Annual Review 2024

Stewart Investors

Market in Vi Thanh city, Hau Giang province, Mekong delta, Vietnam

Contents

Executive summary

A warm welcome to Stewart Investors' review of 2024. We are a small team of passionate investors who, on behalf of our clients, manage a range of investment strategies and funds. We only invest in the shares of listed companies. We don't invest in bonds and we completely avoid complex financial instruments. We simply buy shares in high-quality companies and, if things go well, hold onto them for many years or, preferably, for decades.

Despite that focused and patient approach, attempting to describe everything that happened in 2024 would have resulted in a report whose sheer size would be enough to defeat even the most enthusiastic reader. Instead, this year's review foregrounds one aspect of what we do: sustainable investing, which we define as improving human development outcomes within the environmental limits of our planet. Descriptions of other aspects of our process – trip notes, descriptions of the companies we own, and letters describing our investment thinking – can be found on our website.

In some senses, this report's focus is artificial: sustainability has always been an essential attribute of the companies whose shares we invest in – but it is not sufficient on its own. There are plenty of companies with great sustainability positioning whose shares we would never own. Quality of a company's people, its franchise and its financials are equally critical and, together, they form the backbone of our investment analysis. Yet although this report examines just one facet of what we do, we hope sustainability offers an interesting lens through which to view 2024. It was a year of significant political change and one that saw prominent voices critical of 'sustainability' becoming louder. Equally, it was also another year in which we engaged with companies and collaborated with our peers and a range of partners to find new ways to confront some of the key challenges the world faces. We hope you think that's something worth looking at.

What's in a name? Explaining a small change

In 2024, we decided to remove the word 'sustainability' from the names of our funds. Why? For three main reasons, it felt like the right time.

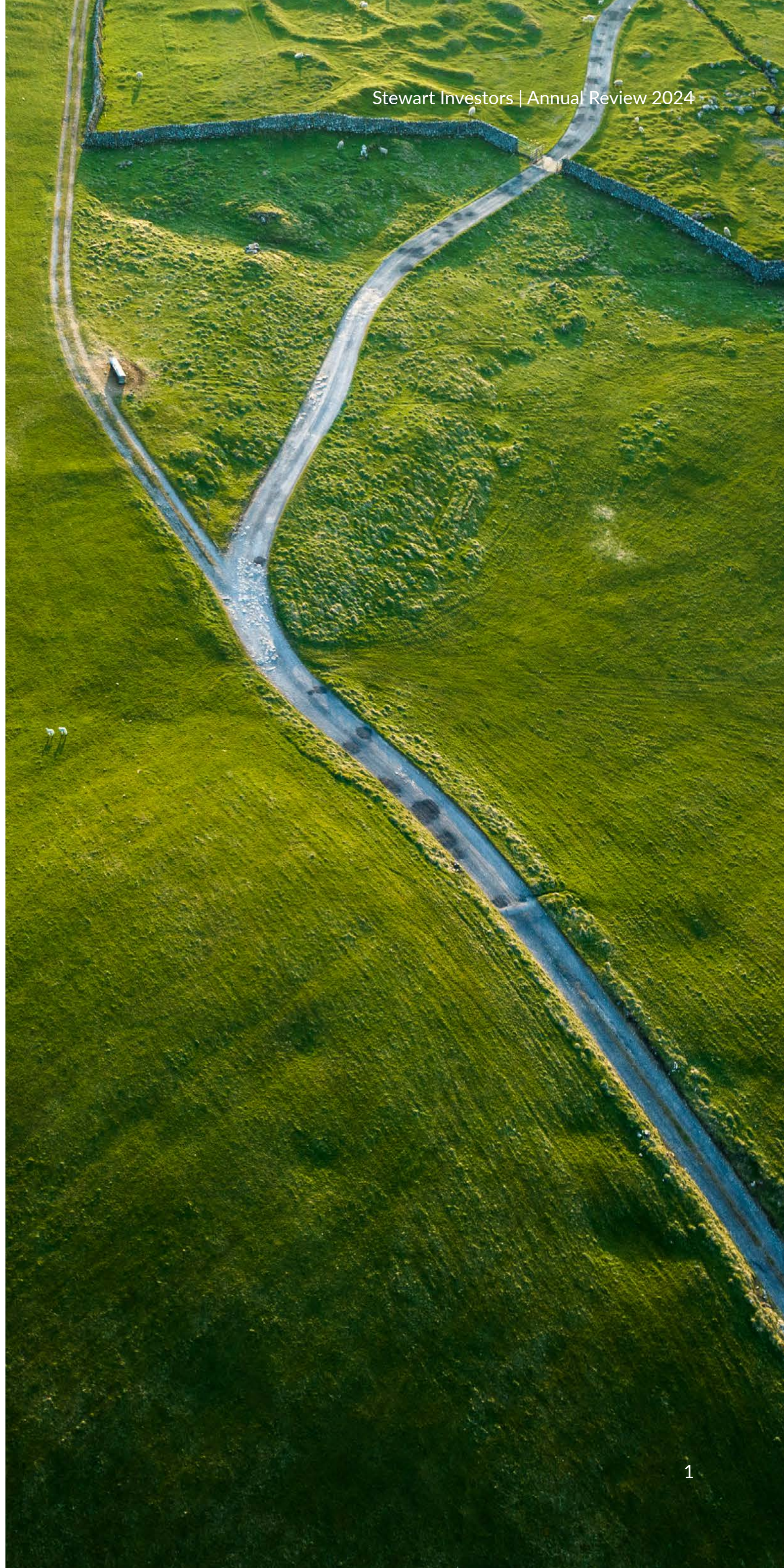
First, the companies we admire don't tend to put 'sustainability' in their name. It's 'Patagonia', not 'Patagonia Sustainability'. We would like to be known as Stewart Investors, not 'Stewart Investors Sustainability'.

Second, financial regulators globally are spending more time trying to define what 'sustainability' means and how it should be regulated. Unsurprisingly, each regulator is arriving at a different definition. Having 'sustainability' in a fund name may create confusion instead of clarity, particularly at a time when the term has become politically charged. We would rather focus on improving our own approach to sustainable investment than trying to second-guess regulators.

Third, we have always wanted to compete in the mainstream and having the word 'sustainability' in our fund names has sometimes led to us being excluded from mainstream conversations. Our hope is that removing 'sustainability' from the name of our funds will reinforce the importance of every part of our investment approach.

As we hope this report shows, removing the word 'sustainability' from the names of our funds doesn't mean we are focusing less on the sustainability positioning of our companies. The opposite is true. We analyse and map each of our companies to specific environmental footprint and human development solutions. We will always seek out companies with strong sustainability positioning, not because of any labels, but because it's an essential part of any long-term investment case.

Whether you read this report from cover to cover, scroll through it at speed or only read the odd section, thank you for your interest and for your support. As always, we welcome your feedback on this report and on everything that we do.



Investment philosophy and commitments

We invest globally in the shares of high-quality companies that contribute to, and benefit from, sustainable development. We believe companies with these attributes are particularly well positioned to generate long-term returns and deliver positive social and environmental outcomes.

Our investment philosophy

- **Long-term:** We are long-term investors with a minimum ten-year mindset at the point of initial investment.
- **Absolute return:** Investment risk for us is about losing clients' money and permanent loss, rather than deviation from any benchmark.
- **Bottom-up:** We buy, on behalf of our clients, shares in real companies, rather than benchmarks or top-down market proxies.
- **Sustainability:** We believe the sustainability positioning of companies drives investment returns and reduces investment risk.
- **Quality:** We believe the quality of people, franchise and financials drives long-term returns and reduces risk.

Our first strategy started in 1988 through our listed equity investments in Asia. That region continues to be on the frontline of multiple sustainable development challenges, while also holding the key to many of the solutions. Today, we also manage equity strategies and funds (portfolios) investing in emerging markets (including and excluding China), Europe (including and excluding the UK), the Indian subcontinent, and worldwide.

Our commitments

We have made commitments on several issues that we believe are important for a sustainable economy. They include:

- Climate change
- Diversity
- Avoiding companies with material exposure to harmful or controversial products, services or practices

We also follow an active and thoughtful approach to our duties as shareholders.

These commitments reflect the application of our investment philosophy, our Hippocratic Oath, and the way we manage our business. Across all our activities we strive to:

> Allocate capital to high-quality companies that are contributing to a more sustainable future.

> Use our influence as investors to encourage companies to take positive actions through direct and collaborative engagement, voting and policy advocacy.

> Continue to evolve our approach as investors.

> Report transparently and regularly on our successes and mistakes as an employer, as investors, and within our communities.

We are conscious that the process of consolidating and updating our policies relating to specific environmental and social factors (such as climate, biodiversity, water and diversity, equity, and inclusion) has not been completed. Things don't always go as planned and this remains work in progress. Capturing an approach to sustainable investing that has evolved over the course of more than three decades in a short policy document is far from straightforward. It seems prudent to proceed with caution; we want to choose our words – and to define our policies – carefully.

Sustainability

Assessing a company's sustainability positioning – alongside the quality of its people, franchise, and financials – lies at the heart of our process.

We use rigorous individual company analysis to assess whether companies are making a meaningful contribution to sustainable development through positive social and environmental outcomes. This is supplemented by third-party frameworks and external research. Two of the key frameworks are:

- Our human development pillars, which refer to the United Nations Human Development Index[1].
- Project Drawdown's catalogue of climate-change solutions[2].

All of the companies we invest in contribute to improving human development (positive social outcomes). Many also contribute to climate change solutions (positive environmental outcomes).

Where companies do make a contribution, we classify them as making either a 'direct' or an 'enabling' contribution. A direct contribution is where a company's goods or services are the main way that a positive social or environmental outcome can be achieved (e.g. solar panel manufacturers and installers). An enabling contribution is when a company's goods or services enable other companies to contribute to a positive social or environmental outcome (e.g. manufacturers of critical components used to make solar panels).

[1] The Human Development Index (HDI) is a broad measure of human development created for the UN inspired by economist Amartya Sen and his concept of 'development as freedom.' It includes metrics related to income, education, and health.

[2] Any reference to Project Drawdown climate solutions is to the solutions here. It is not to be read as implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors' Sustainability Assessment framework.

1 Positive social outcomes: human development pillars

Adapted from the three components of the United Nations Human Development Index (income, education and health), we determined 10 pillars that encapsulate the essence of human development. Every company that we invest in must contribute tangibly to at least one of these pillars, which we group under four broad themes:

> **Health and well-being** – improved access to, and affordability of, nutrition, health care, hygiene, water and sanitation.

> **Physical infrastructure** – improved access to, and affordability of, energy and housing.

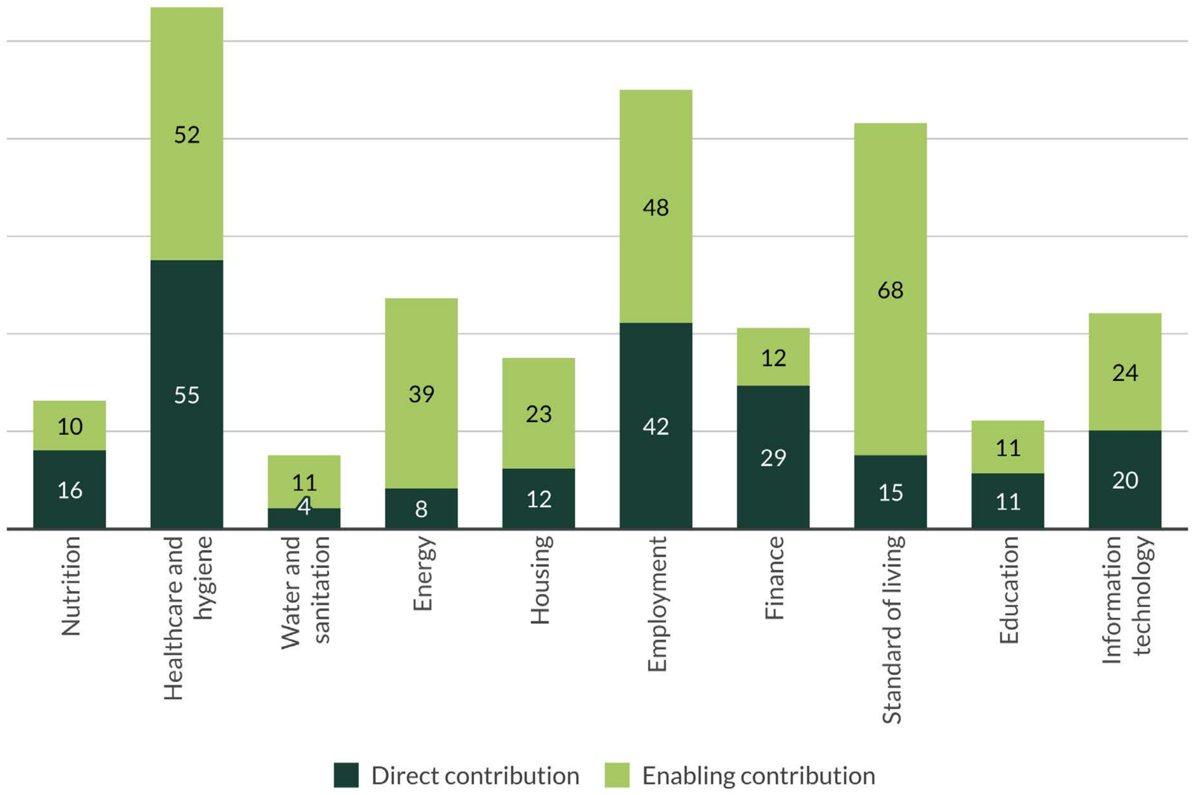
> **Economic welfare** – safe employment, offering a living wage and opportunities for advancement, access to finance and improved standards of living.

> **Opportunity and empowerment** – improved access to, and affordability of, education and information technology.

As of 31 December 2024, our portfolios held 203 companies. All of these companies (100%) were contributing to at least one human development pillar. In total, these companies were making 510 contributions to the pillars.

Human development pillars

(number of contributions made by the companies to each pillar)



Source: Stewart Investors and company data. Number of pillars and companies as of 31 December 2024. Contributions are defined by the team as demonstrable contributions to any solution, either direct (directly attributable to products, services or practices provided by that company), or enabling (supported or made possible by products or technologies provided by that company).

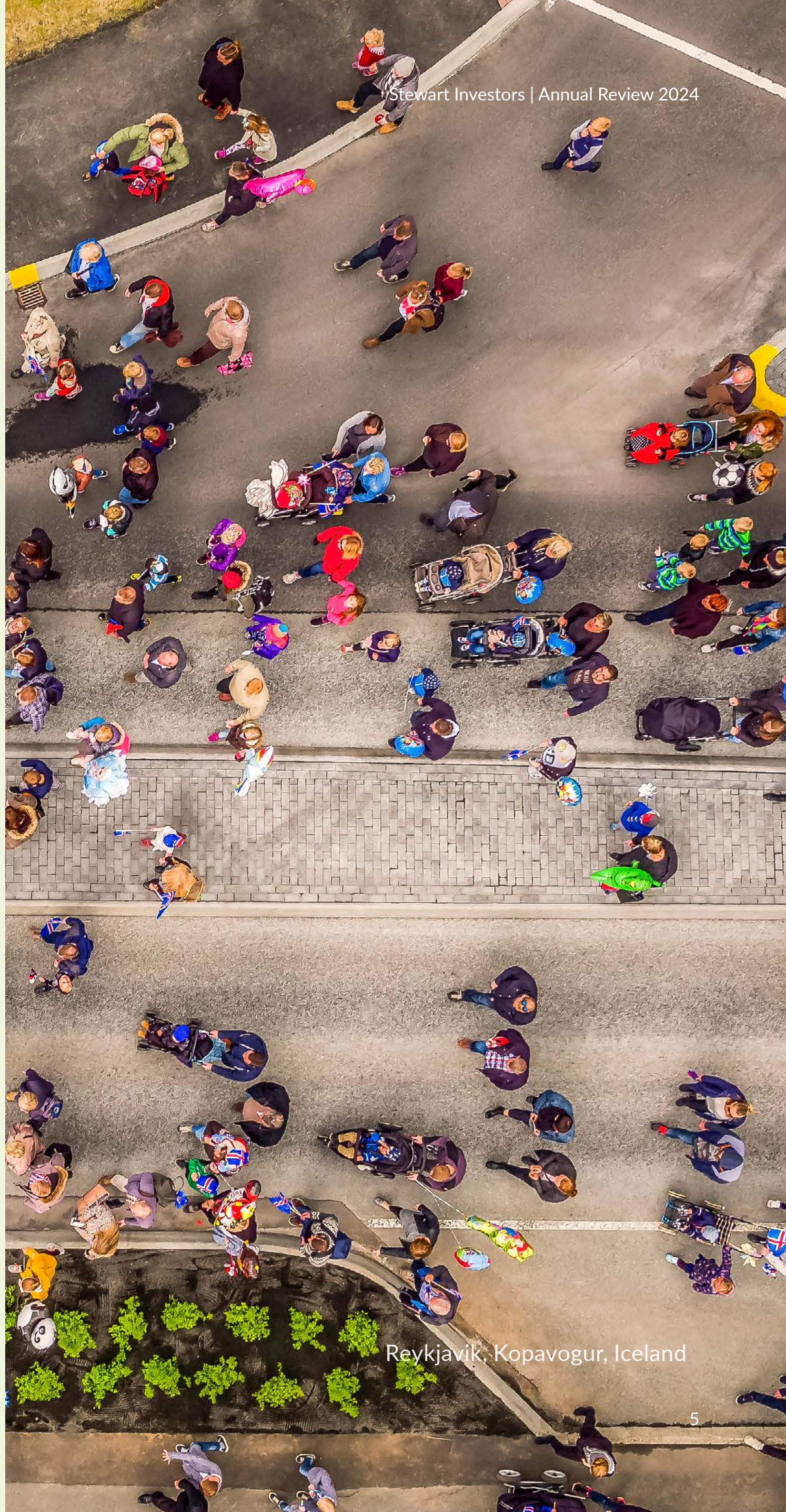
Human development pillars

An update for 2025

In 2024, we reviewed our human development pillars and made some small adjustments to the way we evaluate, disclose, and report on how our companies align with them. Our aim was to provide better balance across the categories, to provide clearer distinction between some of the previous pillars that had previously too been broad (e.g. standard of living and healthcare & hygiene), and to highlight solutions that could stand out more effectively in their own dedicated pillars (e.g. transport & connectivity). We now have 12 pillars, organised across the same four themes.

Health and wellbeing	Physical infrastructure	Economic welfare	Opportunity and empowerment
Nutrition	Energy	Livelihoods	Education & training
Healthcare	Housing	Financial services	Information technology
Hygiene & personal care	Water & sanitation	Material necessities	Transport & connectivity

The company mappings on Portfolio Explorer already reflect our updated human development pillars. Reporting and fund documents and disclosures, where applicable, will be updated during their next available cycle. More detail on the update to our human development pillars can be found on our website.



Reykjavik, Kopavogur, Iceland

2 Positive environmental outcomes: climate change solutions

Project Drawdown is a non-profit organisation founded in 2014. It has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown': the point in the future when levels of greenhouse gases in the atmosphere stop climbing and start to decline.

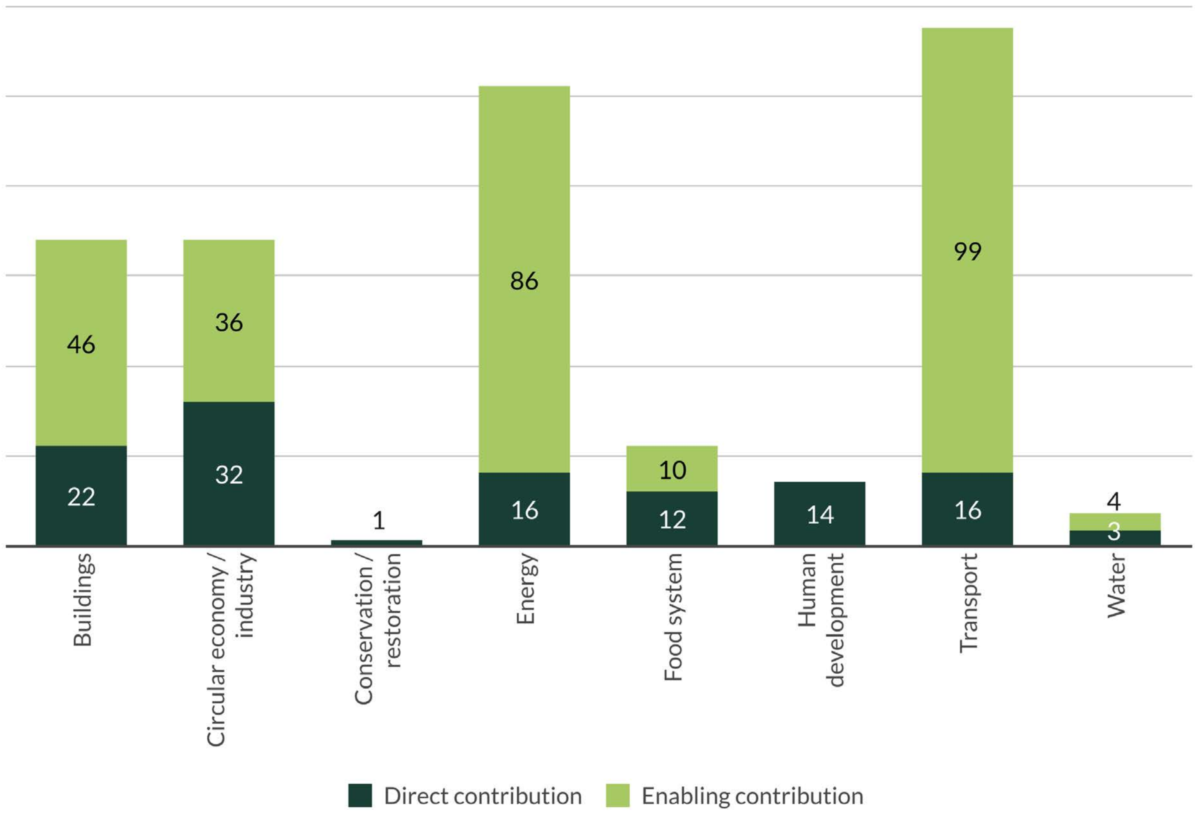
We group those solutions into eight broad categories:

- Buildings – products and services that reduce the environmental footprint of the built environment, including improved energy efficiency, electrification, better design, and use of alternative materials.
- Circular economy and industries – improved efficiency, reduced waste, and new business models for replacing linear value chains (which produce waste) with closed loops (which don't).
- Conservation and restoration – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.
- Energy – renewable energy and other clean energy and related technologies.
- Food system – sustainable farming, food production and the distribution of products and services.
- Human development – advancement of human rights and education to drive environmental conservation and more sustainable use of resources.
- Transport – efficient transport technologies and growth in fossil fuel-free transportation options.
- Water – less energy-intensive methods for treating, transporting and heating water.

As of 31 December 2024, our portfolios held 203 companies, 132 of which (65%) were contributing to at least one climate change solution. These companies were contributing to 55 different solutions and, in total, were making 397 different contributions.

Climate change solutions

(number of contributions made by the companies to each solution)



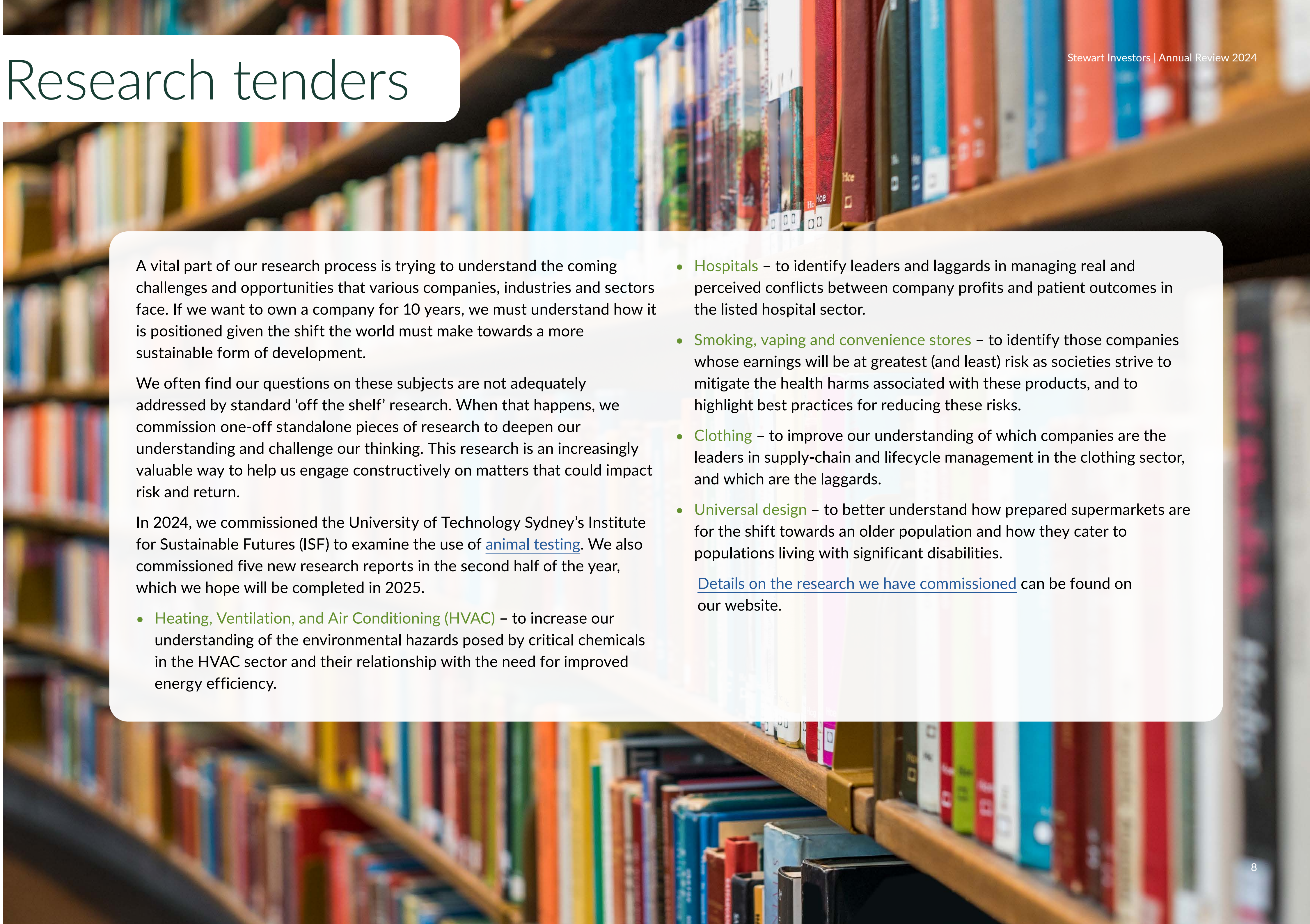
Source: Stewart Investors, company data and © Project Drawdown (drawdown.org). Number of solutions and companies as of 31 December 2024. Contributions are defined by the team as demonstrable contributions to any solution, either direct (directly attributable to products, services or practices provided by that company), or enabling (supported or made possible by products or technologies provided by that company). It is not to be read as implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors framework.

Portfolio Explorer

Sharing the stories of the companies we invest in

Learn more about the companies in our strategy and fund portfolios using Portfolio Explorer, which tells the story behind every business we invest in. More than just a list of stocks, Portfolio Explorer lets you delve further into the investment rationale and sustainable development stories behind the companies. Because no company is perfect, it also highlights the key investment risks and areas for improvement.

Neighbourhood market, Turkey



Research tenders

A vital part of our research process is trying to understand the coming challenges and opportunities that various companies, industries and sectors face. If we want to own a company for 10 years, we must understand how it is positioned given the shift the world must make towards a more sustainable form of development.

We often find our questions on these subjects are not adequately addressed by standard 'off the shelf' research. When that happens, we commission one-off standalone pieces of research to deepen our understanding and challenge our thinking. This research is an increasingly valuable way to help us engage constructively on matters that could impact risk and return.

In 2024, we commissioned the University of Technology Sydney's Institute for Sustainable Futures (ISF) to examine the use of animal testing. We also commissioned five new research reports in the second half of the year, which we hope will be completed in 2025.

- Heating, Ventilation, and Air Conditioning (HVAC) – to increase our understanding of the environmental hazards posed by critical chemicals in the HVAC sector and their relationship with the need for improved energy efficiency.
- Hospitals – to identify leaders and laggards in managing real and perceived conflicts between company profits and patient outcomes in the listed hospital sector.
- Smoking, vaping and convenience stores – to identify those companies whose earnings will be at greatest (and least) risk as societies strive to mitigate the health harms associated with these products, and to highlight best practices for reducing these risks.
- Clothing – to improve our understanding of which companies are the leaders in supply-chain and lifecycle management in the clothing sector, and which are the laggards.
- Universal design – to better understand how prepared supermarkets are for the shift towards an older population and how they cater to populations living with significant disabilities.

Details on the research we have commissioned can be found on our website.

Research tender

Animal testing by global pharmaceutical companies

All of our strategies and funds invest in healthcare companies. Their products and services play an obvious and important role in human development in both developed and emerging societies.

Animal testing remains prevalent in the pharmaceutical, healthcare, and wellness sectors. As a result of our commitment to avoid companies with harmful and controversial products, services or practices, we monitor companies for animal testing. And although the companies we invest in comply with our policy, we suspected that many of them could do better.

The purpose of the research tender was to increase our understanding of the latest alternatives to animal testing in the healthcare sector. We wanted to understand the barriers to their adoption and how companies can continue to reduce their use of animals. We also wanted companies to be more transparent about what they are doing and to provide more detailed reporting. We selected 21 companies for the study and chose UTS Institute for Sustainable Futures (ISF) to carry out the research.

In this instance, the research report confirmed our own impression that there is a significant lack of public reporting by companies on their animal research practices and minimal engagement between companies and regulators to promote alternatives. Disappointingly, there was also a low engagement rate from companies on the research project.

Barriers to implementing alternatives to animal testing

There is widespread awareness and endorsement of the '3Rs' – replacement, reduction and refinement – but the industry's focus appears to be on reduction and refinement rather than on replacement. The research found that the main barriers to implementing alternatives were:

> Regulatory requirements – predominantly around compound/drug registration, which are especially significant in the pharmaceutical sector.

> Lack of training and expertise in the validity and use of alternatives – in the context of biomedical and other forms of testing.

> Institutional patterns that reinforce the use of animals – including commercially available and well-accepted standardised models.

Lack of transparency on animal use

There is a lack of publicly available information regarding the use of animals in research. Most companies failed to respond to the questions posed by the ISF's researchers. From the limited responses that were received there also appears to be limited information sharing between companies and little engagement with regulators to encourage greater use of non-animal methods.

- Most companies did not disclose the number of animals used in testing.
- Many outsourced testing to contract research organisations (CROs), further complicating assessments of their practices.
- Few companies provided details about their participation in audit or accreditation schemes on animal testing, or their plans for developing or using non-animal approaches.
- None of the companies provided time-bound targets for implementing non-animal approaches or reducing their use of experimental animals.
- Some companies considered animal testing in their sustainability assessments but deemed it immaterial, reflecting a lack of pressure to engage with the issue.

Key engagement points for investors

Given the low level of company disclosures on animal testing and their relative lack of appetite for further engagement, it will be important to prioritise achievable short- and medium-term goals. The first step would seem to be encouraging greater transparency and openness. This will build public trust in the healthcare sector. It will also allow for increased understanding on the barriers to adopting alternatives.

An investor guide has been published alongside the research, providing points for investors to consider when engaging with companies about their practices. It suggests that investors should focus on the following issues:

- Focus on transparency to encourage companies to showcase their efforts in promoting the 3Rs (replacement, reduction and refinement).
- Advocate for disclosure of animal use policies by subsidiaries and contractors.
- Encourage companies to set time-bound targets for transitioning to non-animal testing, where regulations allow.
- Emphasise the material impact that animal testing can have on investment decisions and on company reputations.
- Support advocacy for regulatory engagement and staff training on non-animal methods.

We will continue to engage with companies on their approach to animal testing and encourage continued investment in finding alternatives.

Partnerships and industry initiatives

We support a wide range of organisations, initiatives and industry bodies that contribute to the development of industry standards and improve best practice. A list of these initiatives is available on our website.

Strategic initiatives

We invest in partnerships that raise standards for the industries we invest in.

Access to Medicine Foundation — Joined in 2024

India Plastics Pact — Launched in 2021

Responsible Minerals Initiative — Joined in 2024

IRMA Member (Initiative for Responsible Mining Assurance) — Joined in 2024

Industry initiatives

We support investment industry groups that foster collaboration, diversity, and a sustainable financial system.

Future Asset — Founded in 2017

Intentional Endowments Network

riaa

Strategic initiative case study
Access to medicine

We invest in a range of healthcare companies around the world. These companies' products include pharmaceuticals and biopharmaceuticals, generic drugs, biologics, medical devices, and diagnostic tools. We also invest in companies that sell into these industries, such as contract development and manufacturing organisations (CDMOs).

Billions of people around the world, particularly those in the poorest countries, lack access to essential and affordable medicine. So improving access to medicine is an important investment consideration. Not only is it an opportunity to drive positive human development but observing how companies meet this challenge helps us evaluate the quality of their management and the strength of their business models. We pay close attention to the importance companies attach to increasing access to their medicines and medical technologies, and we look favourably on efforts to improve medical outcomes and to take costs out of healthcare systems.

In January 2024, we entered a three-year research partnership with the Access to Medicine Foundation, an independent non-profit organisation that seeks to mobilise companies to expand access to essential healthcare products in low-to-middle-income countries. The Access to Medicine Foundation's approach to engagement shares many characteristics with our own, recognising the role investors can play in guiding companies towards progress.

Our partnership and funding help to support all of the foundation's activities but particularly its Generic & Biosimilar Medicines Programme. Its aim is to highlight areas where generic pharmaceutical companies can enhance their practices and topics on which investors should focus to promote improved health and business outcomes. Ultimately, its aim is to increase access to affordable medicine worldwide.

Generics are pharmaceutical drugs whose patent has expired, allowing them to be made and sold by a different company to the one that discovered them. Examples include common painkillers and drugs to treat diabetes, high blood pressure, high cholesterol and depression.

Biosimilars are biologic medicines which are off patent. Although they are made the same way as the originator medicine, the biological processes and the drugs' complexity introduce natural variations. They cannot be classed as generics but should offer the same benefits and safety profile as the drug they are based upon.

We also accepted an invitation to become a 'lead investor' on the programme, engaging directly with one of the five underlying companies (Hikma Pharmaceuticals). In 2024, we engaged Hikma alongside another investor to discuss findings and opportunities from the report. Insights gained during this engagement will help shape the direction of the Generic and Biosimilar Medicines programme.

Partnering with the Access to Medicine Foundation represents an opportunity to collaborate closely with and learn from, an organisation we admire. We have followed and utilised its work since the launch of its flagship Access to Medicine Index in 2008. This partnership allows us to continue supporting their efforts to widen access to healthcare worldwide.

Strategic initiative case study

Conflict minerals in semiconductor supply chains

'Conflict minerals' are sourced from regions experiencing armed conflict or human rights abuses. They include tin, tantalum, tungsten and gold (often referred to as '3TG') and cobalt. These materials are vital to the semiconductor industry and are essential to the clean energy transition. They are also used by other industries such as automakers, aerospace companies and luxury goods companies. Stewart Investors' strategies and funds have a significant level of exposure to semiconductors and we identified conflict minerals as a critical human rights risk.

Our engagement on conflict minerals began in 2020, when we spoke about this issue with a leading Taiwanese semiconductor company. We then commissioned research to gain a deeper understanding of conflict minerals within the semiconductor supply chain and to identify potential opportunities for improvement. Our goals are to encourage companies to:

- Increase transparency and improve reporting on the sourcing of minerals from mine to product.
- Develop and invest in technological solutions to improve traceability.
- Collaborate with their peers to improve practice across the industry.
- Reduce demand for conflict minerals by improving recycling initiatives.

In 2024, our collaborative engagement on this topic continued.

Stewart Investors became an inaugural member of the Responsible Minerals Initiative's Investor Network

The Responsible Minerals Initiative (RMI) encourages the responsible sourcing of minerals in industrial supply chains, including those from conflict-affected and high-risk areas. It also provides companies with a range of support, including due diligence tools, helping them to make responsible decisions on mineral sourcing and so improve regulatory compliance.

Our engagement with the RMI began in 2022 and in 2023 we hosted a closed-door workshop at its annual conference in Santa Clara to initiate a constructive and collaborative partnership between investors and mineral-dependent companies. By joining its investor network, we hope to help companies to shape a sustainable and ethical future for global supply chains.

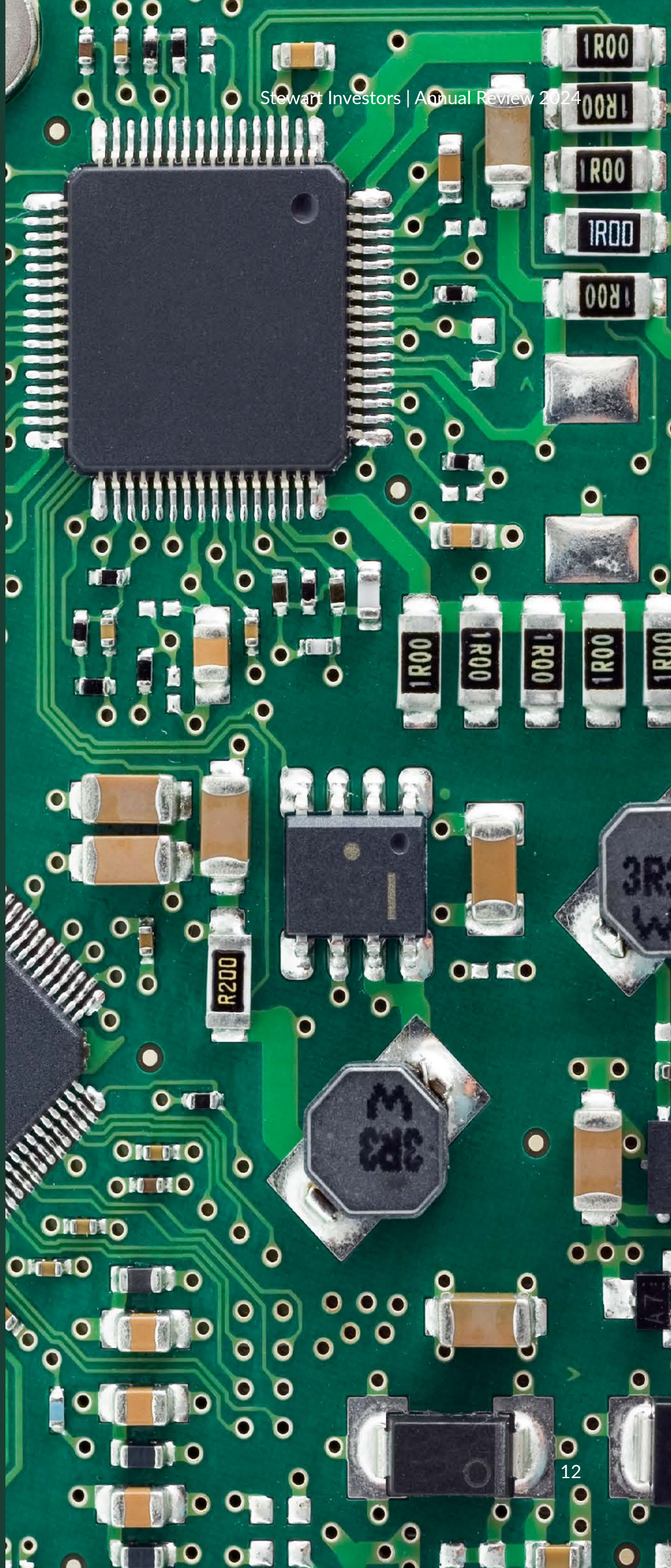
We attended the OECD's Forum on Responsible Mineral Supply Chains

During the forum, we met companies who use 3TG minerals (including Intel and BMW) and held discussions with a variety of industry bodies and non-governmental organisations. This helped to deepen our understanding of the challenges and opportunities companies face, particularly as legislation in this area has grown tighter following the EU's adoption of the Corporate Sustainability Due Diligence Directive and Germany's Supply Chain Act.

Stewart Investors became the first investment manager to join the Initiative for Responsible Mining Assurance (IRMA)

The Initiative for Responsible Mining Assurance (IRMA) is an organisation addressing the global demand for more socially and environmentally responsible mining. Its members include mining companies, consumer brands, labour unions, non-governmental organisations and communities impacted by mining including Indigenous rights holders.

You can read more about our work on conflict minerals on our website.



Strategic initiative case study

Tackling plastic pollution in India

Plastic pollution poses a significant risk to the long-term sustainability of our planet and its inhabitants. It therefore represents a material risk to the companies that produce it. We continue to engage with consumer goods companies to assess the progress they are making in reducing their use of single-use plastics, particularly in India, where around 15 million tonnes of plastic waste are produced every year[3].

We continued to collaborate with and to support the Waste and Resources Action Programme (WRAP), a UK based non-governmental organisation (NGO) tackling the causes of the climate crisis.

We also support the India Plastics Pact, which aims to promote collaborative action to enable innovative solutions to change the way plastics are designed, produced, used, and disposed. This initiative is led and managed by the Confederation of Indian Industry (CII) a body that works to create and sustain an environment conducive to India's development.

In 2023, WRAP approached us with an opportunity to support a research trial to be run in conjunction with the CII, aiming to prove the business case for companies to shift away from non-recyclable multi-layered plastic packaging to recyclable single-layer packaging. The results of that trial will inform a roadmap showing companies how they can shift away from flexibles and film plastics.

The project was launched in 2024 and companies were invited to signal if they wished to participate. In August 2024, the CII selected participants for the plastics pilot, with Godrej Consumer Products, Huhtamaki India and PepsiCo having been selected to lead five innovative projects focused on demonstrating recyclable solutions for flexible packaging.

These projects cover a range of products and packaging, including washing powder, soap sachets, blister packaging for chewing gum, coffee sachets and packets for potato chips/crisps. They are due to run for six months, concluding mid-2025.

The journey towards sustainable plastic use in India will be long. We will continue to engage with our consumer goods companies on their progress towards reducing their dependence on single-use plastic. Supporting the Roadmap for Tackling Flexibles & Film Plastics feels like a natural extension of the India Plastics Pact and we believe it has the potential to make a real, tangible impact in India and beyond.

You can read more about the scale of plastic pollution in India and our work with WRAP, CII and the India Plastics Pact here.

[3] Source: UNDP India.

Dharavi Slums, Mumbai, India

Engagement

Why and how we engage

Engaging with companies gives us valuable insights into the quality of their leadership and deepens our understanding of the sustainability challenges – and opportunities – they face.

We typically engage through face-to-face meetings with their managers and board members, but also through calls, emails, and formal written correspondence. And although we play an active role in these engagements, we do not identify as 'activist'[4] investors. The purpose of our engagement is to mitigate risks, to enhance performance, and to improve sustainability outcomes.

The way in which we engage is informed by our investment team's analysis of each company; one size does not fit all. To prevent engagement fatigue, we focus on the issues that we believe to be of greatest relevance to a particular business. For instance, we find it is more effective to discuss the pricing of generic medicines with pharmaceutical companies – or to engage with banks on responsible lending and their financing for fossil fuels – than it is to simply urge them to set net-zero climate targets. This focus means we can't always provide evidence of engagement on every sustainability topic.

Our engagement priorities

By concentrating our engagement activity on specific issues, we believe we can foster deeper, more productive conversations and drive significant improvements. Our current engagement priorities are:

- Conflict minerals in semiconductor supply chains.
- Plastic pollution.
- Access to medicine.
- Climate change.

We both invest and engage over the long term

Engagements that begin as an information-gathering exercise sometimes evolve into a more impactful 'engagement for change', prompting us to ask more relevant questions and encourage companies to consider new perspectives. Often, we are uncertain about the best way for a particular company to achieve meaningful improvement or what the appropriate timeframe for such changes might be. In such cases, we prefer to take an exploratory approach to our engagement conversations with companies, and to search for ways to help them progress.

Our discussions and engagements may span several years, with improvements occurring gradually over time. As a result, we might not always have new updates on our engagement activities to report on a quarterly basis.

Finally, we understand some of our clients want us to set time-bound goals for our engagement efforts. While we do track companies' progress against certain milestones at a thematic level, we find it challenging to set formal goals and time-bound milestones for all our engagement activities.

Different types of engagement

To date, we have not drawn a distinction in our reporting between engagement activities aimed at interaction and those aimed at driving change. But as we continue to review and refine our approach to tracking, monitoring and reporting on our engagements, we recognise that, rather than reporting on every engagement, giving greater prominence to our 'engagements for change' would be more beneficial for our clients. So, over the course of 2025, we are likely to change how we track and report on our engagements.

[4] Activist investors buy a significant minority holding in a company with the goal of gaining influence and pressuring management to make changes.

Chiang Mai, Thailand

Highlights of our engagement activity in 2024

In 2024, we carried out 156 engagements with 118 companies.

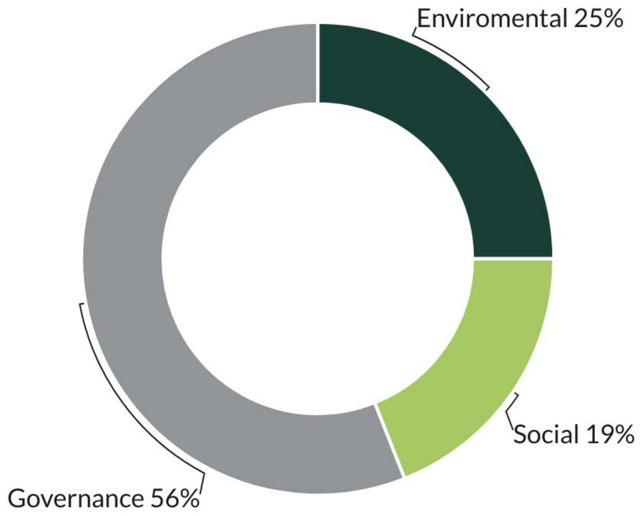
A company's stewardship is fundamental to our assessment of its quality, which is why many of our engagements in 2024 related to **governance**. Investing alongside the wrong people can lead to financial losses, so our engagements on governance frequently related to the composition of companies' boards, where we value experience, diversity, and independence. We monitor directors' attendance at meetings and look for evidence of succession planning. We are wary if a company's directors are members of too many other boards. In addition to board effectiveness, we engaged with companies on their financial reporting, remuneration policies (see case study Company A) and shareholder rights.

Companies who profit by harming people or the **environment** risk losing those profits when society, politicians and regulators respond. Our environmental engagements in 2024 primarily focused on climate change, plastic pollution and waste (see case study Company B), and the circular economy (see case study Company C).

Our **social** engagements mostly covered human and labour rights in relation to conflict minerals within the semiconductor supply chain (see case study on Company D). We also engaged with companies on human and labour rights related to diversity and inclusion, and employee working conditions (see case study on Company E), and the impact of 'forever chemicals' (a family of highly persistent man-made chemicals) on public health.

Our engagement activity is also closely linked to our research tenders, and the wide range of organisations, initiatives and industry bodies we support.

Engagement breakdown 2024



Engagement case study
Remuneration and incentives

Company A - Global biotechnology company - plasma therapies and influenza vaccines

We have been engaging with Company A on its remuneration policies since 2017. We have repeatedly voted against its remuneration policies and against what we regarded as excessive grants of equity to its previous chief executive. We communicated those concerns through letters and through one-on-one meetings with its board and senior managers. We also shared ideas for potential improvement, such as linking remuneration to cashflows rather than to the balance sheet.

The board were interested in talking to us and improvements have been made since 2018, including steps to more closely align executive rewards with company performance and with long-term shareholder returns. We were also encouraged to see the addition of sustainability measures to its short-term incentive rewards.

The company implemented changes to its remuneration policies in 2023 and appointed a new chief executive. The equity award component of his remuneration package was significantly lower than it had been for his predecessor. The company attributed this change, in part, to the feedback it received from shareholders as well as from independent governance advisers. In recognition of the positive changes and the linking of remuneration to the long-term interests of its shareholders, we supported the remuneration proposals at its Annual General Meeting (AGM) in 2023.

In February 2024, we again met the company's managers and discussed why the (negative) impact of a significant acquisition it made in 2022 would not be reflected in its long-term incentive schemes for 2023 and 2024. We met the board again in October 2024, ahead of its AGM. They maintained that its remuneration packages were needed to attract and retain the best talent globally. While we continue to question the complexity of its remuneration policy, there were some positive changes in 2024, including a modification to the long-term incentive plan to better reflect the underperformance of the acquisition it made 2022.

Over the seven years of our engagement with Company A, we have observed positive changes in its remuneration practices. It has reviewed its remuneration framework and revised its long-term and short-term incentive metrics. Some complexity still exists within its remuneration policies and the chief executive's compensation package remains substantial but we appreciate the board and management's willingness to engage on these questions. Their willingness to consider our perspective as shareholders is commendable, and we are encouraged by the company's commitment to implementing meaningful changes.

Engagement case study
Plastic waste

Company B – A leading emerging-market consumer goods company – plastic packaging

We have been engaging with Company B since 2016, encouraging it to minimise its use of unnecessary plastic, to improve the recyclability of its plastic packaging and to increase its collection rate, thereby supporting the development of a circular economy.

In 2018, we facilitated a forum on plastic packaging in Mumbai at which we discussed the pollution caused by plastic packaging in India. Company B attended alongside 11 other large consumer-goods companies. One of the forum's key findings was that an industry body was needed to set industry-wide targets and to work with companies to help them improve.

Following the event, we held discussions with the Waste and Resources Action Programme (WRAP), a UK-based NGO (non-governmental organisation) that has been a pioneer in establishing 'Plastic Pacts' globally. In 2021, we funded operational costs for WRAP's launch of an India Plastics Pact, which it set up in conjunction with the Confederation of Indian Industry (CII) and WWF-India. In September 2021, the India Plastics Pact was launched and Company B became a founding member.

As part of its commitment to building a more inclusive and greener world, the company has already achieved 'zero waste to landfill' in India. It collects 100% of its post-consumer plastic packaging waste and is 'plastic neutral'. This means that, for every new bit of plastic that it creates, it retrieves an equal amount of plastic waste from the environment and recycles or repurposes it. It is also reducing plastic use by improving product packaging and developing new products.

In 2023, WRAP approached us with an opportunity to support a research trial aimed at demonstrating the business case for transitioning from multi-layered plastic packaging, which can't be recycled, to single-layer packaging, which can. The results of the trial will be developed into case studies for the India Plastics Pact and used to draw up a roadmap for addressing flexible and film plastics. We believe this is a natural extension of the pact and has the potential to have a significant positive impact in India. If successful, this initiative could encourage companies to switch to more recyclable film packs, reducing pollution while also benefitting informal waste collectors.

We provided funding for the project in early 2024, it launched in April and by August the CII had selected three applicants to join the plastics pilot. Company B was selected to lead five projects focused on innovative recyclable solutions for flexible packaging, covering products such as:

- Washing powder.
- Soap sachets.
- Blister packaging for chewing gum.
- Coffee sachets.
- Potato chips/crisps.

These projects are due to conclude in mid-2025.

We will continue to engage with Company B – and with other consumer goods companies – on this critical issue. We are looking forward to reading the pilot project's findings and to understanding how the company plans to give practical application to those findings across its product range.

Engagement case study
Circular economy

Company C – An Indian industrial group operating in over 20 industries – industrial circularity

To support the transition towards a circular economy, companies need to actively close the loops around their systems of extraction, production, and consumption. 'Closed-loop manufacturing' reclaims raw materials from used products and reintegrates them into production. By adopting this approach, companies can reduce resource use, lower carbon emissions and decrease their other environmental impacts, helping them to combat climate change and protect biodiversity.

In 2023, we commissioned a research report to gain greater insight into how a group of leading industrial companies were positioning themselves to take advantage of the shift towards a circular economy. The report aimed to identify and share best practices in end-of-life planning for industrial goods, focusing on practical, replicable, and scalable examples rather than unproven concepts. The findings were shared with the selected companies in 2024 and the full report can be accessed on the Columbia Center on Sustainable Investment (CCSI) website.

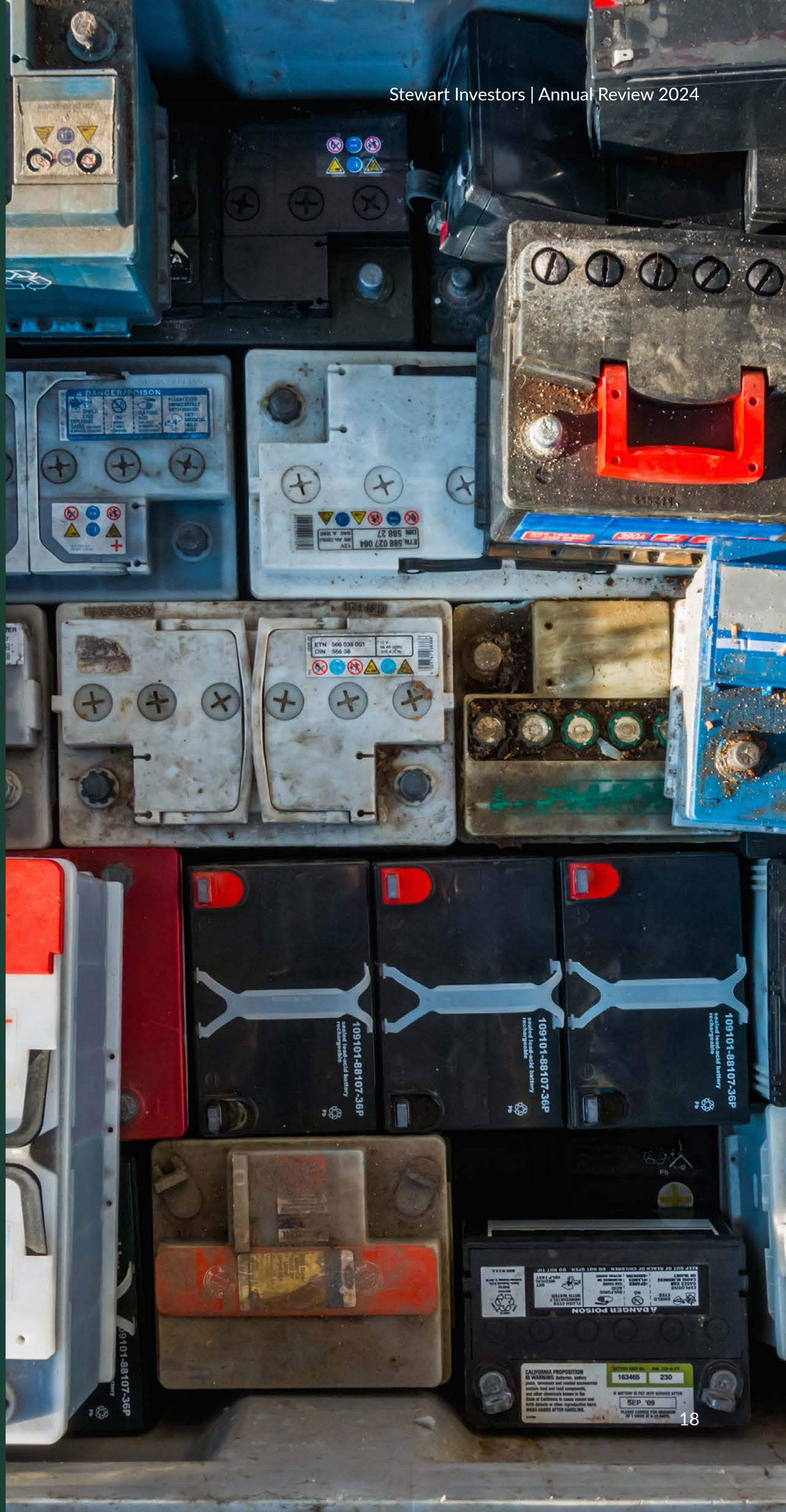
In September 2024, we shared the findings of the research report and its assessment of one of the companies in scope – 'Company C' – with that company's key executives, including its managing director, chief financial officer and chief group sustainability officer. This led to further discussions about its circularity projects, particularly in the automotive and real-estate sectors. The company highlighted that increased circularity in the automotive industry could not only significantly reduce its indirect (Scope 3) emissions but also create business opportunities through end-of-life recycling of batteries and vehicles. Company C has already taken steps to replace 40-60% of the cement in its concrete with a by-product of iron manufacturing, which is typically considered waste[5].

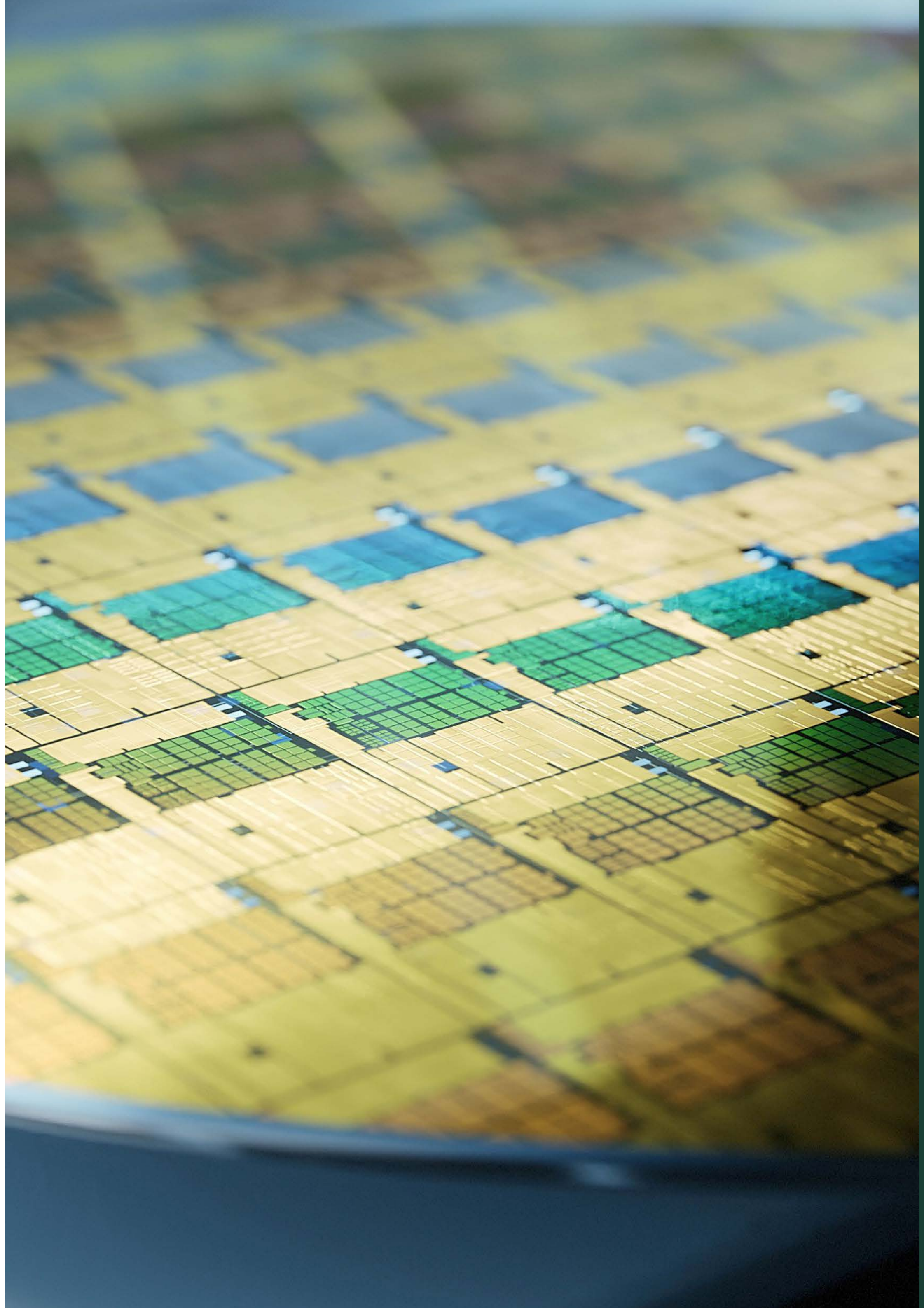
Company C's approach to circularity is twofold:

1. Material circularity: using low-emission, recycled, and recyclable materials.
2. Circular business models: developing and implementing business models that are inherently circular.

Although the company acknowledges that circularity is still a relatively new and evolving area for it, it is committed to improving. The positive engagement we have seen from the company has reinforced our confidence in the quality of its management. We intend to continue our discussions with Company C on this topic, encouraging it to talk about what it has learned and the progress it is making.

[5] Company Sustainability Report 2024.





Engagement case study
Conflict minerals

Company D – Semiconductor production equipment and associated technical support – conflict minerals in the semiconductor supply chain

In 2022, we met senior managers in the corporate sustainability division of Company D to discuss conflict minerals. It was clear from our discussion that the company understood the reputational risks associated with the use of conflict minerals and was ahead of its peers on the topic. It has been a member of the Responsible Minerals Initiative (RMI), which provides companies in the minerals and electronics sector with tools and resources to make responsible sourcing decisions, since 2015. And it was conscious that its dependence on Chinese-owned mineral smelters or refiners (SoRs) was increasing and that more than 80% of its suppliers were located outside Japan.

In 2023, we met the company's general management team and followed that up by requesting that it publicly disclose its suppliers and consider joining the European Partnership for Responsible Minerals (EPRM). The company explained that, although it faces challenges in publishing detailed information on the initial source of its minerals, its procurement department had begun efforts to trace this information upstream. Moreover, it planned to develop a process aligned with the Responsible Minerals Assurance Process (RMAP) and with the conflict-free smelter programme proposed and led by the RMI. It indicated that while it had no immediate plans to join the EPRM, it would keep that possibility under consideration.

In 2024, Company D hired a new procurement lead who was tasked with reviewing its supply chain for potential exposure to conflict minerals. And it informed us that it had begun to collaborate with another semiconductor design and foundry on human rights-related matters.

Over the past year, most of our engagement activity on conflict minerals has taken place at the industry level (see Partnerships and industry initiatives section) but we are encouraged by the progress Company D is making in assessing its supply chain.

Engagement case study
Labour conditions

Company E - Japanese bicycle components, fishing tackle and rowing equipment business – allegations of forced labour and poor working conditions in supply chain

In December 2023, we were alerted to allegations that Company E's suppliers had exploited migrant workers. The alleged exploitation included instances of physical abuse, threatening behaviour, and unlawful salary deductions made without employee consent. These deductions reportedly included charges for using the company canteen, recruitment fees equivalent to seven months' salary, and unpaid suspensions. We wrote to the company to understand what actions it was taking to investigate the allegations and what steps it was taking to rectify the situation.

In April 2024, the company confirmed that the reports had been accurate and that it was investigating. It told us that it had engaged with its supplier, insisting that compensation be paid to the affected workers. As a result, the supplier issued compensation, including interest on any loans taken out to cover recruitment fees.

Company E emphasised its commitment to human rights and the importance of applying those principles throughout its supply chain. It has since adopted an industry-wide code of conduct and is actively engaging internally and with its suppliers to raise awareness of human rights issues. It is also in the process of developing a system to identify and monitor human rights concerns. It now plans to release a comprehensive human rights policy and to create a grievance mechanism to address any future issues.

While we support the steps Company E has taken, we decided to sell our holding in its shares in the fourth quarter of 2024. That decision reflected our concerns about their valuation at a time of increasing competition and the company's limited opportunities for future growth.

Voting

Voting is an extension of our engagement activity. We aim to use the voice that being a shareholder gives us ambitiously and positively, and to vote against proposals that we judge are likely to undermine positive outcomes.

Our voting policy is based on several principles and key considerations that are likely to apply to all companies in most circumstances. Equally, however, we consider each voting exercise to be a bespoke process that should consider the specific context, circumstances, dynamics and development of each company. We believe investor judgement is a better guide to voting than a rules-based approach. You can read more about our Voting Policy and Guidelines and our Stewardship and Corporate Engagement Policy on our website.

In jurisdictions where we are permitted to do so, we publicly disclose our voting decisions and the rationales behind each contrary vote on our website and in our client quarterly updates. A live voting tool is available on our website.

Voting summary

During 2024, 196 of the companies whose shares we owned held a total of 274 formal meetings at which their shareholders were eligible to vote. The following table shows a breakdown of the proposals made at those meetings and how we voted.

	Number of proposals
Total proposals to vote on	2713
Management proposals to vote on	2700
> Voted against	94
> Abstained from voting	17
Shareholder proposals to vote on	13
> Voted against	8
> Abstained from voting	2

Shareholder proposal rationales

In 2024, we voted against eight shareholder proposals and abstained from voting on two proposals. We supported three proposals focusing on climate, governance and social matters.

We voted against:

- A proposal calling for **Markel** to disclose greenhouse gas emissions arising from underwriting, insuring and investments. These data points are not yet widely or reliably reported in the insurance industry and we would prefer to discuss the issue directly with the company.
- A proposal asking **Costco** to carry out a study into the feasibility of reaching net zero by 2050. We believe its current approach is sensible and that it is making progress towards its tangible near-term climate targets. Long-term projections can be challenging and error prone.
- A proposal that **Handelsbanken** change its payment software. We believe the day-to-day operation of the business is best left to the board and management.
- A proposal requesting simple majority voting at **Fastenal**. This was already covered by the company's own proposals.
- A proposal that **EPAM Systems** declassify its board, which would have obliged all its directors to stand for re-election each year. We determined this was not necessary and, by allowing excessive turnover, had the potential to destabilise the board.
- A proposal that an independent director serve as chair of **Synopsys**. We are confident the current chair, a former chief executive, is capable of leading the majority independent board.
- A proposal requesting that **A.O. Smith** report on its hiring practices for people with arrest records. We did not deem this to be necessary or productive and support the company's existing hiring process.
- A proposal requesting that **Expeditors** publish a diversity and inclusion report. We believe this issue requires a broader discussion and cannot be resolved through disclosure alone.

We abstained from voting on:

- A proposal that **Old Dominion Freight Line** adopt targets for greenhouse gas emissions that align with the Paris Agreement. We had already engaged with the company on this issue and preferred to continue that dialogue to better understand their plans.
- A proposal that **Roper Technologies** remove requirements for votes on certain issues to require a supermajority. The board did not provide a recommendation.

We supported:

- A proposal encouraging **Expeditors** to align its targets for greenhouse gas emissions with the Paris Agreement.
- Two proposals relating to **Texas Instruments**. One called for it to lower the threshold for calling a special meeting while the other asked for it to commission a due diligence report to understand how its customers use its products. We found both proposals to be reasonable.

Climate

In June 2021, we outlined our position on climate change and made four commitments.

Our commitments

1. **Allocate capital to high-quality companies** that are developing and implementing solutions to alleviate climate change and biodiversity loss, while not investing in fossil fuel companies.
2. **Provide full transparency of our investments** and map these to frameworks, such as Project Drawdown's climate change solutions, to illustrate how companies are contributing to emission reductions and to help inform and focus our engagement efforts.
3. **Encourage companies to take positive actions** and use their influence across their value chains to drive emission reductions, while also striving to ensure equitable treatment of all their stakeholders in the transition to a carbon-constrained economy.
4. **Reduce emissions in our own operations** and offset whatever emissions we cannot remove.

In 2022, we released our first climate report, which set a baseline for our emissions and established future targets. We also signed up to the Net Zero Asset Managers initiative (NZAMi).

We have achieved our target for the proportion of companies with carbon-reduction targets, however, we are falling short on our portfolio carbon footprint target i.e. our financed emissions, and our emissions for our direct operations (Scope 3). This report provides updates on all our existing targets.

Climate data considerations

Climate change is a complex issue. The impact and implications of climate change cannot be captured by any single metric and readers should be aware that the data available has limitations.

- Portfolio carbon footprint – our share of the total amount of greenhouse gases (including carbon dioxide and methane) that are generated by the companies we invest in.
- Emissions intensity - is calculated by dividing emissions by sales (revenue). It is intended to allow for comparison between companies of different sizes.
- Emission scopes – we currently provide reporting for Scope 1 and Scope 2 emissions. **Scope 1**: These are the direct greenhouse gas emissions from sources owned or controlled by the companies we invest in. **Scope 2**: These are the indirect greenhouse gas emissions that arise when a company buys energy inputs, such as electricity, heat or steam. **Scope 3**: The carbon emissions of a company's supply chain and/or the use of its products and services. These are not included in carbon footprints and can be difficult to measure. We do consider Scope 3 emissions when investing and engaging with companies but we do not currently provide Scope 3 reporting.
- Data quality and availability – while this has been improving, many companies do not report their emissions. This means that estimates must be used instead.
- Timing of data – data on carbon emissions is published with a significant lag. For example, data showing how much carbon our companies emitted during 2023 only became available from our data provider in January 2025. This results in a mismatch between breakdowns on our portfolio holdings (which are up to date) and data on the carbon footprints of those holdings (which is not). To add a further layer of confusion, updates during the year may also see both current and historic data being revised.

  Except for the information on company targets and Stewart Investors' own operational carbon footprint, the numbers shown in this report were sourced in April 2025 and therefore show how much carbon the underlying companies in our portfolios emitted in 2023. That applies to the calculations for both 2023 and 2024. So, any changes in carbon emissions on a portfolio level between 2023 and 2024 will simply reflect changes in the mix of companies those portfolios held rather than any increase or reduction in emissions on an individual company level.
- Methodology – we use the Partnership for Carbon Accounting Financials' (PCAF) methodology to calculate carbon footprints. Like all individual metrics, it has limitations and needs to be considered alongside other relevant information.
- Other risks - including physical risks and the ability of a company to transition to zero emissions are not captured in carbon footprints.

Summary of progress on existing targets

Target 1: 100% of investee companies disclosing emissions by the end of 2025

The proportion of companies reporting on emissions has plateaued since 2022. Of the companies whose shares we held at the end of December 2024, 88% (178) reported their emissions in 2023 while 12% (25) did not.

Target 2: 80% of financed emissions covered by targets by 2025 and 100% by 2030

We have met the first part of this target. In 2024, 80% of the financed emissions across our portfolios were subject to emission targets.

Target 3: 50% reduction in financed emissions by 2030 and net zero by 2050

The carbon footprint of our portfolios has increased by 64% since 2019. This has been driven by changes in the mix of companies we invest in. In broad terms, our portfolios now have more holdings in sectors that tend to generate higher emissions, such as industrials, consumer discretionary and technology hardware companies.

Target 4: Net-zero Scope 1, 2, & 3 (business travel) by 2030

We have very small Scope 1 emissions due to our office-based operations and we have continued to reduce our Scope 2 emissions. Set against that, our Scope 3 emissions have risen, primarily due to a post-pandemic increase in business travel.

Climate targets - an update for 2025

In 2024, we reviewed our climate-related targets with three intentions:

- To simplify and better align them with our investment philosophy.
- To use measures that better reflect real-world emissions performance.
- To focus on those areas where we can have the greatest influence.

We have replaced our **portfolio footprint** target as the way they are calculated can be influenced by several factors that are unrelated to companies' emissions performance. Moreover, comparing a present-day portfolio with one from five years ago means looking at companies that we no longer invest in and where we have no insight as to whether they are getting better or worse.

We are removing the Scope 3 operational emissions target, which we have come to realise is less controllable than we had hoped. We will continue to offset our emissions annually.

Looking ahead we hope that, by 2030:

- On average, the companies we invest in will have reduced their carbon intensity* by 7% per annum over five years.
- 100% will be disclosing Scope 1 & 2 emissions.
- 80% will have emission targets.
- Our operational emissions will be net-zero (Scope 1 & 2).

We believe setting these aspirational targets supports our engagement efforts and sends a positive signal to companies and other stakeholders. However, we recognise that our ability to influence company behaviour is limited and whether we hit these targets is not wholly within our control.

In working towards our goals for climate change we will not compromise on our quality, sustainability or valuation requirements.

More information on the changes and rationale behind them will be available on our website in 2025.

* Carbon intensity is calculated as a company's Scope 1 and 2 greenhouse gas emissions divided by its revenues in millions of US dollars.

Detailed review of progress on existing targets

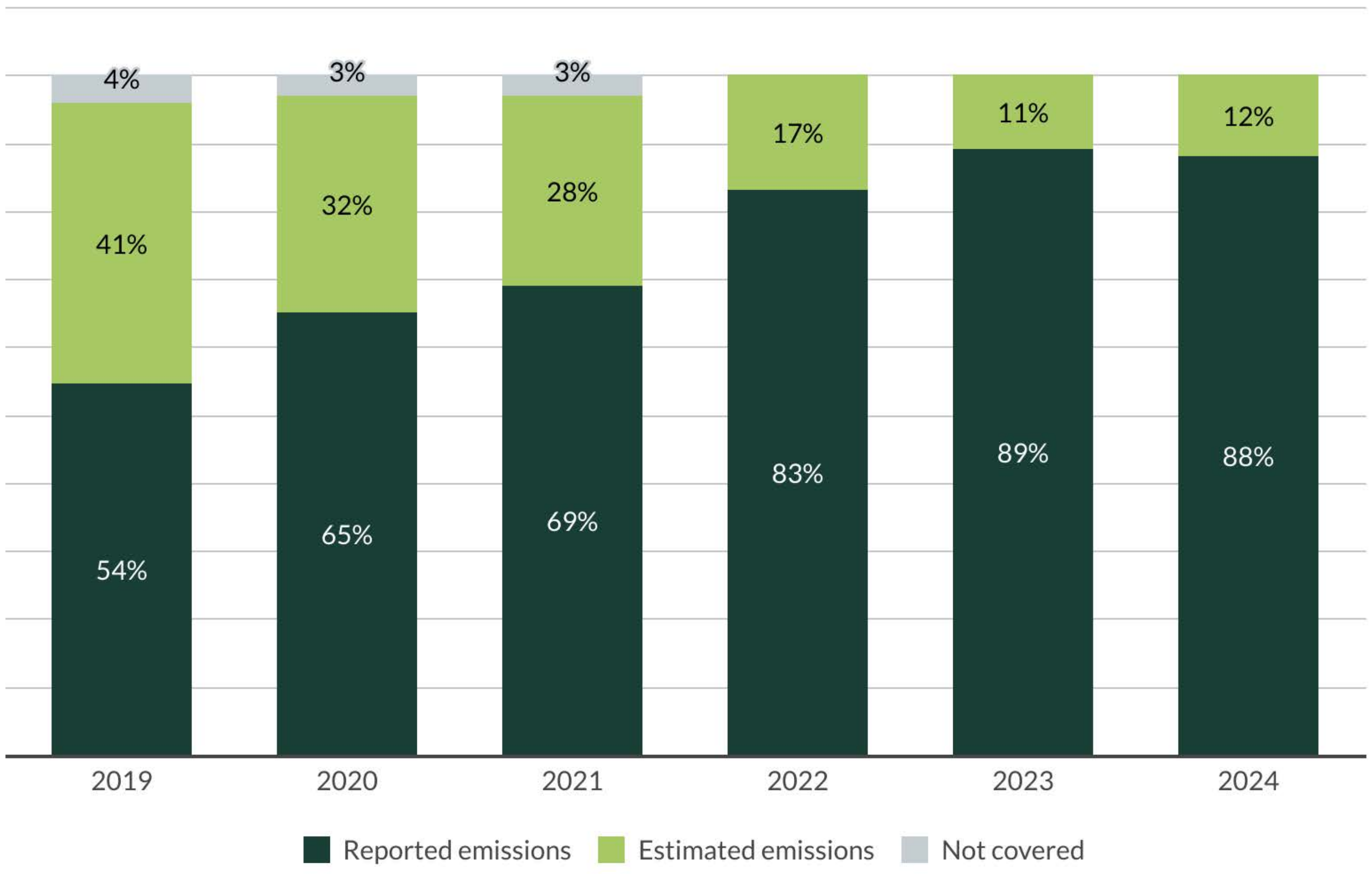
Target 1: 100% of investee companies disclosing emissions by the end of 2025

The proportion of companies reporting emissions has plateaued since 2022. For companies held at the end of December 2024, 88% (178) reported emissions for 2023 while 12% (25) did not.

While emissions reporting should be a basic requirement for all companies above a certain size, we appreciate that there will be less focus on this subject in some countries and industries than in others – and that the skills needed to measure emissions may be lacking in some areas. Evolving regulatory reporting requirements around the world should encourage companies that currently do not disclose their emissions to begin doing so. But it now seems less likely that all the companies we invest in will meet the goal of disclosing emissions by the end of 2025 (for the 2024 reporting period).

We have also found that, even for companies that do disclose their emissions, the quality of disclosure varies. We have engaged with two companies regarding their carbon-footprint calculations. One company needed to restate its emissions due to an error that caused a significant overstatement. The other agreed to review its disclosures due to discrepancies between its data and the emissions being reported by its parent company. Disclosure quality will continue to be an issue we engage on.

Reported versus estimated emissions



Source: ISS ESG Solutions and Stewart Investors over calendar year periods to 31 December 2024.

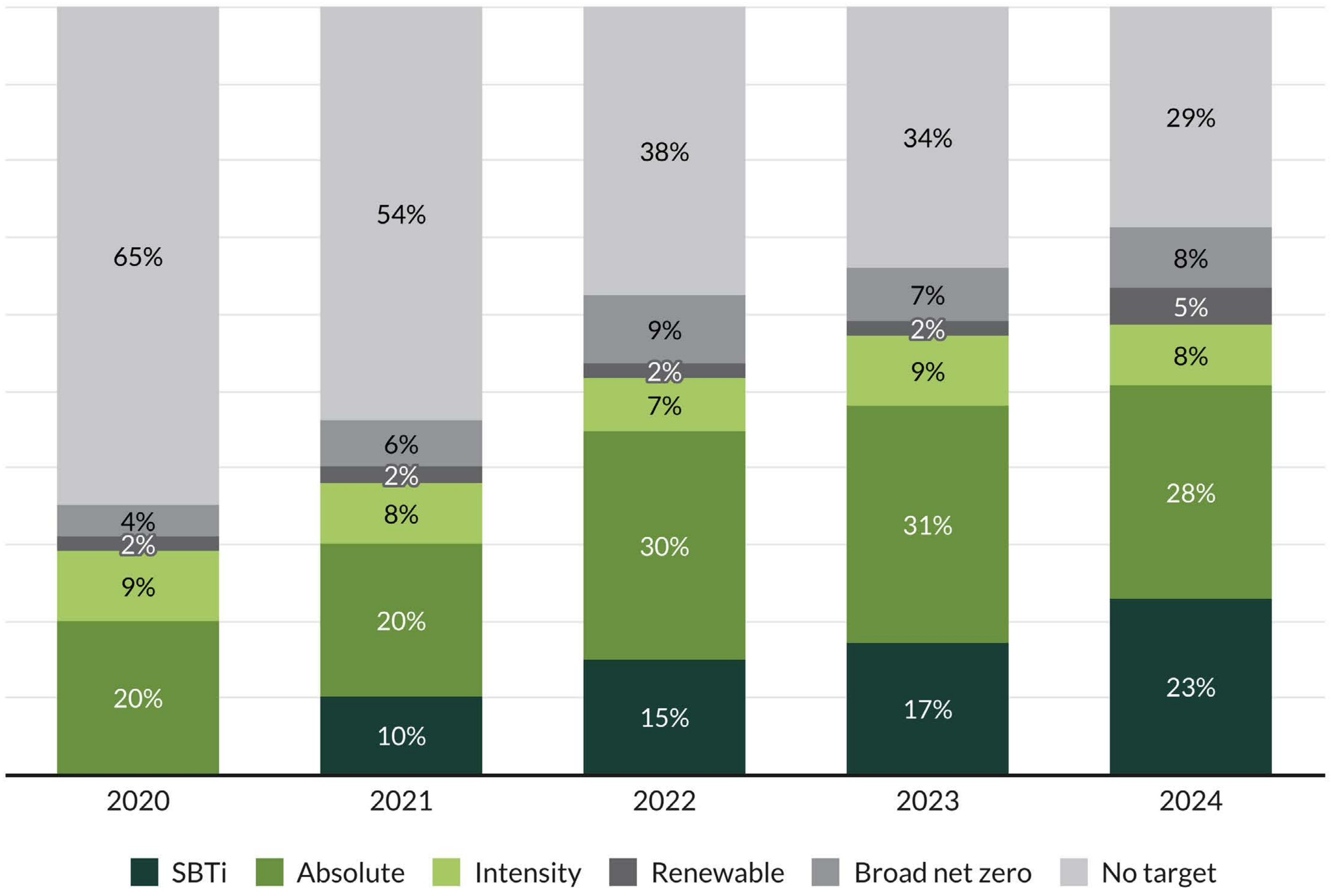
Target 2: 80% of financed emissions covered by targets by 2025 and 100% by 2030

When setting our original targets, we focused on reducing the 'financed emissions' of our portfolios. Financed emissions are calculated as the sum of our share of the emissions of the companies we invest in, based on our ownership stake. For instance, if we own 10% of a company's equity, then 10% of its emissions would be attributed to us.

We have met our goal ahead of time, with 80% of the financed emissions across our portfolios being subject to targets. However, we are conscious that the way in which financed emissions are calculated means these numbers can fluctuate without any change in the actual number of companies with targets, and this volatility is the reason we have decided to adopt a different measure.

We believe a better measure of progress is the total number of companies with targets. This measure shows a clearer story of progress, as the number of companies without targets has decreased by 36% since 2020. Even more encouraging is the improvement in the quality of targets. The proportion of companies setting science-based targets (SBTi) has increased from 0% to 23% while the proportion with absolute emission-reduction targets has increased from 20% to 28%, albeit not all these companies were held for the whole period.

Target types over time - % of companies



Source: Net Purpose and Stewart Investors over calendar year periods to 31 December 2024. Underlying company data is based on the latest published and public company information.

Of the companies without targets, the largest contributors to our carbon footprint and the largest emitters overall are listed below. Clearly, the individual circumstances of these companies differ. To understand the relative importance of a carbon target to these companies – and our ability to influence them to set targets – we need to understand them on a case-by-case basis and engage with them accordingly. In some instances, other priorities may come to the fore; in others, targeted engagement on different climate-related issues may be warranted.

Vitasoy

The largest contributor to our carbon footprint that does not currently have a target is Vitasoy. Vitasoy contributes to climate solutions by manufacturing and distributing plant-based milks. These carry a lower carbon footprint than dairy alternatives. While we have encouraged Vitasoy to set targets, our focus has been on encouraging the company to reduce plastic waste and lower the sugar content of some of its products.

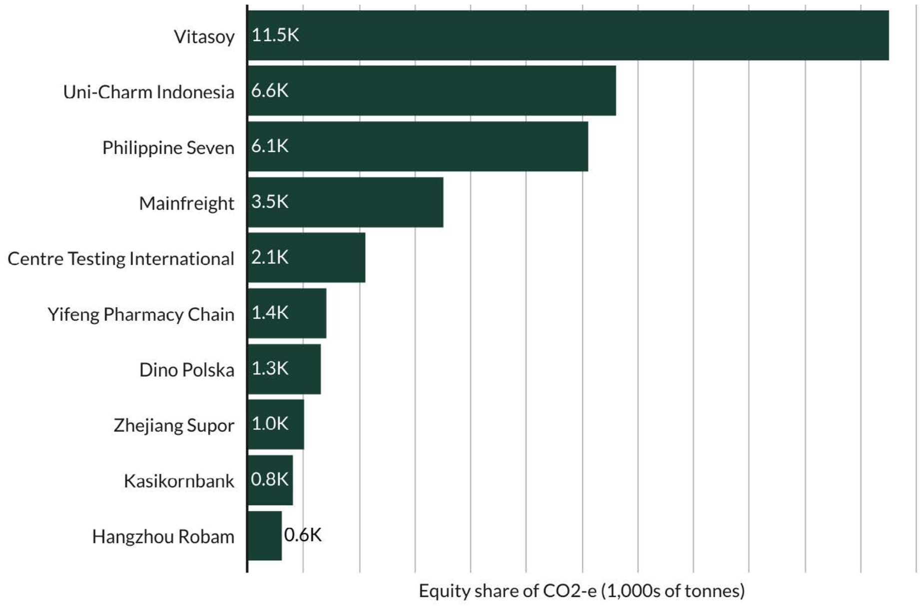
Old Dominion Freight Line

The largest emitter in our portfolios that does not currently have an emissions-reduction target is Old Dominion Freight Line (OD). This is a US logistics companies specialising in 'less than truckload' (LTL) deliveries. Rather than leaving trucks partly filled, LTL deliveries combine orders and so increase efficiency.

In our discussions with the company, we have been impressed by its focus on fuel efficiency, upgrading its fleet and its willingness to trial electric trucks. While these efforts continue, its culture makes it reluctant to make commitments it cannot control, such as its ability to transition to zero-carbon trucking options. Our engagement has therefore focused on how it can be confident of the providence of the biofuels it uses to ensure they are not driving deforestation.

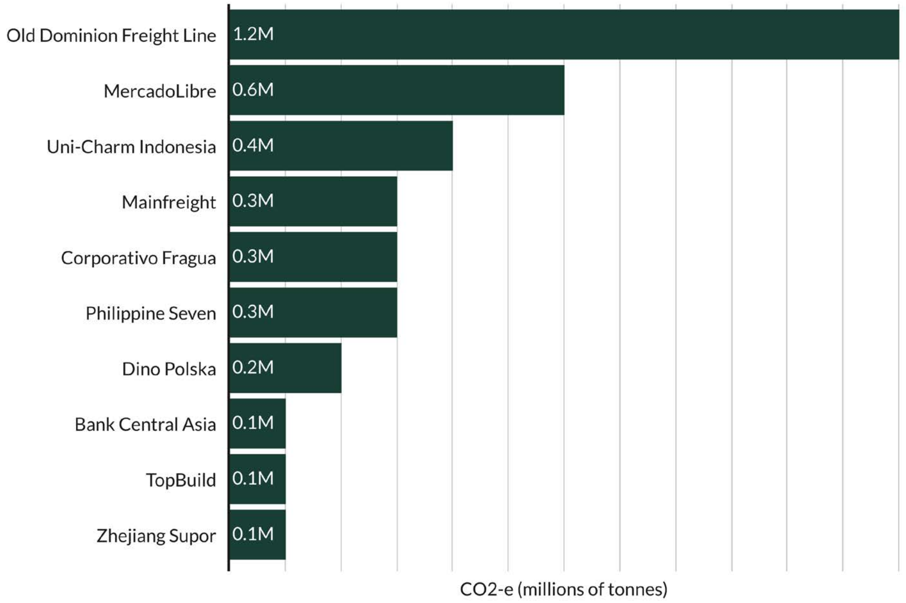
Largest contributors to carbon footprint without targets

Portfolio carbon footprint Scope 1 and 2



Largest emitters without targets

Scope 1 and 2



Source: ISS ESG Solutions, Net Purpose and Stewart Investors based on holdings data as of 31 December 2024. Carbon data includes estimates for companies who do not disclose emissions. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of Stewart Investors' portfolios at a certain point in time, and the holdings may change over time.

Target 3: 50% reduction in financed emissions by 2030 and net zero by 2050

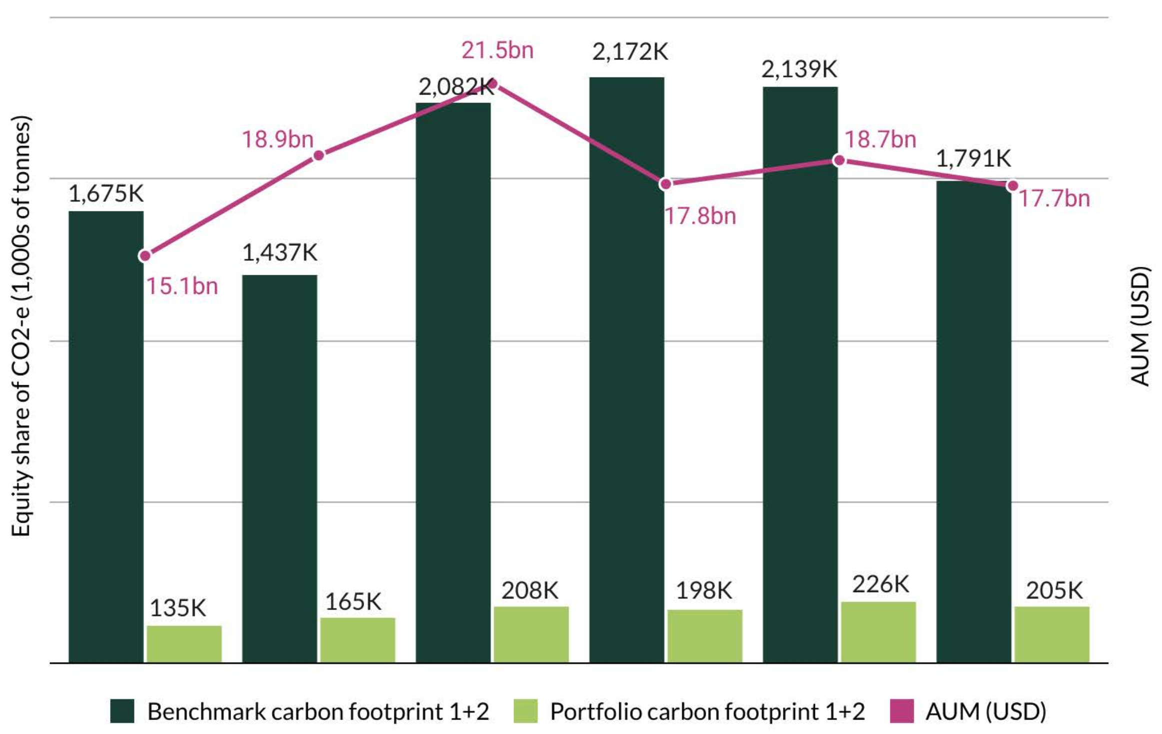
The carbon footprint of our portfolios has grown by 64% since 2019, our baseline year. This has been driven by changes in the composition of our portfolios. Compared to 2019, our portfolios now have less exposure to consumer staples companies and more exposure to sectors that tend to generate higher emissions, such as industrial, consumer discretionary and information technology hardware companies. This does not necessarily mean they are in a worse position to deliver significant reductions in their emissions.

For example, of the five highest emitters held at the end of 2024, four are new investments since 2019. All five have set emission-reduction targets and two have strengthened their targets since 2020. These companies play essential roles in the global economy and have the potential to decrease emissions significantly, albeit from a higher starting point than some of the companies we held in the past.

We believe it would be a perverse outcome of a target if it encouraged us to avoid investing in companies with greater potential to lower their emissions, particularly where those companies are contributing to climate solutions through their products and services in ways not captured by their operational footprint.

While we will continue to report on the carbon footprint of our portfolios in line with industry standards, by changing our target to focus on the emissions intensity of the companies we hold at any given time we hope to demonstrate that we are not only investing in good companies – but in companies that are getting better overtime.

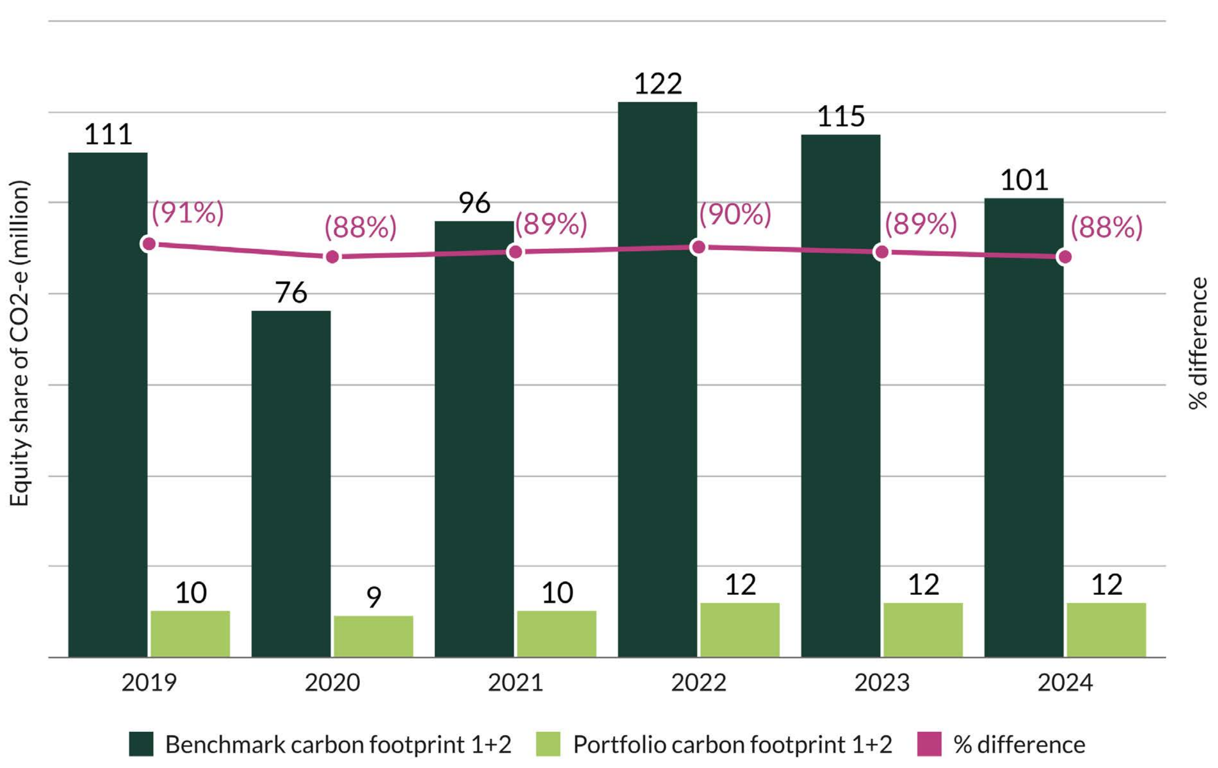
Total carbon footprint (Scope 1+2) versus benchmark



The above graph shows the absolute greenhouse gas (GHG) emissions associated with all fund portfolios (Scope 1 and 2) expressed in tonnes of carbon dioxide emissions (tCO_2e). Scope 1 and Scope 2 emissions are allocated based on an equity ownership approach using the Partnership for Carbon Accounting Financials methodology (if an investor owns 10% of a company's total enterprise value, then they are allocated 10% of the company's emissions). This is sometimes called 'financed' or 'equity share' of emissions. Assets under management (AUM) is provided as, as changes in AUM from new investments or redemptions will influence the carbon footprint.
The benchmark value is calculated by assuming the same value of investments as the fund portfolios is invested in a way that replicates the benchmark index.

Source: ISS ESG Solutions and Stewart Investors over calendar year periods to 31 December 2024. Assets under management (AUM) figures, have been converted from the base currency of each account using the WM Reuters 4pm exchange rate as at report date. All AUM figures are unaudited and may differ from final audited AUM figures when published. The AUM data provided is for information purposes only and should not be used for any other purpose. Carbon data includes estimates for companies who do not disclose emissions.

Carbon footprint (Scope 1+2) per million invested

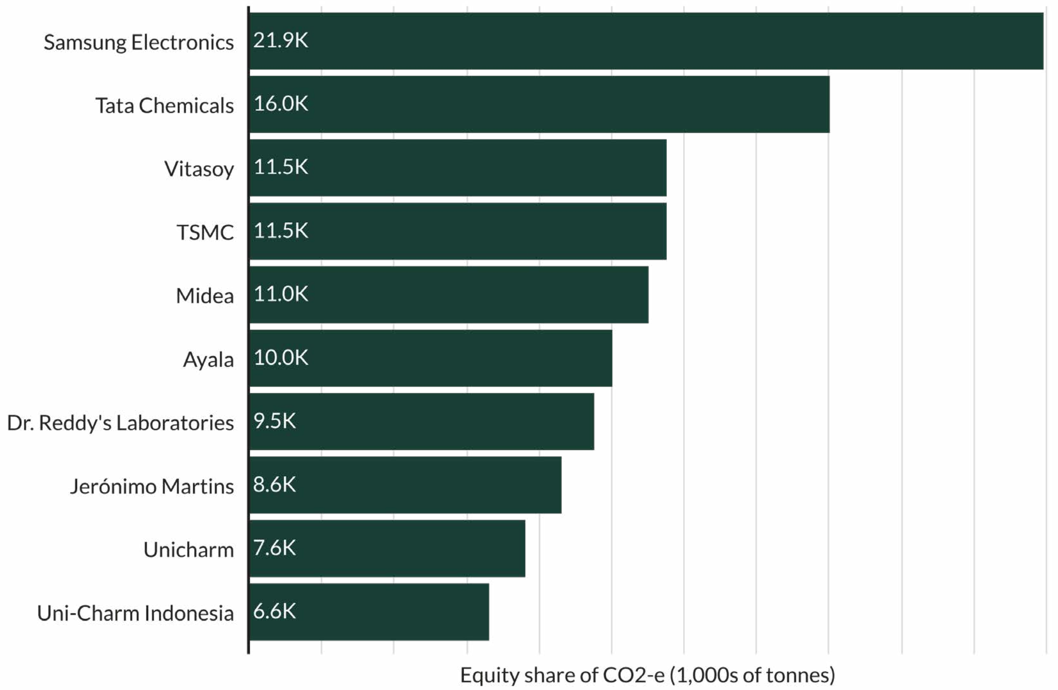


The above graph measures the carbon emissions per US million dollars invested. Scope 1 and 2 emissions are allocated to investors in the same way as the total carbon footprint and is then normalised by total invested value.

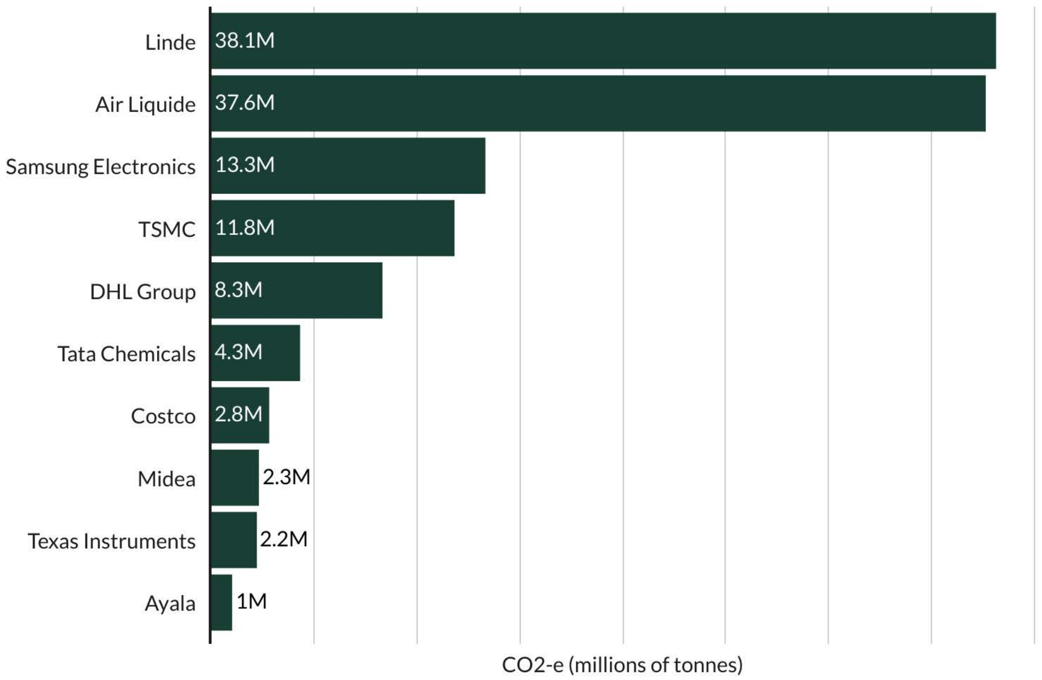
Source: ISS ESG Solutions and Stewart Investors over calendar year periods to 31 December 2024. Carbon data includes estimates for companies who do not disclose emissions.

Near Jaisalmer in Rajasthan, India

Top 10 companies contributing the most to the total carbon footprint



Top 10 companies emitting the most carbon



The companies contributing most to our carbon footprint (left chart) are different to the highest emitters overall (right chart) because they are calculated based on the percentage of the company we own. This means a substantial shareholding in a company with relatively low emissions can make a larger contribution than a small holding in a company whose emissions are relatively high. Company size also plays a role, as the same amount of money invested results in different ownership percentages. Because of these differences, both measures are important for understanding the overall impact, and for prioritising our company engagement activities.

Source: ISS ESG Solutions and Stewart Investors based on holdings data as of 31 December 2024. Carbon data includes estimates for companies who do not disclose emissions. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of Stewart Investors' portfolios at a certain point in time, and the holdings may change over time.

Fossil fuels

During 2024, we had no material exposure to fossil fuel companies, which our position statement on harmful and controversial products and services defines as companies generating 5% or more of their revenues from exploration, production or generation of fossil fuel energy.

We also analyse whether companies provide dedicated products and services to the fossil fuel industry, as these revenues may be at risk from a move away from the use of fossil fuels. Where a company we invest in has been identified as generating more than 5% of its revenues from dedicated services to the fossil fuel sector, we disclose the reasoning behind that position on our website.

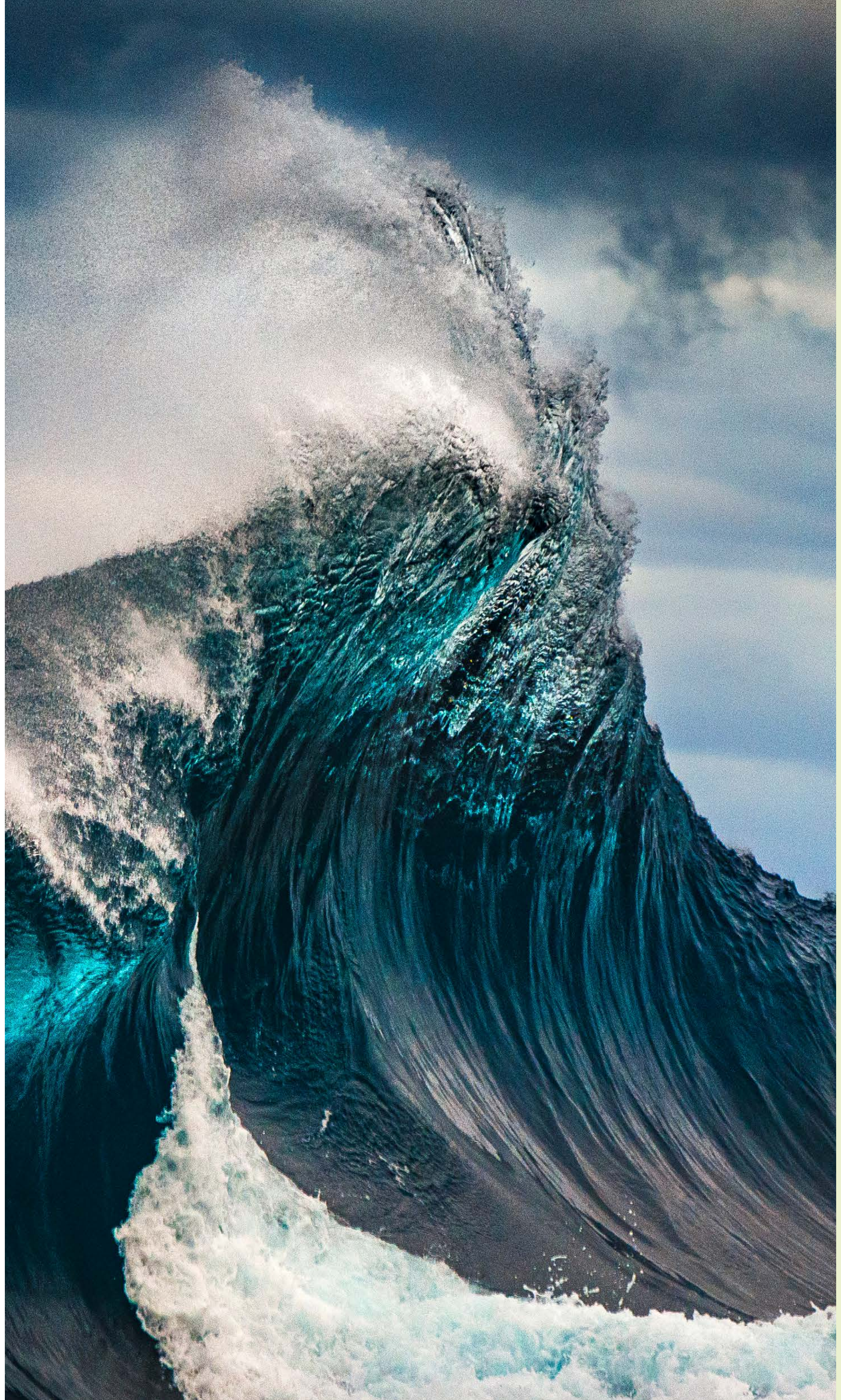
In addition to these companies, 35 companies in our portfolios on 31 December 2024 derived a small part (less than 5%) of their revenues from sales to fossil fuel companies. Three companies, meanwhile, had minority ownership of companies with fossil-fuel exposure.

The following companies flagged for more than 5% exposure in 2024:

Company	Strategies held in	Reason for exception
Air Liquide	European All Cap, European (ex UK) All Cap	Air Liquide's gases are vital inputs for a variety of customers including healthcare, chemicals, energy, manufacturing, electronics, and food & beverage companies. Our external research provider estimates that selling products and services to the oil and gas industry accounted for 15% of its revenues in fiscal year 2023. The main product it sells to the oil and gas industry is hydrogen, which is used to remove sulphur during refining. Lowering sulphur emissions has environmental benefits such as reducing acid rain. It also provides nitrogen to the oil and gas industry for safety purposes. Air Liquide plans to continue developing products to support the energy transition, including carbon capture and storage (CCS) technologies. It also plans to invest EUR8 billion to reduce emissions from hydrogen production. We will continue to encourage the company to disclose its exposure to the oil and gas industry and to expand its offering of products supporting the decarbonisation of the energy sector.
ESAB Corporation	Worldwide All Cap	The company provides welding, cutting and gas-control equipment to a variety of customers across the manufacturing, infrastructure, energy, shipbuilding and rail industries. Our external research provider estimated that selling products and services to the oil and gas industry accounted for 20% of ESAB's overall revenues in fiscal year 2022 (it was not reporting revenues split by end market at that time). It released its inaugural sustainability report in 2023, coinciding with its first year as an independent corporation after being spun out of Colfax Corporation. We met the company and, based on our analysis of the latest (2023) data, we believe its exposure to products and services supporting the oil and gas industry to be no greater than 9%. This is lower than the external estimate while also being higher than our materiality threshold of 5%. We believe its exposure to oil and gas will continue to fall as the economy transitions further away from fossil fuels, and the company continues to focus on growing its sales in renewable energy. We will continue to engage with it on progress in this area.

Company	Strategies held in	Reason for exception
ESAB India	Pacific Assets Trust	The company provides welding and cutting equipment to a variety of industries including shipbuilding and wind energy. While it does not yet directly report revenue by market segment, our external research provider estimates that revenues from products and services supporting oil and gas accounted for 7.5% of ESAB India's overall revenue in fiscal year 2023. We met its parent company (ESAB Corporation - see previous page) and, based on our analysis of its product portfolio compared to the wider industry, we believe its exposure to products and services supporting oil and gas to be lower than the external estimate. As with ESAB India's parent company, we will continue to encourage the company to disclose revenue by industry segment.
Spirax Group	European All Cap, Worldwide All Cap	The company provides precision heat and control equipment and systems that improve energy efficiency, including for customers in the oil industry. Revenues derived from oil and gas supporting products and services accounted for 5% of the company's overall revenue in fiscal year 2022. We sold our holding during 2024.
WEG	Global Emerging Markets All Cap, Global Emerging Markets Leaders, Worldwide All Cap, Worldwide Leaders	WEG's renewable energy solutions are used in solar and wind power as well as in hydroelectric and biomass power plants. It is thereby helping society to shift away from its dependence on fossil fuels. It also manufactures energy-efficient electric motors, helping its customers to reduce their energy requirements and lower their greenhouse-gas emissions. According to our external research provider, WEG's sales of oil and gas supporting products and services accounted for 2.5% of its revenues during fiscal year 2022 with those of thermal coal supporting products and services accounting for another 2.5%. It thereby reached our 5% threshold. The thermal coal flag was newly added by our external research provider in 2023. We contacted the company directly to check those estimates. Given that coal is not a strategic market for WEG, it suggested that a more accurate estimate would be that this segment actually accounts for less than 1% of its revenues. **Update**: Our holding in WEG triggered this policy in the first half of 2024. Later in the year, our external service provider lowered its estimate of WEG's exposure to thermal coal revenues from 2.5% to 1%, taking its overall exposure to fossil fuel revenues back below our 5% threshold.

Source: Stewart Investors, Sustainalytics and company data. Pacific Assets Trust is a UK-listed investment trust.



Climate engagement

During the year, we engaged with 15 companies on climate-change related issues. We asked nine of them to either disclose their emissions, to improve their disclosure, or to set targets. Six of those nine companies have not responded, and we will follow this up in our next round of climate engagement. Two of the companies confirmed they are working towards setting emission baselines with a view to setting targets.

We have been engaging with one company on its transition to making electric vehicles for several years. It has already made good progress in both electric three-wheeler vehicles and farm equipment. In 2024, it confirmed that it had commissioned a solar plant and has committed to use 100% renewable energy by 2030.

In an instance where our engagement with one company led to discussions with another to explore positive connections, we pointed a Japanese telecoms company towards some interesting proposals by a Taiwanese technology company to improve the energy efficiency of the next generation ('6G') of wireless mobile technologies. At the time, the Japanese company was unaware of these ideas. So we provided details and encouraged them to support more sustainable 6G technology development.

Other examples of our climate engagement efforts in 2024 included our discussions with a company on the sustainability and impact of biofuels, and with two companies on reducing their exposure to customers in the fossil fuel industry.

Climate voting

Where appropriate, we vote in favour of proposals that support the improved disclosure of emissions, target-setting and emissions reduction.

In 2024, we were presented with five climate-related proposals to vote on. This is how we voted:

- In favour of an updated climate transition action plan at **Unilever**. This sets out the actions it is taking to reduce greenhouse gas emissions within the business and through its value chain to reach net zero by 2039.
- In favour of a shareholder proposal encouraging **Expeditors** to align its targets for greenhouse gas emissions with the Paris Agreement.
- Against a shareholder proposal that **Markel** report its greenhouse gas emissions from underwriting, insuring and investments. These data points are not yet widely or reliably reported in the insurance industry and we would prefer to discuss the issue directly with the company.
- Against a shareholder proposal that **Costco** conduct a feasibility study into reaching net zero by 2050. We believe Costco is making progress with tangible near-term climate targets and long-term projections can be challenging and error prone. We find its current approach to be sensible.
- We abstained from voting on a shareholder proposal that **Old Dominion Freight Line** should adopt emissions targets that are aligned with the Paris Agreement. We had previously engaged with the company on this issue and would prefer to continue that dialogue to better understand its plans.

Target 4: Net-zero scope 1, 2 & 3 (business travel) by 2030

In 2022, our parent company, First Sentier Investors (FSI), established a Corporate Sustainability function which supports us in managing operational climate change-related risks and impacts, including energy efficiency.

Our reporting focuses on Scope 1, Scope 2 and on aspects of Scope 3 emissions. Since we began reporting in 2023, we have expanded our Scope 3 reporting to include water, other fuel and energy-related activities, waste and employee commuting and working from home emissions. We are targeting net-zero Scope 1 and 2 emissions by 2030.

Our emissions calculations align with the World Business Council for Sustainable Development (WBCSD) and with the World Resources Institute's (WRI's) Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (revised edition).

Scope 1 emissions are direct emissions from Stewart Investors-owned (or controlled) sources

We have limited Scope 1 emissions due to our office-based operations and by not owning a vehicle fleet. In addition, FSI purchases green gas (renewable and low carbon gases) for the Edinburgh office, which is represented as the biogenic emissions in the table on the next page. Our Scope 1 reporting currently excludes diesel (as part of stationary combustion) and refrigerants due to their limited materiality.

Scope 2 emissions are indirect emissions from the generation of purchased energy consumed by Stewart Investors

This includes electricity, heat and steam. Reporting includes both location and market-based methods. Stewart Investors operates from standalone offices in Australia and Singapore and alongside employees of FSI in Edinburgh, London, Frankfurt, Hong Kong and New York. Our Managing Partner oversees our operations. Where Stewart Investors shares offices with FSI, emissions are prorated by full-time equivalent (FTE) employees.

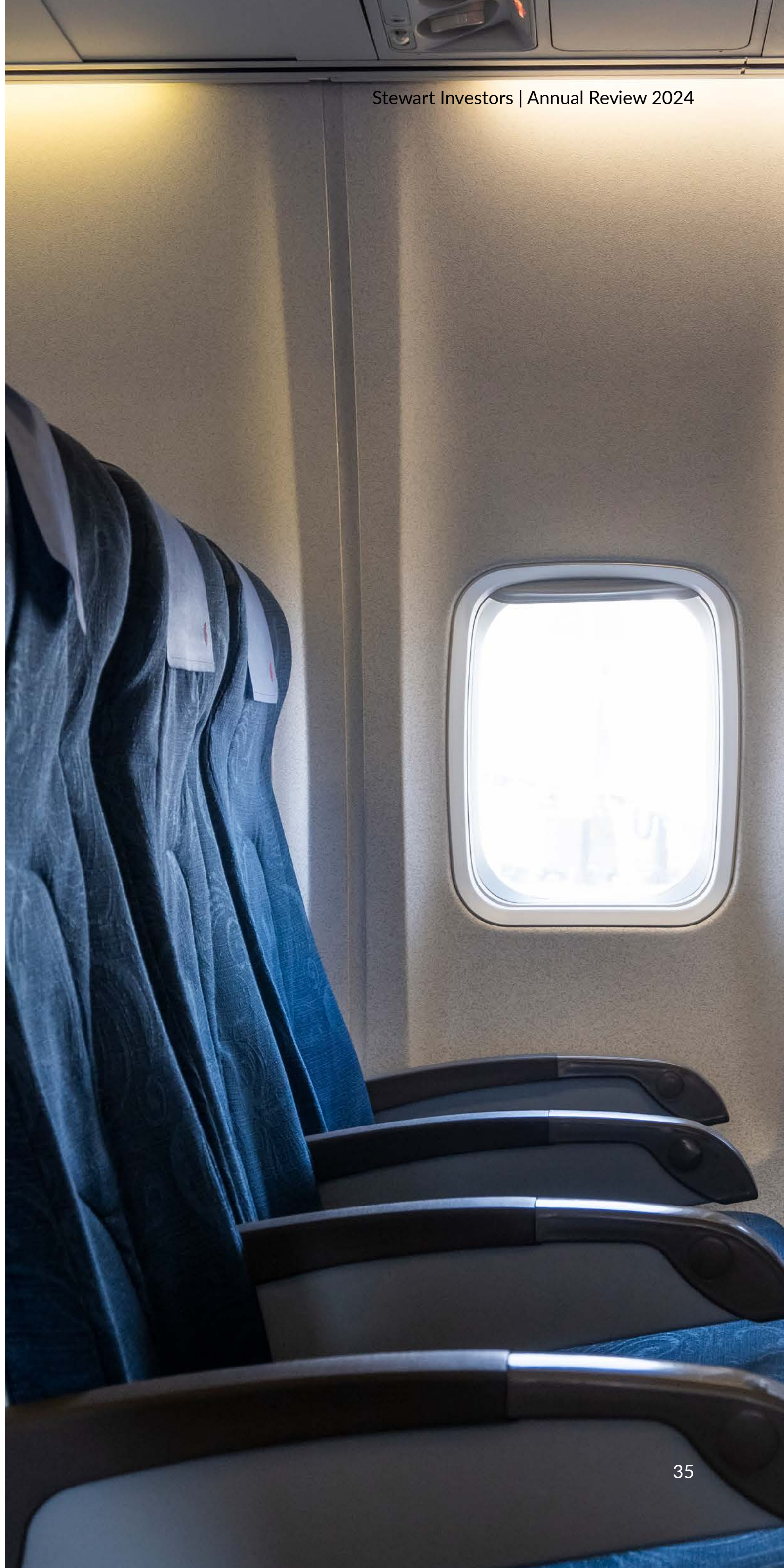
In 2024, we continued to source renewable electricity for our offices via energy retailer contracts or locally generated Renewable Energy Certificates (RECs). This is reflected in the continued reduction of Scope 2 emissions under the market-based reporting method.

Scope 3 emissions are indirect emissions that occur in Stewart Investors' value chain

Our material operational Scope 3 emissions arise from our team's business travel (by air, rail and car, as well as the hotel accommodation we use). The increase in reported business travel emissions from 2022 followed the global re-opening of national borders after the covid-19 pandemic. We believe we need to connect in person with the companies we invest in as well as with our clients and colleagues. When we set our targets, we hoped that low-emission forms of aviation would be widely available by 2030. Sadly, this now seems unlikely so we have removed this from our targets. Although we acknowledge that travel-related emissions are a necessary outcome of our operations, this is an area in which we will keep trying to improve.

In 2023, we expanded the reach of our Scope 3 reporting

This now includes emissions arising from employee commuting, working from home, water, waste and fuel and energy-related emissions not already included in Scope 1 or Scope 2 (defined as Category 3 by the Greenhouse Gas Protocol). We will continue to evolve our material Scope 3 emissions reporting as more accurate data become available.



Stewart Investors	Emissions (tCO2e)				
	2020	2021	2022	2023	2024
Scope 1 (direct emissions)	12.0	13.1	7.7	1.6	0.7
Scope 2 (indirect emissions)					
Purchased electricity - location method	36.2	38.3	37.3	27.8	26.6
Purchased electricity - market method	11.8	16.7	2.8	0.5	0.0
Purchased heat and steam	0.9	0.9	2.0	1.2	1.2
Scope 3 (indirect emissions – value chain)					
Category 1 - Purchased goods and services (water only)	-	-	-	0.1	0.1
Category 3 - Fuel and energy related activities (not included in Scope 1 or 2)	-	-	-	9.3	8.2
Category 5 (Waste generated in operations)	-	-	-	0.4	0.2
Category 6 - Business travel	98.4	30.3	746.5	801.3	1,100.0
Category 7 - Employee commuting and telecommuting	-	-	-	19.9	17.8
Biogenic emissions	-	-	6.0	4.4	6.7
Total emissions (Scope 1 & 2 – location based, Scope 3 and biogenic)	147.4	82.6	799.6	865.9	1,161.7
Total emissions (Scope 1 & 2 – market based, Scope 3 and biogenic)	123.1	60.9	765.0	838.7	1,135.1

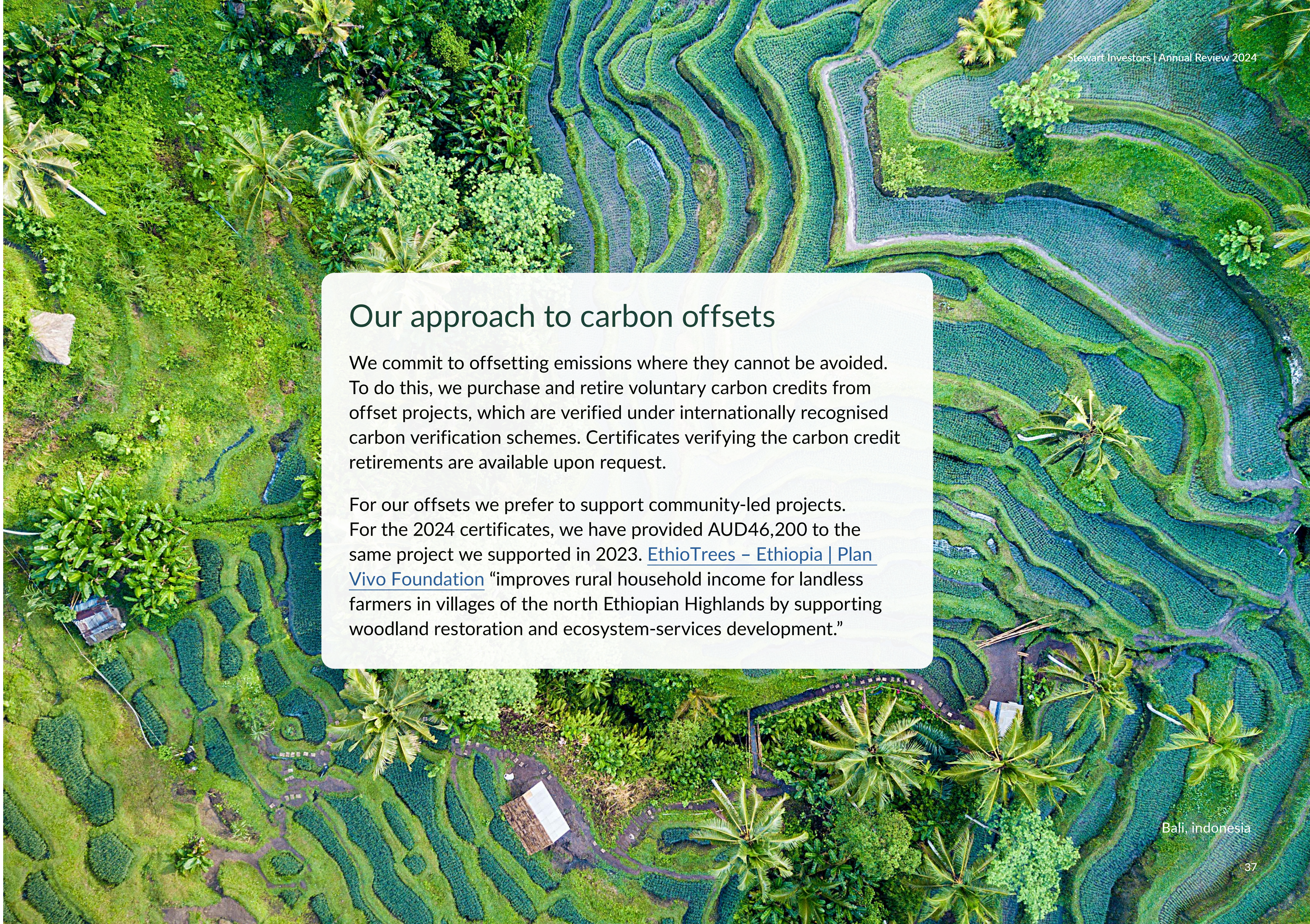
Table footnotes:

- Emission factors for Scope 1 and 2 reference published regional emissions factors from the International Energy Agency (IEA), from the Department for Environment, Food and Rural Affairs (DEFRA) in the UK and from the US Environmental Protection Agency (EPA). Scope 3 emissions are based on DEFRA published emission conversion factors. All data is from the latest available emissions factors at 2024.
- A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that the company has purposefully chosen.
- Scope 1 and Scope 2 emissions reflect typical occupation as an office tenant and have included the energy consumed within the leased space. In Edinburgh, energy consumption for the building has been included to reflect the operational boundary of this facility.
- Data for Scope 1 and 2 energy and emissions for global offices is sourced from utility billing and landlord-supplied extracts. Where data is not readily available, estimates have been used. Scope 1 reporting currently excludes diesel (as part of stationary combustion) and refrigerants due to their relative immateriality. Stewart Investors does not own or operate a company vehicle fleet and has no associated transport fuel for Scope 1 (mobile combustion). For 2023, the FSI purchased green gas (via tariff) in place of natural gas for use in the Edinburgh office. Green gases are renewable and low carbon gases that can be used in place of fossil fuels. Due to market constraints between July and September 2024 the gas contracted reverted to natural gas. The use of green gas resumed in October 2024.
- Between November 2023 and March 2024, FSI relocated to a temporary London office during the refurbishment of the primary office. At the time of the 2023 reporting, data for the temporary office was unavailable. Instead, average monthly office consumption data using the floor area of the original office was used to estimate data for this period. 2024 reporting included the gas and electricity consumption data from the temporary London office. The landlord purchased renewable energy via Renewable Energy Guarantees of Origin (REGOs) and Renewable Gas Guarantees of Origin (RGGOs) for the period that we occupied the space. The greenhouse gas emissions from green gas are reported as our Scope 1 and biogenic emissions.
- Scope 2 reporting includes renewable electricity that FSI purchases either via the energy retailer or through contracted Renewable Energy Certificates (RECs), which is reflected in the market-based method reporting. For some serviced offices, energy consumption data is unavailable and estimates using regional energy data and scale by office area are used instead. Estimates were used for the Frankfurt (WINX Tower) office. Emissions are estimated by using known consumption data for offices in the region and calculating an energy intensity factor per square metre (kilowatt-hours per square metre). A regional emission factor relevant to the office is then used to calculate the location-based emissions. The Frankfurt serviced office make up less than 2% of global office footprint by square metre.
- Emissions from heat and steam are from the New York office space.
- Biogenic emissions are from the green gas contract for our Edinburgh office and temporary London office.
- Changes in reporting since last year's statement:
  - 2024 reporting reflects the AR5 methodology, while 2023 reporting follows AR4. The estimated impact to the 2023 data is less than 2%. AR5 and AR4 refer to the Assessment Reports published by the Intergovernmental Panel on Climate Change (IPCC).
  - Location-based emissions factors for the New York office switched from US EPA in 2023 to IEA in 2024. The estimated impact of the change was less than 2%.

Our approach to carbon offsets

We commit to offsetting emissions where they cannot be avoided. To do this, we purchase and retire voluntary carbon credits from offset projects, which are verified under internationally recognised carbon verification schemes. Certificates verifying the carbon credit retirements are available upon request.

For our offsets we prefer to support community-led projects. For the 2024 certificates, we have provided AUD46,200 to the same project we supported in 2023. EthioTrees – Ethiopia | Plan Vivo Foundation "improves rural household income for landless farmers in villages of the north Ethiopian Highlands by supporting woodland restoration and ecosystem-services development."



Bali, indonesia

Diversity and inclusion

We define diversity as including, but not limited to, individual and group differences based on gender and gender expression, race, ethnicity, nationality, age, physical ability / disability, neurodiversity and other health conditions, sexual orientation, class, religious belief, and political perspective.

Capturing the many benefits of a diverse workforce requires an inclusive corporate culture. We believe a willingness to include diverse perspectives helps to generate better ideas and leads to better decision-making. This belief is reflected in how we assess the companies we invest in, and how we operate our own business.

In 2021, we made four commitments; here we describe the progress we made in 2024.

1 Allocate capital to high-quality companies that are continually improving their own approaches to diversity

The approach companies take to diversity, equity and inclusion forms an important part of our assessment of company quality. While we appreciate the benefits of improving diversity, metrics like gender can be difficult for companies to change over short periods of time. The benefits that flow from diversity come from diverse perspectives leading to improved decision making but this requires an inclusive culture more than growing percentages of female or culturally diverse directors and managers. For this reason, these numbers tell only one part, albeit an important one, of the diversity story.

The table below shows that the proportion of female board directors, managers and employees for the companies held at the end of 2024 over the last four years.

Proportion of female	2021	2022	2023	2024
Board members	22.3%	25.6%	26.6%	**27.0%**
Managers	27.3%	28.6%	28.4%	**28.6%**
Employees	34.2%	34.6%	34.6%	**34.7%**

Source: Net Purpose and Stewart Investors. Where 2024 data was not available, 2023 has been carried over. 2021 to 2023 data is based on aggregated portfolio holdings as of 31 December 2024. The coverage for directors was 99% and for managers 69%.

Digging beneath these headline figures also reveals a story of steady improvement. For example, the number of companies whose boards have no female directors fell from 14 to six between 2021 and 2024. And the proportion of companies where more than 30% of directors are female increased from 30% to 44%.

Examples of progress in this area include **Komerční banka** in the Czech Republic. It had just one female director in 2021 but has five female directors – 44% of its board – today. In the Philippines, **Ayala** now has three female directors, equivalent to 38% of its board. Change has to start somewhere, so it has also been encouraging to see **Chroma ATE, MediaTek, Kalbe Farma, Sunny Optical Technology** and **WEG** appointing their first female directors.

While less frequently reported, female managers are also becoming better represented in the workplace. For example, the percentage of companies reporting they had no female managers fell from 5% to zero. And the proportion of companies where more than 30% of the managers are female grew from 43% to 52%.

Improving diversity will continue to be an engagement priority where we believe it will benefit companies.

% of companies with	2021	2022	2023	2024
No female directors	7%	5%	3%	**3%**
One female director	38%	32%	28%	**28%**
>30% female directors	30%	40%	44%	**44%**
No female senior managers	5%	3%	0%	**0%**
>30% female managers	43%	47%	52%	**52%**
Number of companies with				
No female directors	14	10	7	**6**
One female director	76	65	55	**54**
>30% female directors	59	82	88	**88**
No female managers	3	2	-	**-**

Source: Net Purpose and Stewart Investors. More companies report the percentage of female managers (69%) than the number of female managers (33%).

2 Use our influence as investors to encourage companies to take positive diversity actions through (direct and collaborative) engagement, proxy voting and policy advocacy

Diversity engagement

In 2024 we actively engaged with seven companies on diversity issues:

1. **Distributor of industrial and construction supplies**
   Improve reporting on diversity and adopt labour practices that would support a more diverse workforce.
2. **Developer, manufacturer and distributor of inspection and measurement systems**
   Improve gender diversity and employment opportunities at all levels.
3. **Construction and trade company**
   Implement initiatives to improve gender diversity at both the managerial and executive levels.
4. **Manufacturer of consumer electronics and memory chips**
   Learned about the initiatives being taken to increase gender diversity and the challenges it experienced.
5. **Manufacturer of semiconductor production equipment**
   Improve its recruitment approach to attract female talent.
6. **Supermarket operator**
   Improve gender diversity and elect a female director.
7. **Industrial group**
   Increasing the number of females in its senior management ranks.

Diversity voting

Our preference is to exercise our votes to improve diversity, equity, and inclusion outcomes.
In 2024 we voted against three proposals on the topic:

- A management proposal at **ResMed** regarding the election of the chair of the nominating and governance committee, due to the reduced gender diversity on the board.
- A shareholder proposal requesting that **A.O. Smith** report on hiring practices for people with arrest records. We did not deem it necessary or productive and support the company's hiring process.
- A shareholder proposal requesting for a diversity and inclusion report to be produced by **Expeditors**. We believe this issue requires a wider discussion and cannot be resolved through disclosure alone.

3 Continue to evolve our approach to diversity as a firm, including hiring, remuneration and career progression

We have built a team of individuals passionate about investing sustainably, but we come from diverse backgrounds and have complementary perspectives. Our team culture enables us to be different.

We review hiring, remuneration and career progression decisions from a diversity and inclusion perspective. And although we made progress on improving the gender balance in some areas of our team in 2024, we acknowledge that we still have some way to go.

	2022		2023		**2024**	
Function/team	**Total number of staff**	**% female**	**Total number of staff**	**% female**	**Total number of staff**	**% female**
Client	11	45%	13	54%	**13**	**46%**
Impact, Communication and Engagement	7	71%	9	78%	**8**	**88%**
Investment	13	30%	14	36%	**16**	**31%**
Management	5	-	6	17%	**6**	**17%**
Operations	17	53%	17	47%	**16**	**50%**
Total	**56**	**46%**	**59**	**47%**	**59**	**46%**

Source: First Sentier Investors Human Resources, as of 31 December 2024. Operations includes teams supporting Stewart Investors with Portfolio Implementation, Dealing, Research Management and Administrative Support.

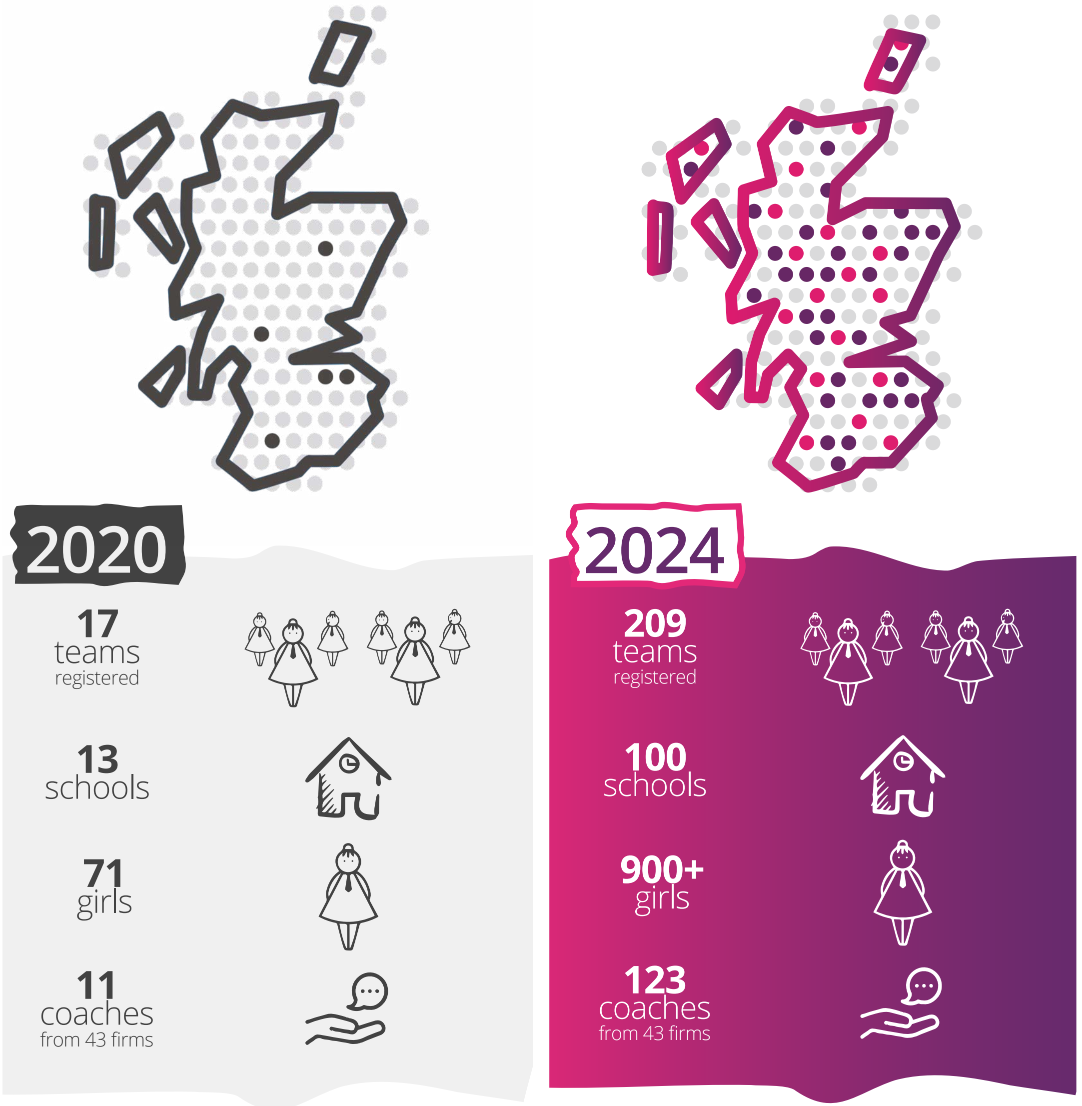
Strategic diversity case study: Future Asset

The aim of Future Asset is 'to educate girls across Scotland about investment management and enthuse them about rewarding careers in this financial service'. The long-term mission is to increase inclusion in the industry and improve gender diversity by breaking down the stereotypes and gender barriers that still exist.

Stewart Investors founded Future Asset in 2017 and continues to support it both financially and through the involvement of our team. During 2024, Future Asset engaged with over 2,700 students. Every year, the opportunities Future Asset provides to students continues to grow. Highlights and achievements from 2024 include:

- Growing Future Assets Investment Competition. This annual event enables girls aged 13-18 in Scottish schools to experience being an investment manager. The 2024 competition passed a major milestone by reaching every local authority in Scotland, with schools in Orkney and Shetland registering for the first time. In the competition's inaugural year in 2020, 17 teams from 13 schools and 71 girls registered. In 2024, 209 teams from 100 schools and over 900 girls took part. Two members of our investment team, Lorna Logan and Sarah Sheard, served as team coaches and judges in the latest competition.
- As part of an extended pilot programme, students who participate in Future Asset's 2025-26 competition will be eligible for a qualification accredited by the SQA (Scottish Qualification Authority). The National Progression Award (NPA) in Enterprise and Employability recognises students with valuable, transferable skills applicable in any employment setting, including self-employment. This is a significant achievement for Future Asset and recognises its positive impact on students. All 10 girls who participated in the pilot in 2024 achieved their NPA at Level 6, which equates to the same level as SQA Highers (exams taken in the final two years of high school, typically between the ages of 16 and 18).
- Future Asset hosted several regional workshops, career insight days and mentoring sessions throughout 2024. An event at the Scottish Parliament helped to show students the diversity of career pathways that are open to them in finance.
- 2024 saw the first Future Asset National Alumnae event. This included workshops, a networking lunch and office visits to provide a 'behind-the-scenes' look at what investment firms do and how they operate. Stewart Investors were delighted to host students in our Edinburgh office in June. Lorna Logan led a discussion on Stewart Investors' approach to investing, examined the different types of roles the team have and outlined what a typical day might look like. With Sarah Sheard, the students discussed the pros and cons of a selection of companies from a sustainability perspective.
- Future Asset published its first impact report in early 2025.

Growing Future Assets Investment Competition



Source: Future Asset.

4 Report transparently and regularly on our successes and failures as an employer, an investor and within our communities

We are committed to working towards improving the diversity of our business and providing reporting to show our progress.

Certain initiatives, including a diversity census, are coordinated by First Sentier Investors (FSI). The census provides a picture of FSI's global workforce and helps to shape its diversity, equity, and inclusion (DE&I) strategy and targets. The results of that census are published in FSI's corporate sustainability report. Key areas of work in 2024 included:

- The development of dedicated toolkits to support our people in building skills across areas of DE&I including neurodiversity and disability.
- Training to address recent legal obligations[6] related to sexual and sex-based harassment in the workplace.
- Participation in the UK Government Disability Confident Scheme to become certified as 'disability confident', which includes enhancements to recruitment practices and onboarding processes.
- Bronze certification in the Australian Workplace Equality Index (AWEI) for LGBTQ+[7] inclusion.
- The launch of our inaugural Reconciliation Action Plan (RAP) to strengthen relationships between First Nations and non-Indigenous peoples for the benefit of all Australians, and to build cultural awareness within the business.
- Consultation on the First Sentier MUFG Sustainable Investment Institute research paper – Diversity, Equity & Inclusion: Gender and Beyond.

[6] Australian legislation - The Anti-Discrimination and Human Rights Legislation Amendment (Respect at Work) Act 2022; UK legislation - UK Equality Act 2010.

[7] LGBTQ+ is an abbreviation for lesbian, gay, bisexual, transgender and queer with the '+' sign indicating the inclusion of other sexual orientations and gender identities.

Community involvement and charitable giving

We invest in organisations that promote education and capacity building, as well as supporting causes our employees care about. More information is available on our website. Stewart Investors donated to a range of charities in 2024. These can be grouped into three tiers.

Tier 1

This comprises two charities that Stewart Investors set up and which are our long-term partners. They are the **Maitri Trust**, established in 2006 to support education projects in India and South Africa, and **Tar-Ra Fund**, established in 2021 to support projects or initiatives that challenge current approaches to capital allocation to better consider sustainable development challenges.

Tier 2

These are partnerships with charities with whom members of the Stewart Investors team have strong ties. They tend to be funded for at least three years and some, like the Stewart Ivory Financial Education Trust (and a predecessor charity), were supported for approximately 15 years. Examples of Tier 2 charities we funded in 2024 include:

- **Leuchie** - an independent charity providing respite care for people with serious neurological conditions and their families in East Lothian, Scotland.
- **Parivaar** – a Benegal-based charity caring for children who would otherwise be vulnerable to exploitation, victimisation or trafficking. This includes orphans, street children, abandoned children, and impoverished children from tribal areas. It also provides a range of humanitarian support to the destitute and uncared for.
- **Centre for Science and Environment (CSE)** – a not-for-profit public interest research and advocacy institute based in New Delhi. Its programmes include the Clean Air Programme, Sustainable Mobility Programme, and the Solid Waste Management Programme.
- **Altiorem** – a not-for-profit sustainability library and resource centre based in Sydney. It aims to help people understand the role finance needs to play in addressing sustainability challenges.

Tier 3

One-off emergency relief funding.

In 2024, approximately GBP3 million was disbursed to charities.

Charity partnerships

ALTIOREM
Change finance for good
Founded in 2020

CSE
Supported since 2010

TOBACCO-FREE FINANCE PLEDGE SIGNATORY
Joined in 2021

The Tar-Ra Fund
Founded in 2020

maitri trust
Founded in 2006

Charity case study: Maitri Trust

Founded by Stewart Investors in 2006, the Maitri Trust supports partners working to overcome the complex challenges facing primary school systems in India and South Africa. By improving education at an early stage, it aims to set children up for better lifelong outcomes. In 2024, Maitri awarded approximately GBP4.2million in grants to 26 partners.

In 2024, the Maitri Trust published a short impact report for the first time. It reflects on the first year of the Trust's new five-year strategy and reports on the progress it has made towards putting learners at the heart of its approach, prioritising deeper understanding of its partners' impact, taking risks and innovating and, lastly, building on its collaborative approach.

Looking ahead

We remain focused on identifying and investing in high-quality companies that contribute to, and benefit from, sustainable development.

By the time this report is published, some of the changes it highlights, including updates to our human development pillars, climate targets and engagement tracking, should be live or approaching completion. Other enhancements, including a project to enhance our Portfolio Explorer tool, may take longer to complete. In the meantime, our existing engagement activities and initiatives will continue, including those on climate, conflict minerals in the semiconductor supply chain, access to medicine, and plastic pollution.

While there are many things we want to achieve and improve in 2025, we must acknowledge that the pace of progress is unpredictable and that things won't always go as planned. As always, however, we will strive to make improvements and to identify new opportunities, both in how we invest and in how we communicate with our clients.

Hippocratic oath - We will share our experiences - both good and bad - with our peers, and work together with them to earn the respect of those outside the investment profession.

Solsona, in Northern Catalonia, Spain

Important Information

Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy or sell the same. All securities mentioned herein may or may not form part of the holdings of a First Sentier Group portfolio at a certain point in time, and the holdings may change over time.

This material is for general information purposes only. It does not constitute investment or financial advice and does not take into account any specific investment objectives, financial situation or needs. This is not an offer to provide asset management services, is not a recommendation or an offer or solicitation to buy, hold or sell any security or to execute any agreement for portfolio management or investment advisory services and this material has not been prepared in connection with any such offer. Before making any investment decision you should consider, with the assistance of a financial advisor, your individual investment needs, objectives and financial situation.

We have taken reasonable care to ensure that this material is accurate, current, and complete and fit for its intended purpose and audience as at the date of publication No assurance is given or liability accepted regarding the accuracy, validity or completeness of this material and we do not undertake to update it in future if circumstances change.

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About First Sentier Investors

References to 'we', 'us' or 'our' are references to First Sentier Investors, a global asset management business which is ultimately owned by Mitsubishi UFJ Financial Group. Certain of our investment teams operate under the trading names AlbaCore Capital Group, FSSA Investment Managers, Stewart Investors, RQI Investors and Igneo Infrastructure Partners, all of which are part of the First Sentier Investors group.

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