress against its targets every year. Overall, the plan meets expectations in most key respects, so we supported it.

Novo Nordisk (AGM, 03/25) Shareholder proposal regarding regulated working conditions at construction sites

We voted against this shareholder proposal, in line with policy and with management's recommendation. The proposal raised valid concerns about safety and workers' rights at Novo Nordisk's construction sites, including four fires in the past year and labour issues at a contractor. However, the company has already taken steps to address the safety shortcomings. It has also started making its responsible sourcing standard mandatory for all new contracts. These requirements have been reviewed by an external law firm and are aligned with the EU Corporate Sustainability Due Diligence Directive. The company aims to finish this work in 2027 and will keep assessing its effectiveness and progress. We therefore did not think we needed to support this resolution at this time. The proposal was defeated, with 0.5 percent of votes cast in support.

Marks & Spencer Group Plc (AGM, 07/25) Shareholder proposal to oversee the preparation of a report on the company's approach to human capital management

We voted against this shareholder proposal, in line with ISS's and with management's recommendation. The resolution was filed by a group of individual and institutional shareholders and was backed by Scottish Widows and the Friends Provident Foundation. It asked the company's board to report on how the company sets base pay for its hourly paid employees and for regular on-site third-party contractors such as cleaners and security guards. It also asked how many of these workers are paid below the real Living Wage, staff turnover rates, and a cost/benefit analysis of adopting the real Living Wage as a minimum rate of pay. We recognised that the proponents made strong points about living wage accreditation in the UK, the lack of protection for contract workers, and the wider social and economic effects of low pay. However, Marks & Spencer is not a laggard in its sector. Since 2022 it has invested more than £285m in retail pay. From April 2025, its customer assistants earn £12.60 an hour (£13.85 in London), in line with the real Living Wage, although this does not extend to contractors. None of its direct peers is living wage accredited, and the proposal would have placed disclosure requirements on M&S that are not commonly met elsewhere in the sector. We therefore did not consider support for this proposal to be warranted. The resolution was defeated, with 69.3 percent of votes cast against.

Monitoring Service Providers (Principle 6)

Signatories monitor and hold to account stewardship service providers.

TT's policy is to only conduct business with third-party suppliers, including brokers, administrators and custodians, distributors, and other service providers, collectively referred as "Counterparties", that have undergone appropriate, proportionate due diligence.

Before entering into an arrangement, TT assesses its materiality and associated risks, taking account of the nature, scale and complexity of TT's operations and the potential impact on:

- TT's operational resilience
- its ability to comply with legal and regulatory obligations
- its ability to maintain appropriate controls and oversight.

Greater oversight and controls apply where TT has a significant dependence on a service provider. TT remains responsible for meeting its regulatory obligations when services or activities are outsourced. This responsibility cannot be delegated.

When assessing a potential Counterparty, TT takes a risk-based approach to:

- Documenting the business rationale for using the provider and assessing the suitability of the service.
- Identifying applicable legal and regulatory requirements, including whether the arrangement constitutes outsourcing.
- Assessing the operational risks introduced by the arrangement and the controls needed to manage them.
- Reviewing contractual protections, including dispute resolution, termination rights, business continuity, subcontracting, audit access and data protection, where appropriate.
- Considering information security risks, including those associated with public or private cloud services, and reviewing relevant external standards or certifications.
- Assessing where the provider operates, the law governing the contract and any implications for TT, including effective access to data and premises for TT, its auditors and relevant regulators where required.
- Assessing modern slavery and human trafficking risks, including requesting the provider's Modern Slavery Statement or confirmation that it will conform with TT's statement.
- Identifying relevant subcontractors and intermediaries and assessing whether applicable requirements can be met across the arrangement.
- Maintaining appropriate records of contracts, due diligence and approvals.

These assessments are conducted in accordance with TT's Outsourcing and Third Party Policy, with relationships involving brokers, research providers and distributors addressed under TT's Broker and Distributor Approval Policy.

Oversight continues throughout the relationship and is proportionate to the provider's risk category. Staff monitor service quality and value for money. Medium-risk providers are asked annually to confirm changes to information used in their risk assessments, while high-risk providers undergo annual due diligence assessments. Reviews may also be triggered by significant regulatory action, audit findings, service disruption, adverse media or changes in ownership or key staff. Depending on the arrangement, oversight may include service review meetings, updated control reports and monitoring against agreed service levels.

Ultimate accountability rests with the Board. TT's Risk, Operations and Compliance Committee oversees the procedures and controls supporting the policy, departmental relationship owners assess provider risk, and Compliance monitors adherence to the policy and has final responsibility for risk categorisation. Significant issues are escalated to the Management Committee promptly and, in any event, no less frequently than monthly.

In terms of third-party providers, we assess our ESG research providers periodically and compare their products and data provision with other providers. We pay close attention to external ESG research, especially where the research does not fully factor in an investee company's ESG qualities and performance, including environmental management certifications and clean energy opportunities a company is exposed to through its activities or product involvement. We raise such discrepancies with our investee companies and encourage them to communicate with the service providers. We engage with ESG research providers directly when there is a potentially erroneous interpretation of product involvement that may lead to an exclusion under our policies and ask the service providers to communicate with the company in question and verify the involvement. We strongly believe that these activities help to improve market efficiency by improving companies' investability.

In April 2025, we spoke with Bloomberg to provide feedback on proposed enhancements to the FA ESG page as well as how we are using the page and where improvements can be made. We emphasised how it would be beneficial to have translations provided for when the source document for different data points is in a different language. We also said it would be valuable if Bloomberg's check for different policies such as Biodiversity Policy was more thorough, it appears that currently the system simply checks if there are general commitments to biodiversity.

Regarding the FA ESG enhancements, we provided feedback on how we would like to see the presentation of revised company data, whether the page should be structured differently for different sectors, and the integration of net zero pathway analysis onto the page.

In July 2025, we engaged with MSCI to deepen our understanding of the methodology underpinning its sovereign carbon emissions data, to ensure we are applying these indicators correctly in our sovereign and quasi-sovereign analysis. MSCI confirmed that its sovereign emissions intensity metrics follow the PCAF approach, the harmonised standard for sovereign debt given that the GHG Protocol does not apply to sovereigns, which measures Scope 1 CO2 emissions excluding land use, land-use change and forestry (LULUCF) relative to nominal, rather than purchasing power parity (PPP), GDP.