Our Approach to Sustainability in Investment

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True Potential®
Investments

Foreword

“Despite a more challenging backdrop, our work on sustainability at True Potential has continued, guided by the Group Sustainability Committee.”

2025 proved to be a more challenging year for sustainability, set against a backdrop of a less supportive stance in the US. Alongside this, regulatory developments and a number of proposals that have diluted shareholders’ rights have, understandably, weighed on investor sentiment globally. This environment has also contributed to the emergence of the term ‘greenhushing’, reflecting a growing reluctance among organisations to actively promote their sustainability activities. Encouragingly, however, this does not suggest that progress in this important area has come to a halt.

Partly reflecting this more challenging environment, global sustainable funds experienced net outflows of USD 84bn over the year. This stands in stark contrast to the realities of the climate itself: Europe recorded one of its warmest years on record, with unprecedented wildfires and widespread drought. Elsewhere in the world, the year was characterised by notable glacier retreat. At the same time, one of the coldest winters in recent years underscored the increasing volatility of climate-related impacts. While the rhetoric around climate change has become more cautious in some quarters, its progression has not slowed, and the associated financial and human costs continue to escalate.

Despite this more challenging backdrop, our work on sustainability at True Potential has continued, guided by the Group Sustainability Committee. The Committee has established a clear and focused set of priorities across each of our four pillars: wellbeing; climate and nature; stewardship and investments; and community. Alongside this, it has maintained close oversight of the evolving regulatory landscape and published a further update aligned with the Task Force on Climate related Financial Disclosures (TCFD). We have also remained signatories to the United Nations Principles of Responsible Investment (UNPRI) and continued our active and constructive dialogue with Fund Manager Partners on their sustainability approaches and engagement with underlying companies, with selected examples highlighted later in this document.

While the sustainable investment landscape continues to present challenges, we remain clear in our view that sustainability is an important consideration in delivering the best possible outcomes for our clients. We hope this document provides helpful insight into how sustainability continues to develop at both True Potential and among our fund manager partners.

Kevin Kidney
Head of Investments
True Potential Investments

Firm-wide approach to sustainability

At True Potential, we believe that it is one of our responsibilities as a business to play our part in working towards a sustainable future for the generations to come, to have a positive impact on our colleagues and on the society and communities in which we operate.

Many of our clients invest over the long term, saving for retirement and future security. This future is inextricably linked to climate and to the development of society as a whole. It is therefore important that we ensure that our own time horizons and decisions as a business acknowledge and support these goals.

To help our clients achieve their financial goals, we believe a business that considers and, over time, enhances its approach to sustainability will create a stronger foundation from which to deliver better outcomes for our clients, colleagues and other stakeholders.

We designed the Group Sustainability Policy to ensure the incorporation of sustainability issues into our business practices and to help contribute towards achieving our goals. The policy defines the focus areas of the business and how we manage sustainability performance.

As part of this, we consider the following subsets:

Wellbeing
We believe that colleague wellbeing is an output of many things done well. If we look after the wellbeing of our colleagues, our clients are more likely to receive a positive outcome, leading to further success for the business.

Stewardship and Investments
Our clients have entrusted us to help secure their financial futures. Providing effective investment management and advice is a vital part of our Group-wide responsibility as a business. We believe good corporate governance, engagement and transparency are key to meeting our fiduciary and regulatory responsibilities and enabling positive outcomes for our clients.

Climate and Nature
We believe that the allocation of capital can be a powerful tool for change, and that thoughtful choices made in accordance with agreed investment guidelines can help deliver financial goals for our clients as well as benefit the planet and nature.

Community
We believe that our business can have a positive impact on the society in which we operate. We are proud to be based in Newcastle, and by making True Potential a place where people wish to work, where colleagues can develop valuable skills and experience, our clients and the wider society of the North East of England will also benefit.

True Potential Investments and sustainability

True Potential manages a range of ten risk-mapped multi-asset portfolios for UK clients. The investment process is underpinned by the concept of 'Advanced Diversification' which results in a blending together of multi-asset strategies from world-renowned fund manager partners.

The current panel includes firms such as UBS Asset Management, Goldman Sachs Asset Management and Schroders. These external fund manager partners complement our in-house solution, Growth-Aligned. Most of the True Potential assets are managed externally which enables the company to have access to the expertise of over 9,000 investment professionals in more than 160 locations worldwide.

Our aim is to be good stewards of the assets in which we invest, either directly or through oversight of our fund manager partners. Our mission is to maximise returns for investors within a client's risk profile, to reduce volatility and to drive down the cost of ownership for investors. A key part of this is investing in areas that we believe will produce sufficient long-term risk-adjusted returns. ESG considerations form one part of our investment decision-making process alongside a range of financial, risk and market factors and are not, in themselves, determinative of investment selection.

While we do not offer sustainability-specific funds, our process seeks to ensure thoughtful analysis by our fund manager partners of the activities of the companies that are owned by our clients and, where appropriate, active engagement with them.

References to sustainability, ESG factors and stewardship activities in this document should not be interpreted as indicating that any portfolio, fund or investment strategy pursues a sustainability objective unless expressly stated.

In 2022, True Potential Investments became a signatory to the United Nations Principles of Responsible Investment (UNPRI). As a signatory we commit to implement UNPRI's six Principles:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

The core of our business model involves partnering with leading global asset managers. In doing so, we have worked with asset managers who are at the forefront of developments in this area. All our fund manager partners are signatories to UNPRI.

Last year, as part of our obligations as a signatory, we reported to UNPRI. We believe that our membership, and this regular reporting against the Principles, continues to emphasise our continued commitment to the consideration of sustainability factors in our investment process alongside our fund manager partners, and to the continuous development of this part of our process.

Sustainability within True Potential Growth-Aligned

Growth-Aligned is the in-house fund manager at True Potential, managing five risk-mapped multi-asset funds, under a fund-of-funds structure.

Investments are made in both index-tracking funds and actively managed funds to reach a desired asset allocation with the aim of maximising returns within the client's risk profile. Environmental, Social and Governance factors form part of our investment process but is not the primary driver of fund selection. Fund solutions incorporating sustainability considerations are included within our investment universe and, where they meet the same investment, risk and cost requirements, may be preferred to alternative solutions.

As Growth-Aligned is the in-house fund manager, we also abide by the True Potential Investments Sustainability Policy and the six principles of UNPRI as described earlier.

Our investment process includes the completion of an annual sustainability questionnaire by both our active managers and index fund providers at a firm level as well as for the underlying strategies we own. There are some differences between the questions asked of the active managers compared to index fund providers given the differences in investment approach. We convert the qualitative responses into quantitative scores in order to better understand the activities of our managers, to ensure the monitoring of these, and to aid comparison of each provider's approach to ESG.

At the firm level:

- We assess the firm-level sustainability and climate approach, including decarbonisation initiatives, long-term non-climate sustainability goals and the frameworks to monitor progress.
- We seek to understand how ESG considerations are integrated into the investment process, including resources, expertise and training along with screening, monitoring and oversight.
- We monitor the firm's stewardship and engagement practices, including commitments to the UNPRI and UK Stewardship Code, alignment of engagement and voting with ESG priorities and the transparency of disclosures.

At the strategy level:

- We assess how ESG factors are incorporated into the investment strategy and research process, including the use of ESG scoring, the assessment of risks and opportunities, and examples where ESG considerations influenced investment decisions.
- We monitor engagement activity over the past year, focussing on the approach taken and outcomes achieved in addressing ESG risks. In addition, we assess the application of ESG exclusions, and any decarbonisation targets associated with the fund.

It should be noted in the below table (Figure 1) that strategy level scores are in-line with expectations. We anticipate lower scores for those index-tracking strategies that follow non-ESG indices and whose primary objective is to match the delivered performance of the underlying index. We would also anticipate lower scores from smaller firms with less resource in this area, and who are therefore at an earlier stage in their sustainability journey.

Along with the annual sustainability questionnaires we regularly monitor our active managers through semi-annual meetings and monthly email updates. Part of this is understanding any recent engagement with the underlying companies, below are a few examples.

Figure 1: Outcomes of the Growth-Aligned Sustainability assessment.

Amundi
Although Amundi is predominantly an index-tracking provider they are actively engaged with the underlying companies across several themes. Recent examples include encouraging disclosure of key human rights risks, audits, and grievance management as well as implementation and disclosure of relevant climate related performance metrics.

Man Japan CoreAlpha
Man Group joined an investor group which has been engaging with a Japanese steel company since 2023 with the hope of strengthening its decarbonisation strategy, including climate lobbying disclosures and remuneration linked to climate KPIs. Some improvements were made but concerns remained around Paris-aligned targets and climate lobbying transparency. This led to three climate-related shareholder proposals which received significant support at the 2024 AGM.

Following continued engagement, the company held its first green steel transition webinar in March 2025, providing enhanced lobbying disclosures and increased investment in projects to reduce emissions. However, further progress is needed to create a comprehensive lobbying disclosure framework. Engagement will continue, focussing on this as well as industry best practices.

Artemis UK Select
Artemis UK Select integrate ESG to provide additional insight into any potential impact on the share prices. This requires engagement, where needed, to improve company performance. In general, the team support the management approach, unless it is not in the best interest of shareholders.

Following a ransomware attack on a UK retail store in late April 2025 the Artemis team engaged with the company through several meetings with senior executives and the chair. The cyber-attack disabled the company website and some supply chain systems which was projected to have a c£300m impact on operating profit for 2026. This is likely to be somewhat offset by insurance and cost control.

Artemis focussed on understanding the immediate response and the extent of the impact as well as the plan for recovery. Increased capital expenditure was used to improve IT infrastructure, to create simpler systems which support the store although some legacy systems will not be replaced. Short-term supply and online sales were impacted but the medium-to-long-term strategy was on track with prior performance acting as a cushion. Customer-facing systems were brought back online by the summer, and the Artemis team believe actions taken will support the future growth of the business.

The chart below (Figure 2) presents the number of engagements across environmental, social and governance areas undertaken by our active managers in 2025.

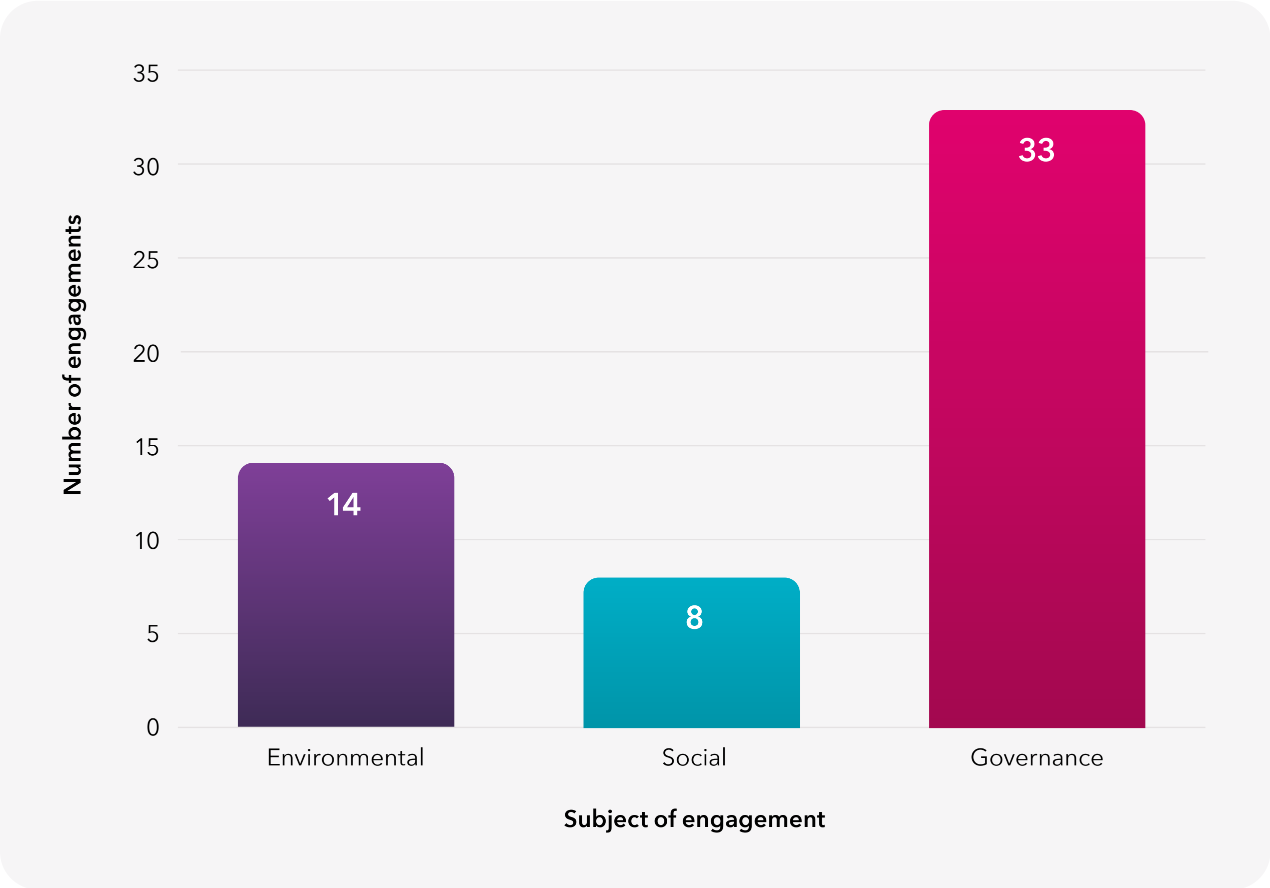


Figure 2: Growth-Aligned underlying active manager engagement.

Sustainability integration in True Potential Portfolios

Our investment framework includes the analysis of a range of sustainability factors in assessing our fund manager partners.

This enables us to provide a broader assessment of the investment environment in which our partners operate and their engagement with both the underlying companies in which they invest and the product providers they utilise. Most of our clients invest for the long term. The core belief underlying this integration of sustainability factors is that businesses with a thoughtful and responsible approach to all their stakeholders are better placed to be able to deliver the returns that our clients seek over the longer-term. Similarly, those companies that are thoughtful about the impact of their actions on climate, and on the society in which they conduct their business and from which they draw their clients, are also more likely to prove better-placed to produce enduring returns.

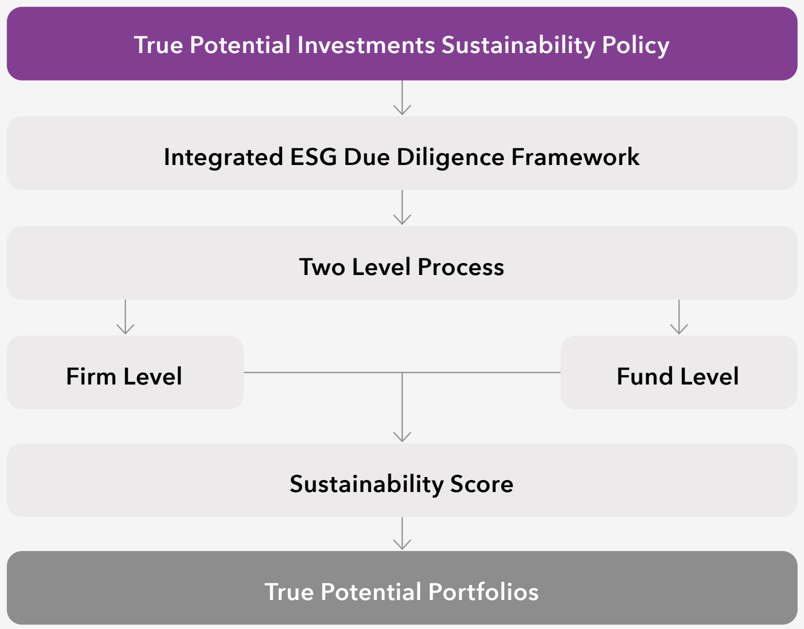


Figure 3: Structure of the True Potential Investments Sustainability Framework.

At the firm level, we assess:

- To what extent is the fund manager partner committed to their sustainability journey? We consider factors such as their commitment to initiatives like the UNPRI and UK Stewardship Code, the objectives that they wish to achieve in this area, and the progress being made towards them.

- Whether the fund manager partner is investing enough in building out their expertise and infrastructure in this area to enable investment teams and wider staff to deliver their aims.

- Whether the fund manager partner provides guidance and tools to their investment teams on how to consider the risks and opportunities in this area and enable them to appropriately consider the investable universe across asset classes. Additionally, whether investment teams integrate sustainability factors into their security selection, portfolio construction and overall risk management processes.

- We also assess how the firm is engaging with their underlying companies and solution providers to guide them in this area. Are they using their influence effectively to drive change? What do they do if they recognise a company that does not meet their minimum requirements? In this area we will look, amongst other things, at their historical proxy voting record and our fund manager partners' engagement with the companies in which they invest.

At the fund level, we assess:

- How the investment team utilise the firm-wide initiatives. We also consider what internal expertise they have within the team, and how well they utilise the resources at a firm level to enhance their understanding on sustainability issues.

- Whether the investment team have the right tools and appropriate training to incorporate their sustainability framework into their investment decisions. Are they able to navigate the investable universe and manage the strategy through a sustainable lens? At a deeper level, how do they integrate sustainability factors and risks into their portfolio construction and overall strategy management?

- In order to ensure good stewardship of the companies in which we invest, we want to assess how well connected and engaged portfolio managers and analysts are with the firm's central proxy voting team. Are they able to provide their views on proxy voting and other engagement issues in an unbiased and a transparent manner to us? What are the outcomes of these engagement actions?

We review our sustainability framework every year. We recognise how dynamic the area is, and how important it is to track and recognise all the changes made. In our recent review, we evolved questionnaires sent to our fund manager partners in order to be able to receive further, and more detailed information at both firm and fund level. This year, we added two aspects to our assessment: the fund manager partner's strategy on natural capital and how they monitor well-being measures implemented in the companies they invest in.

We assign a numeric score from 1 to 4 for each question in the framework and aggregate them at both firm and fund levels.

As you can see from the Figure 4 below, the rating of three of our fund manager partners has remained 'Amber' over the period. It does not mean that the fund managers did not improve throughout the year, as in each we observed active participation in engagement with companies and further work being done towards corporate sustainability goals.

Our analysis indicates that all our fund manager partners have been constantly working to improve their processes and ESG integration. The True Potential fund manager partner cohort scores on average 3.2. This feeds into our investment management and decision-making framework used to manage the True Potential Portfolios.

As with all our investment processes, our sustainability assessment is an iterative process where we score our fund manager partners formally once a year. However, we have many additional touchpoints with them throughout the year including more in-depth conversations on current ESG issues and their consideration in fund managers' research and decision-making process.

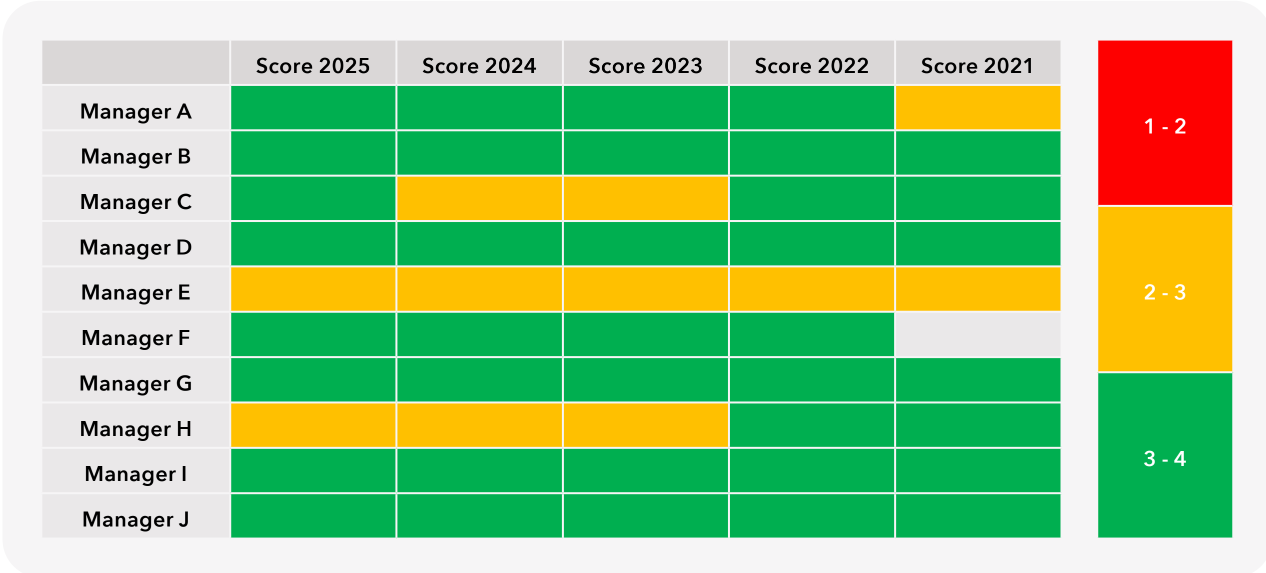


Figure 4: Outcomes of the True Potential Investments Sustainability Assessment.

It should be noted in the above table that not all fund manager partners are at the same stage of development in this area. Some were well-resourced and active in it many years ago, others have been more recent advocates of some of these principles. All are scored 'like-for-like', but these differences between some companies' start-points should be noted.

While not being prescriptive on the sustainability criteria used, True Potential is supportive of the exclusions and weighting adjustments made by our fund manager partners in pursuit of their sustainability aims. Some of these take the form of blanket exclusions such as those for some armaments and some forms of coal extraction. Others follow scoring processes that seek to reduce exposure to, and therefore risk from, our clients' exposure to the weaker companies in sectors or markets. Our fund manager partners have different processes to arrive at these judgements, but all are thoughtful in seeking to build portfolios that best allow the risks around poor performing companies in this area to be minimised.

Climate-related considerations

Task Force on Climate-related Financial Disclosures

The Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosures (TCFD) in 2015 to improve consistency and comparability of firms' climate-related disclosures. The expectation being that this will allow companies to better incorporate climate-related risks and opportunities into their risk management, strategic planning and decision-making processes. In due course, this will allow better allocation of capital to sustainable and resilient opportunities/solutions.

To achieve this goal, they created the TCFD framework which consists of eleven disclosures designed around four key pillars: Governance, Strategy, Risk Management and Metrics and Targets for quantifying greenhouse gas emissions within Scope 1,2,3 which all assist in assessing climate-related risks and opportunities for companies.

As per the Financial Conduct Authority (FCA) policy statement, investment companies are required to publish the reports.

In addition to qualitative statements within the pillars, we have engaged with MSCI to provide us with climate-related risk metrics for each of the True Potential Funds and Portfolios. The metrics dashboard consists of a variety of measures such as carbon footprint, Climate Value at Risk or Implied Temperature Rise. Such metrics help us to assess the level of greenhouse gas emissions that underlying companies generate or potential investment loss assuming certain climate scenarios.

The True Potential TCFD Entity and Product reports can be found at: **www.truepotential.co.uk/documents**.

Our fund manager partners' evolution of sustainability

The evolution of the work on sustainability has also continued at our fund manager partners, who continue to develop their sustainability processes. Examples of the work being done include the following developments:

- In 2025, Pictet undertook a comprehensive review of their Global Engagement Focus programme. The result of this was a streamlining of the framework to prioritise their engagement efforts on three key themes: climate, nature and long-termism. As part of the review, Pictet have selected almost 100 companies to prioritise for engagement across these themes.

- Schroders refined its engagement framework to improve consistency and clarity across asset classes. While recognising differences between equity, fixed income and private markets, the firm emphasised that engagement objectives and tools remain largely aligned. Cross cutting themes such as transition, supply chains, technology, health and inequality were expanded to better reflect client expectations and research insights. Improvements to engagement-tracking are designed to provide clearer evidence of outcomes and progress for clients.

- Threadneedle evolved its proxy voting policy to include split voting. This enables voting to be tailored across different strategies, to ensure voting outcomes are aligned with client views.

- TrinityBridge developed a structured framework prompting analysts to consider key sustainability-related questions to enhance ESG integration in the equity research process.

- UBS made four key changes to their proxy voting policy. They introduced a vote against the Chair of the Governance Committee if the board has in place, what they see as, problematic governance features. They will escalate recurring concerns on remuneration to the Remuneration Committee, voting against relevant members at companies with longstanding remuneration issues. They will require majority board independence, and finally in Japan, they will vote against directors for governance failures, with directors impacted by cross-shareholding viewed as non-independent.

Our fund manager partners' engagement with companies owned

Our fund manager partners are continuously working on greater integration of environmental, social and governance factors.

They collaborate in initiatives such as the Carbon Disclosure Project, Net Zero Asset Manager initiative, and Climate Action 100+. These initiatives set targets and disclosure requirements to aid progression on climate action.

Our fund manager partners constantly consider all aspects of 'good ownership' of the companies and securities in which they invest on behalf of True Potential's clients. In pursuit of this aim, they engage with companies when they identify any area for improvement.

This engagement covers areas such as:

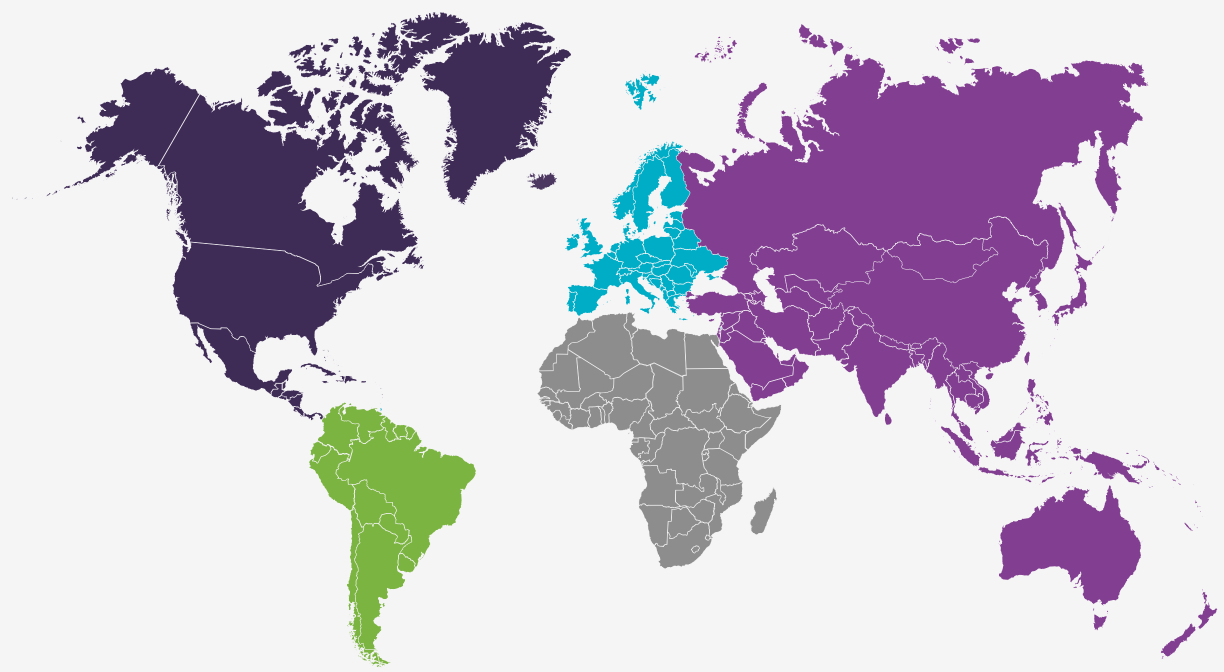
Environmental
They assess the climate transition commitment and reduction targets for greenhouse gas emissions by companies. They also engage on more specific pollution risks to which companies may be exposed.

Governance
They engage on board diversity, structure and remuneration. In addition, they would engage on matters of reputation, as well as corporate events and capital allocation.

Social
They engage on health and safety of employees, the quality of supply chains, and diversity and inclusion within the company.

The charts below illustrate engagement activities undertaken by True Potential's fund manager partners with investee companies in 2025. The data includes only those partners investing directly in equities and fixed income within the True Potential Funds.

Geographic distribution of engagements by issuer company



North America	Central & South America	Europe	Asia Pacific
87	2	279	15

Figure 5: Geographic distribution of engagements by issuer company, 2025.
Note: no engagement was conducted in Africa and the Middle East.

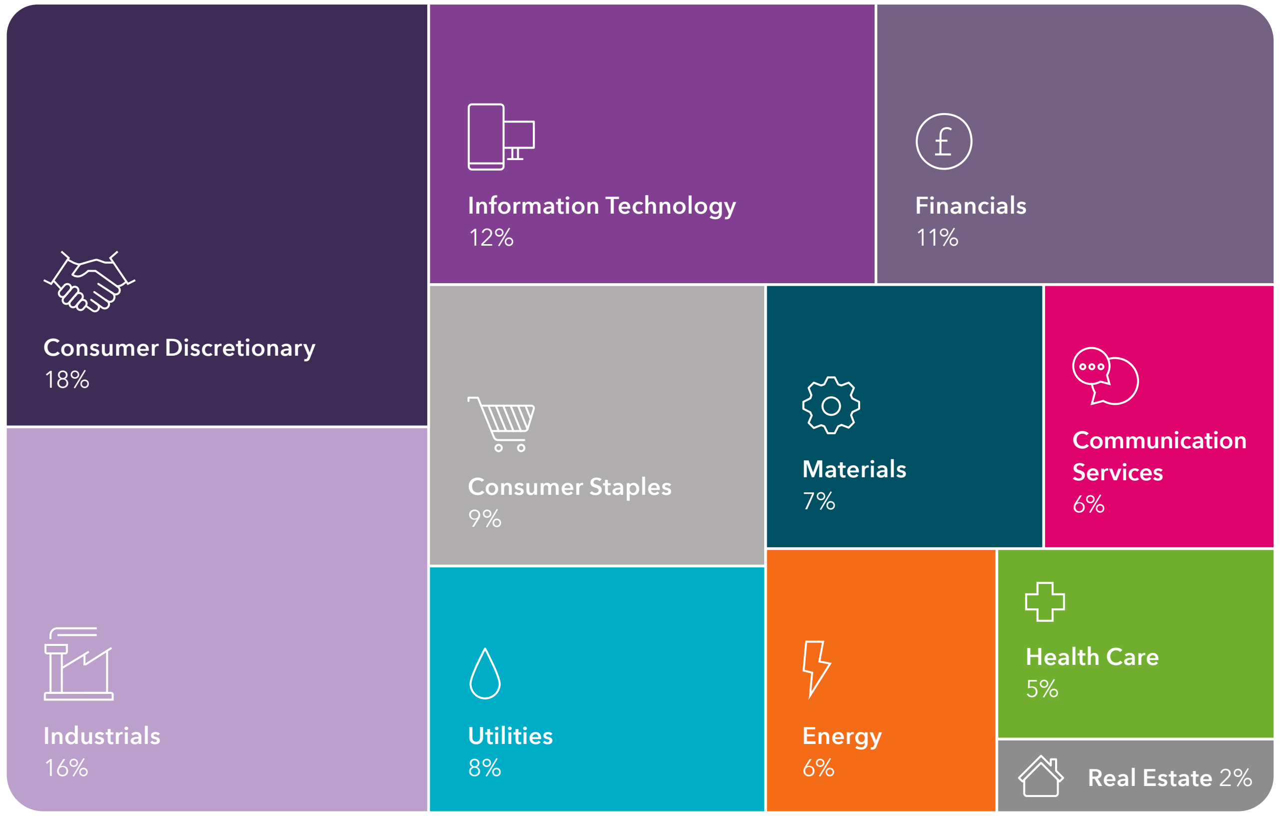


Figure 6: Engagement meetings by sector as a percentage of total, 2025.

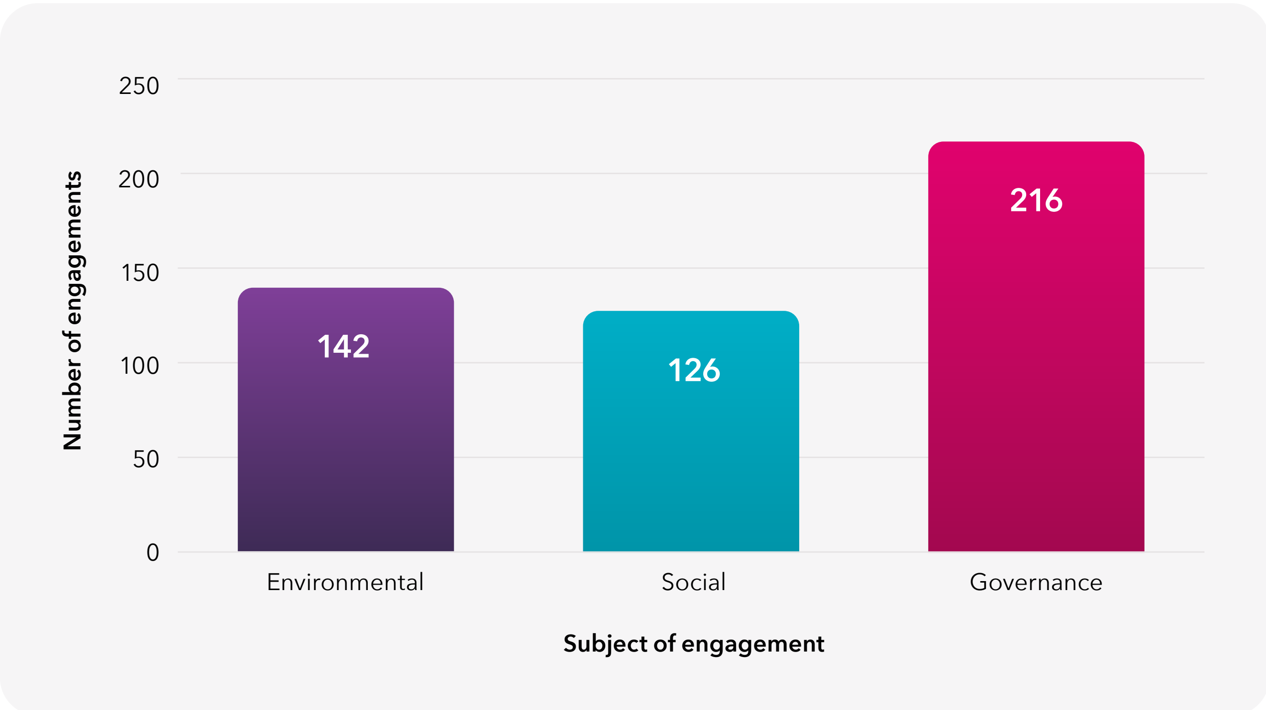


Figure 7: Number of True Potential Fund Manager Partners' engagements with the investee companies held within True Potential Funds in 2025. Includes numbers only from fund manager partners that invest directly into equities and fixed income.

Making a difference together

Figure 8: The structure of ESG engagement, starting from True Potential Investments itself, through internal and external fund manager partners, to their involvement in collaborative initiatives and finally to the companies they invest in and engage with on ESG issues.

The power of engagement

As the chart opposite shows, our fund manager partners conducted many engagements activities throughout the year. Here are just a few examples of their active dialogue with underlying companies:

Schroders

Schroders continued to focus on practical engagement across social, environmental and governance themes, supported by both direct company dialogue and collaborative initiatives.

- **Schroders engaged with a UK-based equity long/short fund manager:** The engagement resulted in a measurable improvement in firm level ESG assessment outcomes. The manager improved in Schroders scoring framework, driven by stronger capabilities and formalised ESG policies. Ongoing dialogue remains focused on embedding these improvements and strengthening performance relative to peers.
- **They also engaged with a UK-based European fund manager:** During the engagement, they identified gaps between voting practices and stated responsible investment ambitions. As a result, the fund manager is developing a more structured voting framework, enhancing internal systems, formalising a detailed voting policy, improving transparency of voting decisions and signing up to the UK Stewardship Code. These changes are intended to strengthen governance oversight and stewardship alignment over time.

sei

SEI's engagements, supported by Sustainalytics, focused on material transition and social risks with clearly defined objectives.

- **SEI engaged with a German fertiliser and specialty chemicals company:** The engagement encouraged stronger disclosure and governance of climate strategy. The company linked ESG metrics to executive remuneration and committed to climate neutrality by 2045, leading to formal resolution of the engagement.
- **They also engaged with a Danish renewable energy utility:** The engagement addressed how human rights risks are managed across renewable energy value chains. The company showed receptiveness, with ongoing focus on labour rights risks in supply chains and the application of leading practices across the sector.
- **SEI also identified a Japanese telecommunications company for engagement activity:** Here, initial engagement with them focused on demographic challenges and workforce inclusion. The company has now implemented clear management and board level diversity targets and wellbeing initiatives, with follow up engagement planned as targets mature.

Goldman Sachs Asset Management

Goldman Sachs Asset Management (GSAM) engaged with a US consumer company, as part of its Biodiversity and Nature thematic engagement programme, with a particular focus on deforestation risks.

- The engagement was prompted by a shareholder proposal requesting that the company conduct and disclose a biodiversity impact and dependency assessment across its full value chain, with the aim of informing the company's approach to managing nature related risks.
- During the engagement, the company outlined its long-standing commitment to biodiversity management, referring to its Wood Purchasing Policy, which has been in place since 1999. The firm emphasised its approach to transparency, including participation in the CDP forestry disclosure for the past two years. The company described a risk-based framework for managing deforestation, which it identified as its most material biodiversity risk, and highlighted a recently conducted and publicly disclosed assessment covering sustainable forestry practices and biodiversity protection. It also confirmed that a comprehensive review of its wood sourcing footprint and related policies had been undertaken following a shareholder proposal in 2022. Based on the company's existing governance arrangements, disclosures and demonstrated commitment to assessing and reducing material biodiversity risks, GSAM concluded that supporting the shareholder proposal was not necessary. GSAM therefore determined that voting against the proposal was in the best interests of shareholders, while recognising the progress already made.
- GSAM has indicated that it will continue to engage with the company on biodiversity and deforestation related issues to monitor implementation and encourage continued improvement over time.

PICTET 1805

Pictet engaged with an American waste management and environmental services company:

- This meeting reviewed the company's recent board refresh and onboarding, board oversight of labour and safety incidents, and the company's operational sustainability efforts (circularity, electrification and measurable ESG-linked compensation). It also flagged the need for improved ethnic diversity and additional ecological-services expertise on the board. Board refreshment is largely complete but ethnic diversity remains low. Overall gender and ethnic diversity cited at ~45%, and future selections will target improvement.

They also engaged again with a French cosmetics and personal care company:

- This meeting provided an update on the company's ESG developments and strategic adjustments within their global sustainability program. The Pictet team sought a discussion on climate trajectory updates and on the application of new standards as well as challenges in achieving sustainability targets due to technological and market constraints. Key updates included the alignment of climate strategies with SBTI net-zero standards and the application of TNFD standards for assessing nature risks. The company is transitioning some voluntary targets to public policies to enhance transparency and governance. The meeting concluded with a reaffirmation of the company's commitment to ESG goals, adjusting strategies based on realistic assessments of technology and market conditions.

Allianz Global Investors

Allianz focused on engagement and voting activities that reinforce governance quality, climate ambition and social standards.

- **Allianz engaged with a UK biopharmaceutical company:** The engagement was conducted under the Nature Action 100 initiative and encouraged enhanced biodiversity disclosure and risk management. The company published its first TNFD aligned report and is progressing location specific biodiversity assessments and sustainable sourcing practices, supporting longer term operational resilience.
- **They also engaged with a US home improvement retailer:** The engagement covered emissions reduction across Scopes 1, 2 and 3, waste reduction initiatives, workforce safety and board oversight. The company demonstrated tangible progress on emissions management, employee safety and sustainability governance, while further work is expected on comprehensive biodiversity risk assessment.

TrinityBridge

TrinityBridge engaged with a German British publishing company regarding a recent decline in board gender diversity to 25%, below market and regulatory standards:

- TrinityBridge used its voting rights at the company's Annual General Meeting to signal its concern, voting against the election of directors. It also sought clarification on the rationale for the target, the board appointment process, and plans to improve diversity over time. The company confirmed that 25% represents a minimum threshold and reiterated its commitment to increasing female representation as board succession progresses, noting that diversity is a key consideration in its candidate selection process. While recognising that board composition can take time to evolve given the company's ownership history, TrinityBridge will continue to monitor progress and expects evidence of improvement in future.

COLUMBIA THREADNEEDLE INVESTMENTS

Threadneedle engaged with a European commercial real estate company on climate change and environmental stewardship as the company underwent a major portfolio transformation:

- The company outlined plans to reduce emissions by 47% by 2030 and 90% by 2040, with 56% of assets already rated EPC B or above and 100% of high risk properties covered by climate and flood adaptation plans. While ambition on embodied carbon is constrained by market conditions, the company is focusing on material reductions and participating in Steel100 and Concrete100 initiatives. The engagement provided increased confidence in the company's pragmatic approach to sustainability and climate risk management, and Threadneedle will continue to monitor progress.

Proxy voting

We believe that votes held by shareholders should be seen as an asset. How these votes are exercised is therefore important.

The chart below shows the range of issues about which our fund manager partners are required to consider and on which they exercise clients' votes.

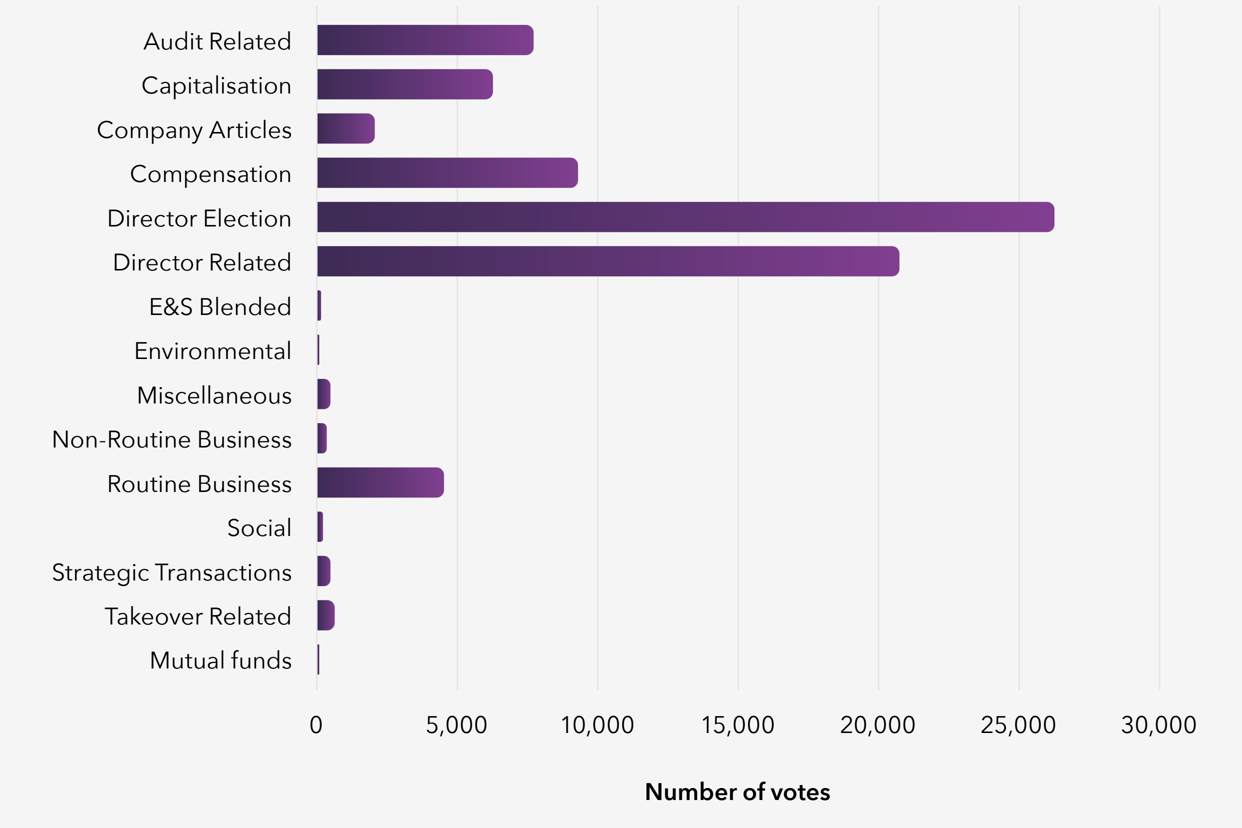


Figure 9: Votes cast by management categorised by subject.

The chart below demonstrates that, in our view, our fund manager partners are thoughtful in the exercise of these votes, regularly opposing management in areas where they have raised concerns.

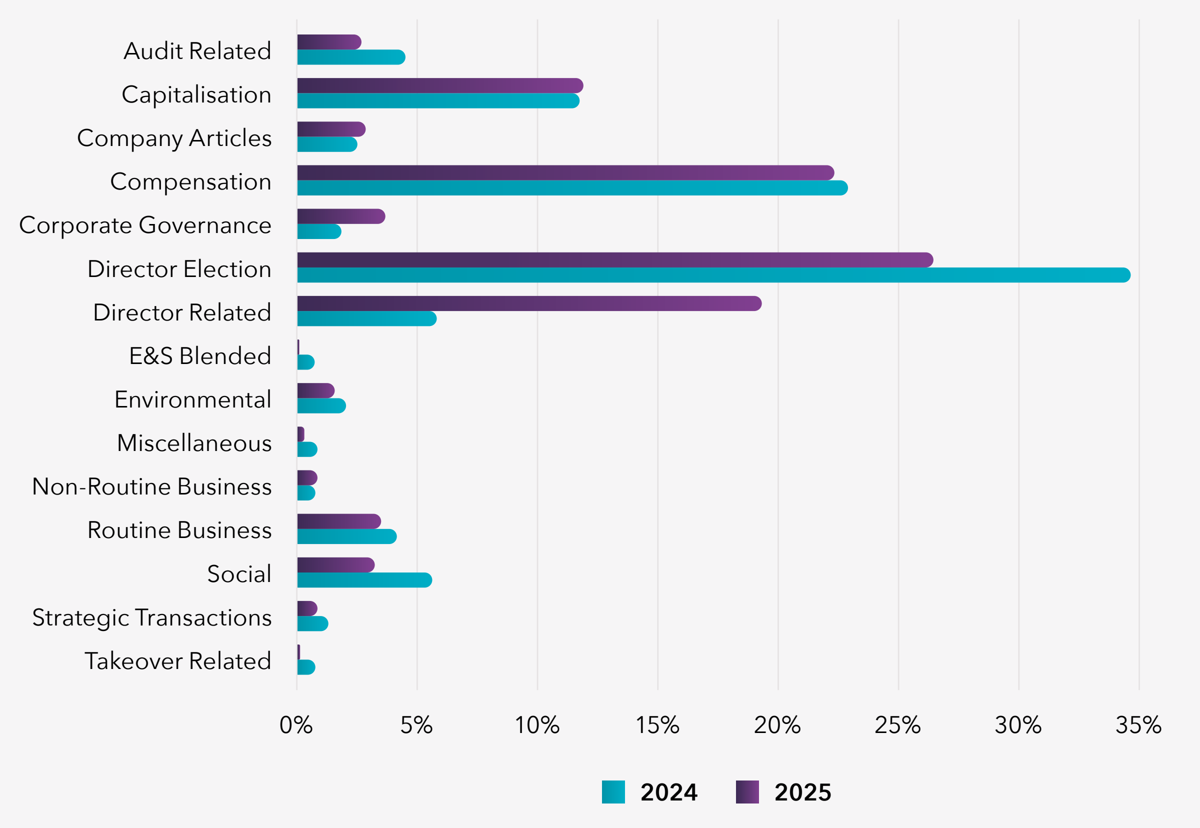


Figure 10: Votes opposing management categorised by subject, comparison 2025 vs 2024.

Similarly, shareholders as a group have also been pro-active in tabling resolutions where they have felt that a company's agenda proposed at a meeting does not adequately address concerns that shareholders have raised. The chart below shows the subjects raised by shareholders at company meetings.

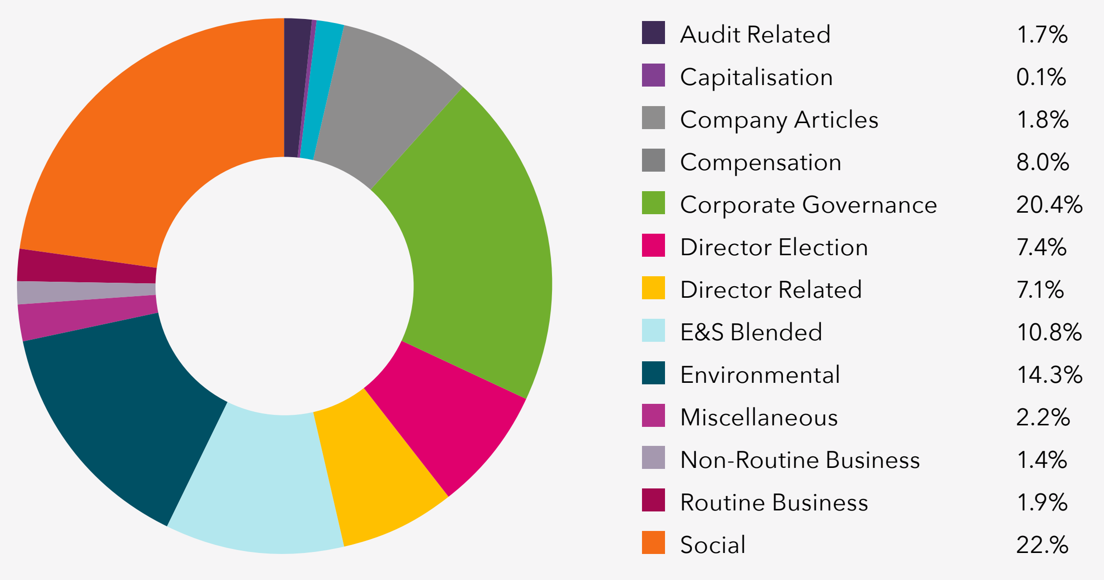


Figure 11: Resolutions proposed by shareholders categorised by subject.

True Potential®
Investments

With investing, your capital is at risk. Investments can fluctuate in value and you may get back less than you invest.

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