



# First Sentier Investors Global Umbrella Fund plc 2024 Annual Report

Periodic disclosures for Stewart Investors Article 9 products



Stewart Investors



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## Risk Factors

This material is a financial promotion for the Stewart Investors Asia Pacific All Cap Fund (VCC), Stewart Investors Asia Pacific Leaders Fund (VCC), Stewart Investors Asia Pacific and Japan All Cap Fund (VCC), Stewart Investors European All Cap Fund (VCC), Stewart Investors Global Emerging Markets All Cap Fund (VCC), Stewart Investors Global Emerging Markets Leaders Fund (VCC), Stewart Investors Global Emerging Markets Ex-China Leaders Fund (VCC), Stewart Investors Indian Subcontinent All Cap Fund (VCC), Stewart Investors Worldwide All Cap Fund (VCC), Stewart Investors Worldwide Leaders Fund (VCC), intended for professional clients only in the UK, Switzerland, the EEA and elsewhere where lawful.

Sustainable investment labels help investors find products that have a specific sustainability goal. This product does not have a UK sustainable investment label as it does not have a non-financial sustainability objective. Its objective is to achieve capital growth over the long-term by following its investment policy and strategy.

Investing involves certain risks including:

- **The value of investments and any income from them may go down as well as up and are not guaranteed. Investors may get back significantly less than the original amount invested.**
- **Currency risk:** the Fund invests in assets which are denominated in other currencies; changes in exchange rates will affect the value of the Fund and could create losses. Currency control decisions made by governments could affect the value of the Fund's investments and could cause the Fund to defer or suspend redemptions of its shares.
- **Emerging market risk:** Emerging markets tend to be more sensitive to economic and political conditions than developed markets. Other factors include greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.
- **Indian Subcontinent risk:** although India has seen rapid economic and structural development, investing there may still involve increased risks of political and governmental intervention, potentially limitations on the allocation of the Fund's capital, and legal, regulatory, economic and other risks including greater liquidity risk, restrictions on investment or transfer of assets, failed/delayed settlement and difficulties valuing securities.
- **Concentration risk:** the Fund invests in a relatively small number of companies which may be riskier than a fund that invests in a large number of companies.
- **Smaller companies risk:** investments in smaller companies may be riskier and more difficult to buy and sell than investments in larger companies.
- **Single country / specific region risk:** investing in a single country or specific region may be riskier than investing in a number of different countries or regions. Investing in a larger number of countries or regions helps spread risk. Where featured, specific securities or companies are intended as an illustration of investment strategy only, and should not be construed as investment advice or a recommendation to buy or sell any security.

All information included in this material has been sourced by Stewart Investors and is displayed as at 31 December 2024 unless otherwise specified and to the best of our knowledge is an accurate reflection as at this date.

For a full description of the terms of investment and the risks please see the Prospectus and Key Information Document.

If you are in any doubt as to the suitability of our funds for your investment needs, please seek investment advice.

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Stewart Investors Asia Pacific All Cap Fund

**Legal entity identifier:**  
549300BZRT184DKU8I49

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It made **sustainable investments with an environmental objective: 65%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made **sustainable investments with a social objective: 100%**

☐ ☐ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **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, the Fund held **65** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **183 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager's website –

[stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### **Positive environmental outcomes**

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As of 31 December 2024, the Fund held **65** companies. **42 companies (65%)** were contributing to **climate change solutions**. These companies were contributing to **39** different solutions and, in total, were making **136 contributions** to the solutions.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager's website – [stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

### Assessment

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

#### Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

### ● *How did the sustainability indicators perform?*

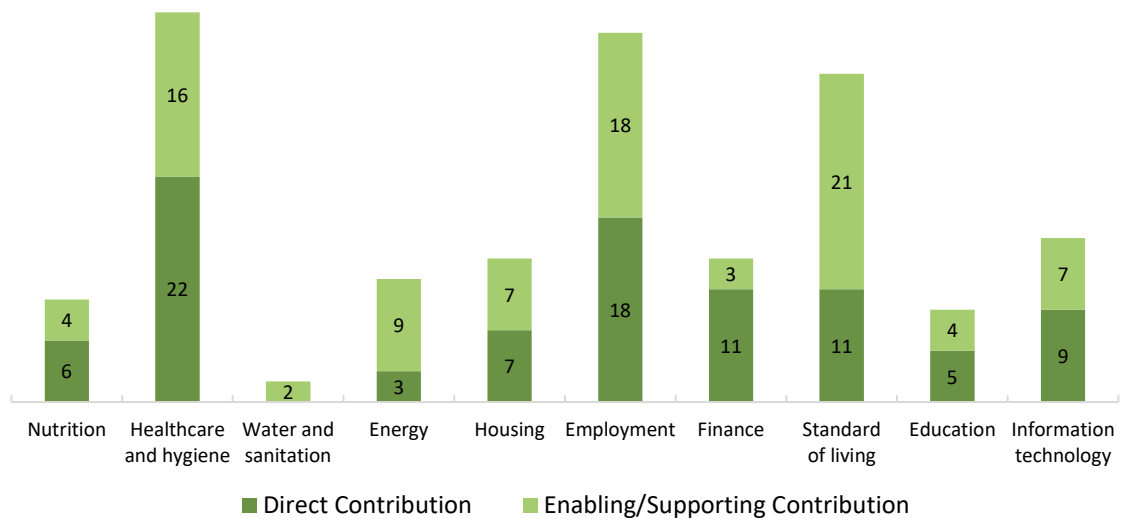
The Investment Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

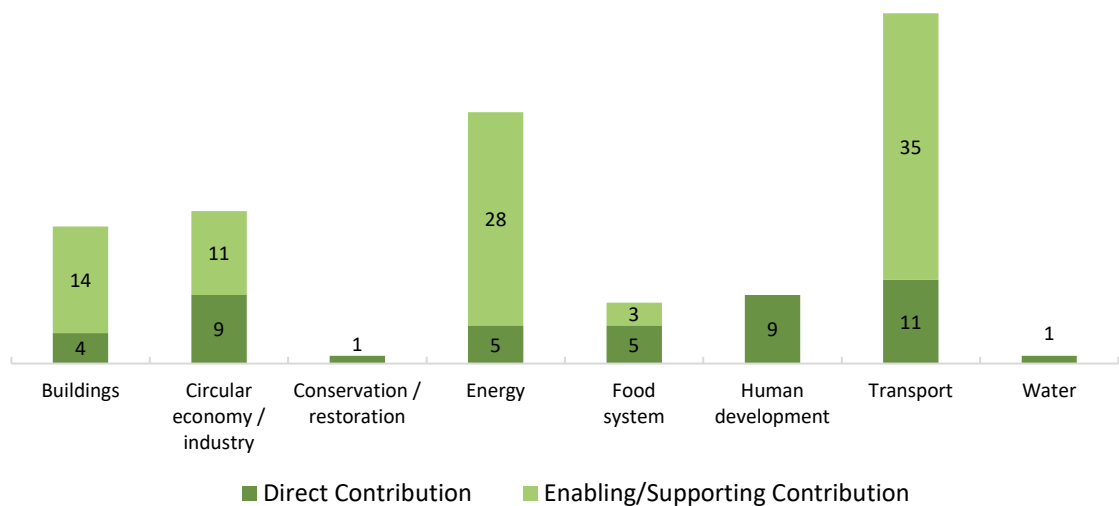
The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

### Human development pillars (number of companies contributing to each pillar)



### Climate change solutions (number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

### ...and compared to previous periods?

Changes in the sustainability outcomes for the Fund year-on-year are related to bottom-up changes in the portfolio and/or changes in the sustainability profile of individual investee companies.

The social and environmental outcomes for the Fund over previous periods are provided in the tables below.

## Positive social outcomes

Human development pillars	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	65 (100%)	61 (100%)	60 (100%)
Total no. of contributions	-	178	161	157
Nutrition	Direct	7	8	6
	Enabling/Supporting	4	3	3
Healthcare and hygiene	Direct	23	20	18
	Enabling/Supporting	17	12	11
Water and sanitation	Direct	-	-	-
	Enabling/Supporting	2	2	2
Energy	Direct	4	4	4
	Enabling/Supporting	8	5	5
Housing	Direct	3	4	3
	Enabling/Supporting	6	6	6
Employment	Direct	20	22	24
	Enabling/Supporting	13	8	9
Finance	Direct	9	8	7
	Enabling/Supporting	2	3	4
Standard of living	Direct	9	8	7
	Enabling/Supporting	29	28	27
Education	Direct	5	3	4
	Enabling/Supporting	4	5	4
Information technology	Direct	8	8	9
	Enabling/Supporting	5	4	4

## Positive environmental outcomes

Climate solutions	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	40 (62%)	37 (61%)	35 (58%)
No. of different solutions	-	39	33	29
Total no. of solutions	-	129	110	100
Buildings	Direct	4	4	3
	Enabling/Supporting	16	16	12
	Indirect	n/a	n/a	2
Circular economy/industry	Direct	10	10	2
	Enabling/Supporting	10	8	-
	Indirect	n/a	n/a	1
Conservation/restoration	Direct	1	1	-
	Enabling/Supporting	1	2	-
	Indirect	n/a	n/a	2
Energy	Direct	5	5	3
	Enabling/Supporting	24	18	13
	Indirect	n/a	n/a	6
Food system	Direct	6	5	5
	Enabling/Supporting	2	2	2
	Indirect	n/a	n/a	-
Human development	Direct	10	8	7
	Enabling/Supporting	1	-	-
	Indirect	n/a	n/a	-
Transport	Direct	10	7	7
	Enabling/Supporting	27	22	22
	Indirect	n/a	n/a	12
Water	Direct	1	1	1
	Enabling/Supporting	1	1	-
	Indirect	n/a	n/a	-



During 2022 and following feedback from clients, the Investment Manager removed the Indirect Contribution from their climate solutions measures.

Indirect Contribution – providing generic products or services to companies making direct or enabling contributions or making operational decisions which have a material contribution.

In 2022, Project Drawdown added 11 new climate solutions to their framework. The Investment Manager considered these new solutions for their 2022 reporting measures. More detail on these changes are available on the Investment Manager's website: [stewartinvestors.com/all/insights/climate-solutions-update](https://stewartinvestors.com/all/insights/climate-solutions-update)

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Fund's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Investment Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the Fund held the following companies which flagged against the Investment Manager's policy.

**Tata Consultancy Services (TCS)**

**UN Global Compact Principle 2 (Breach):** Businesses should make sure that they are not complicit in human rights abuses.

**Reason for exception/holding:** TCS has no direct involvement in nuclear weapons or energy, however the external research provider considers the company to be involved because its parent company, Tata Sons, owns greater than 50% of TCS.

Tata Sons involvement is due to the company owning Tata Advanced Systems which acquired Tata Power's Strategic Engineering Division. The Strategic Engineering Division provides control systems for the Indian Navy's nuclear missile submarines.

As India has not signed the Treaty on the Non-Proliferation of Nuclear Weapons, the external data provider considers Tata Sons and by extension TCS to be in support of the nuclear weapons programme of India. The Investment Manager disagrees with this assessment and does not see anything in the activities or conduct of the company to question its sustainability positioning or the investment case.



## How did this financial product consider principal adverse impacts on sustainability factors?

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.



Mandatory indicators	Metrics	2024	2023	2022
Exposure	(EUR m)	475	419	296
1. GHG Emissions	Scope 1 (tCO2eq)	2,245	3,001	1,711
	Scope 2 (tCO2eq)	5,123	4,967	3,412
	Scope 3 (tCO2eq)	161,465	174,156	178,985
	Total Emissions Scope 1+2 (tCO2eq)	7,368	7,968	5,123
	Total Emissions Scope 1+2+3 (tCO2eq)	168,833	182,124	184,109
2. Carbon Footprint	Total Emissions Scope 1+2 (tCO2eq/EURm)	16	19	17
	Total Emissions Scope 1+2+3 (tCO2eq/EURm)	356	435	623
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO2eq/EURm)	56	66	66
	Scope 1+2+3 (tCO2eq/EURm)	1,635	1,560	1,752
4. Exposure to companies active in the fossil fuel sector	(% involvement)	1%	0%	0%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	79%	82%	85%
	Non-Renewable Energy Production (%)	7%	30%	37%
6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data	no data	no data
	Construction (GWh/EURm)	no data	no data	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data	no data	no data
	Manufacturing (GWh/EURm)	0.16	0.13	0.13
	Mining & Quarrying (GWh/EURm)	no data	no data	no data
	Real Estate Activities (GWh/EURm)	no data	no data	no data
	Transportation & Storage (GWh/EURm)	no data	no data	no data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data	no data	no data
	Trade & Repair of Automobiles (GWh/EURm)	insufficient data	no data	no data
7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	1%	0%	0%
8. Emissions to Water	(t/EURm)	no data	no data	insufficient data
9. Hazardous waste ratio	(t/EURm)	90	54	24
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%	1%	0%
	Breach (% involvement)	3%	3%	3%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance	(% involvement)	60%	64%	77%

with UNGC and OECD guidelines

12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	insufficient data	no data	insufficient data
13. Board Gender Diversity	% of Female Board Members	23%	22%	21%
14. Exposure to Controversial Weapons	(% involvement)	0%	0%	0%

Voluntary indicators	Metrics	2024	2023	2022
Water Usage and Recycling	% Water Withdrawal	52%	59%	n/a
	Recycling & Reuse (cubic metres)	28,234,614	21,717,111	n/a
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.0	0.1	n/a

The SFDR PAI methodology for fossil fuel sector exposure considers Oil & Gas Production, Thermal Coal Extraction and Thermal Coal Supporting Products/Services. The fossil fuel exposure % shown in the table above for the reporting period is for **Samsung C&T** and **Wesfarmers**. Samsung C&T, which was held for part of the reporting period, is a holding company with direct operating businesses in construction and trade, plus high-value holdings in health and electronics. The third-party data provider estimates that the company derives c.1% of revenue from one its subsidiaries which is involved in oil and gas exploration, development, and production. Wesfarmers is an Australian conglomerate with businesses in home improvement, retail, health, chemicals and fertilisers. The third-party data provider estimates that the company derives c.1% of revenue from one its subsidiaries which is involved in oil and gas exploration, development, and production.

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.



## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2024 to 31 December 2024.

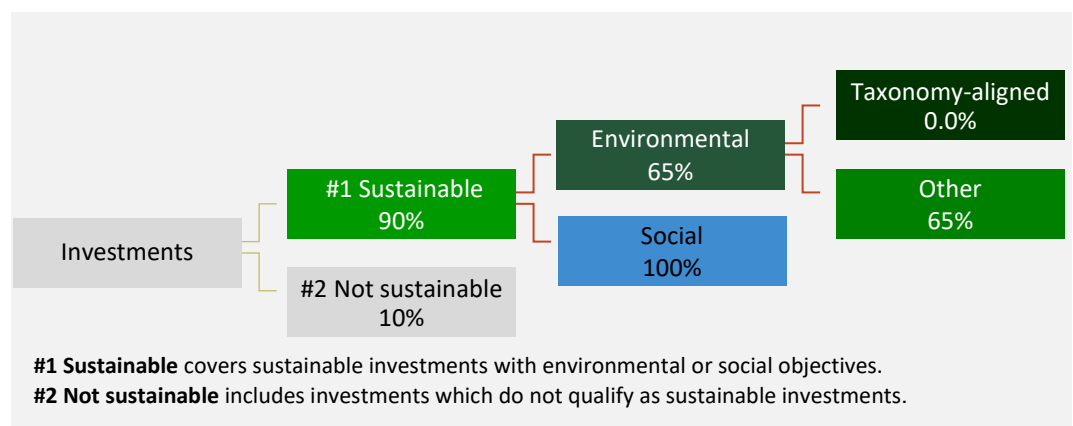
Largest investments	Sector	% assets	Country
Mahindra & Mahindra	Consumer Discretionary	7.7	India
Tube Investments	Consumer Discretionary	4.7	India
CG Power	Industrials	3.5	India
Samsung Electronics	Information Technology	3.4	South Korea
Voltronic Power	Industrials	3.2	Taiwan
Tata Consultancy Services	Information Technology	2.8	India
Midea	Consumer Discretionary	2.8	China
HDFC Bank	Financials	2.7	India
Tech Mahindra	Information Technology	2.6	India
TSMC	Information Technology	2.6	Taiwan
CSL	Health Care	2.6	Australia
Mainfreight	Industrials	2.6	New Zealand
Hoya	Health Care	2.5	Japan
Inovance	Industrials	2.4	China
MediaTek	Information Technology	2.3	Taiwan



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.



Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



● **In which economic sectors were the investments made?**

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	3.3
Consumer Discretionary	18.6
Consumer Staples	9.4
Energy	-
Financials	8.7
Health Care	15.2
Industrials	20.9
Information Technology	22.1
Materials	-
Real Estate	-
Utilities	-
Cash and cash equivalents	1.8

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

Additional transparency is provided by the Investment Manager in their annual report (**Annual Review 2023** pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.



**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?**

● **Did the financial product investment in fossil gas and/or nuclear energy related activities**

☐ Yes


☐ In fossil gas   ☐ In nuclear energy

☒ No

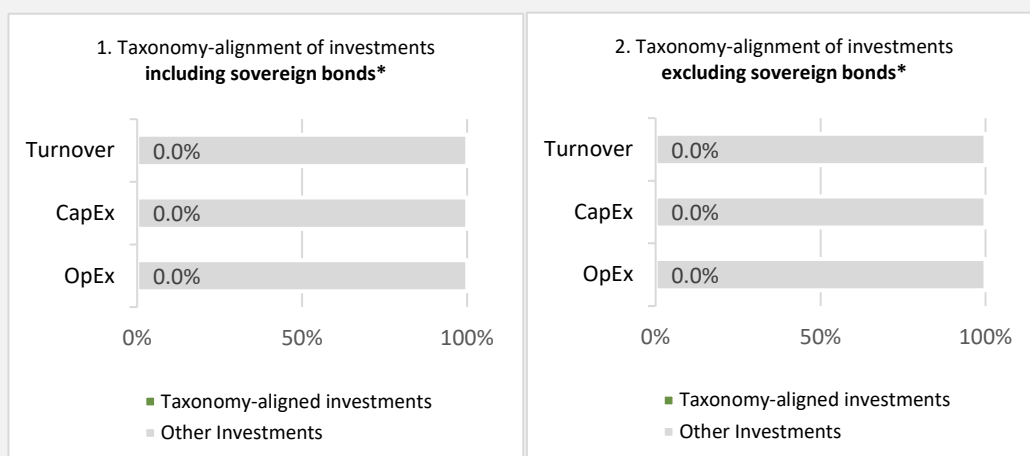
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



% figures represent taxonomy-aligned investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The reported share of investments made in transitional and enabling activities for the Fund is **0%**.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

The percentage of investments aligned with the EU Taxonomy for the previous reference period was **0%**.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **65** companies. Based on reported turnover data, there was no alignment with the EU taxonomy from any of these companies.



**What was the share of socially sustainable investments?**

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager's human development pillars.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

The "#2 Not sustainable" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.

The Fund's service providers for these assets are reviewed and assessed for compliance with FSI's modern slavery policy.



## What actions have been taken to attain the sustainable investment objective during the reference period?

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager's website (links below):

[Stewardship and corporate engagement policy](#)

[Engagement booklet](#)

[Proxy voting](#)

[Annual review](#)

During the reporting period, the Investment Manager met with **73%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period and across their funds, the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,
- **Animal testing/welfare** – animal testing exposure,
- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,
- **Governance** – corporate strategy and legal structure.

During the period the Investment Manager engaged with **51%** of Fund companies on the following topics -

- Environment: 31%
- Social: 27%
- Governance: 42%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.



**Voting activity: 1 January 2024 to 31 December 2024**

Number of companies that held voting meetings	66
Number of meetings to vote at	109
Total proposals to vote on	695
Number of votes against management proposals	19
Number of votes abstained from voting	2
Number of shareholder proposals to vote on	0
Number of shareholder proposals voted against	0
Number of shareholder proposals abstained from voting	0

**Voting rationales: 1 January 2024 to 31 December 2024**

Company	Proposal	No. of proposals	Voting decision
Glodon Philippine Seven ResMed Unilever Indonesia Vitasoy Yifeng Pharmacy Chain Zhejiang Supor	Appointment of auditor	7	Against management recommendation
	<b>Rationale</b> The auditor has been in place for over ten years and the companies have given no information on intended rotation which the Investment Manager believes is important for ensuring a fresh perspective on the accounts.		
Kasikornbank Philippine Seven	Transaction of business	2	Against management recommendation
	<b>Rationale</b> The companies did not provide enough information about the proposals and the Investment Manager wanted to avoid giving them unrestricted decision-making power without sufficient clarity.		
Amoy Diagnostics	Amendments to work systems and procedural rules	2	Abstained from voting
	<b>Rationale</b> The company did not provide sufficient information on the proposed amendments.		
Bank Central Asia	Remuneration	1	Against management recommendation
	<b>Rationale</b> The Investment Manager believed that the executive remuneration was excessive.		
Midea	Adjustment of the guarantee for controlled subsidiaries assets pool business	4	Against management recommendation
	Employee stock ownership plan		
	<b>Rationale</b> On the guarantee for controlled subsidiaries assets pool business, the Investment Manager found the guarantee amount to be excessive. On the proposed employee stock ownership plan, the Investment Manager believed that non-executive director involvement could lead to a conflict of interest.		

Pentamaster	Authority to issue shares without pre-emptive rights	1	Against management recommendation
	<b>Rationale</b> The Investment Manager does not believe shares should be issued without pre-emptive rights.		
ResMed	Direction election	3	Against management recommendation
	Remuneration		
	<b>Rationale</b> The Investment Manager believed that a director who has retired from the company should step down from the board. Their vote against the re-election of the Chair of the nominating and governance committee was due to decreasing gender diversity on the board. In addition, they voted against executive remuneration and payment terms due to concerns about the complexity and use of many adjusted metrics.		
Samsung Electronics	Direction election	1	Against management recommendation
	<b>Rationale</b> The Investment Manager would have preferred more independent, non-family associated directors.		



### How did this financial product perform compared to the reference sustainable benchmark?

A sustainable benchmark has not been designated to compare the performance for this Fund.

- **How did the reference benchmark differ from a broad market index?**  
Not applicable.
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**  
Not applicable.
- **How did this financial product perform compared with the reference benchmark?**  
Not applicable.
- **How did this financial product perform compared with the broad market index?**  
Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Stewart Investors Asia Pacific Leaders Fund

**Legal entity identifier:**  
549300VKJEPJT5Q4V960

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input type="radio"/> <b>No</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 68%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 100%</b>	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.



- **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, the Fund held **40** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **121 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager's website - [stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### Positive environmental outcomes

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As of 31 December 2024, the Fund held **40** companies. **27 companies (68%)** were contributing to **climate change solutions**. These companies were contributing to **32** different solutions and, in total, were making **91 contributions** to the solutions.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager's website – [stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

## Assessment

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

### Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

## ● *How did the sustainability indicators perform?*

The Investment Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

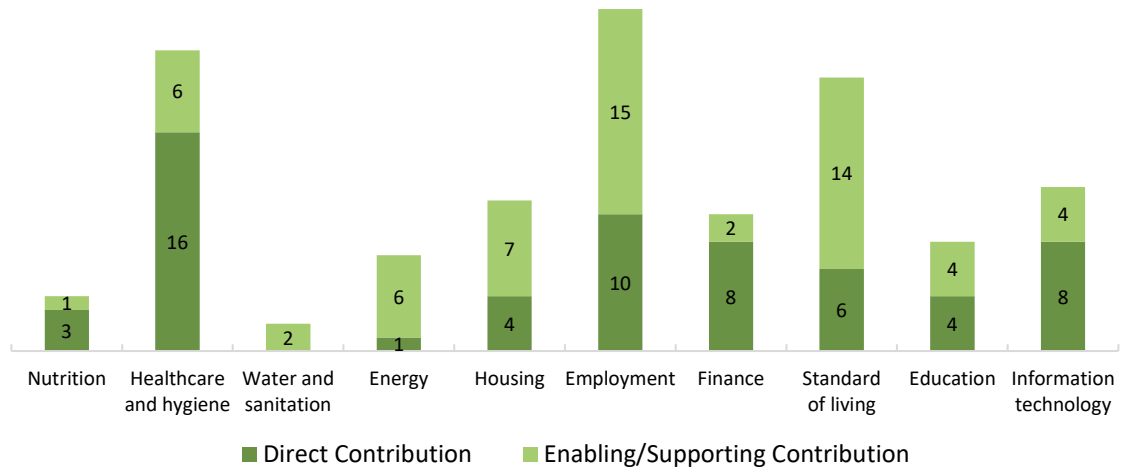
[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.

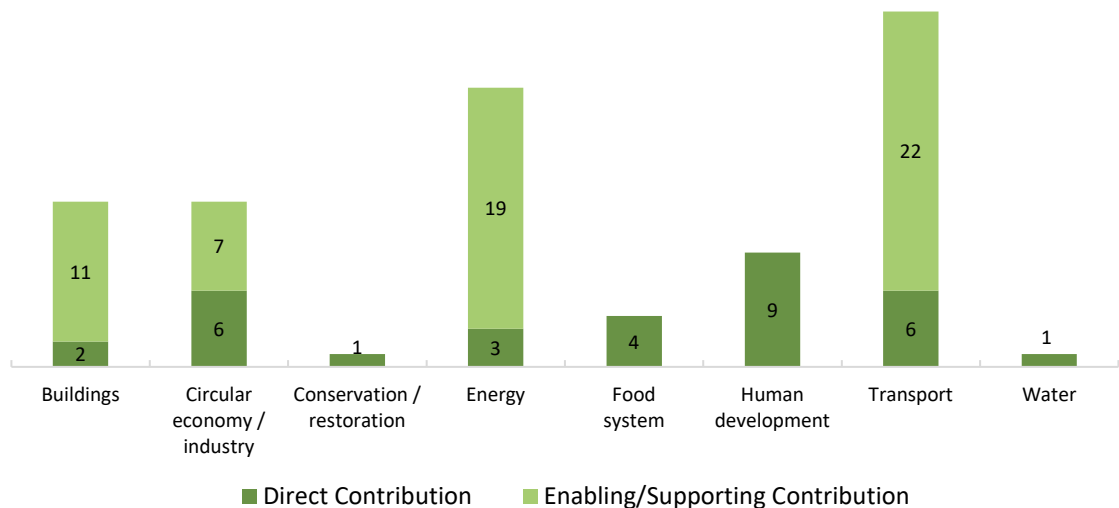
### Sustainability

**indicators** measure how the sustainable objectives of this financial product are attained.

### Human development pillars (number of companies contributing to each pillar)



### Climate change solutions (number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

#### ...and compared to previous periods?

Changes in the sustainability outcomes for the Fund year-on-year are related to bottom-up changes in the portfolio and/or changes in the sustainability profile of individual investee companies.

The social and environmental outcomes for the Fund over previous periods are provided in the tables below.

#### Positive social outcomes

Human development pillars	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	41 (100%)	39 (100%)	45 (100%)
Total no. of contributions	-	118	111	126
Nutrition	Direct	5	6	6
	Enabling/Supporting	1	1	1
Healthcare and hygiene	Direct	16	13	15
	Enabling/Supporting	6	3	4
Water and sanitation	Direct	-	-	-
	Enabling/Supporting	2	2	2
Energy	Direct	1	1	2
	Enabling/Supporting	6	4	5
Housing	Direct	3	5	4
	Enabling/Supporting	5	5	6
Employment	Direct	12	13	18
	Enabling/Supporting	11	9	9
Finance	Direct	7	6	6
	Enabling/Supporting	1	2	3
Standard of living	Direct	6	4	4
	Enabling/Supporting	18	20	21
Education	Direct	5	4	5
	Enabling/Supporting	3	4	4
Information technology	Direct	6	6	8
	Enabling/Supporting	4	3	3

## Positive environmental outcomes

Climate solutions	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	26 (63%)	25 (64%)	26 (58%)
No. of different solutions	-	31	26	26
Total no. of solutions	-	91	79	80
Buildings	Direct	2	2	2
	Enabling/Supporting	16	15	14
	Indirect	n/a	n/a	2
Circular economy/industry	Direct	6	7	2
	Enabling/Supporting	8	7	-
	Indirect	n/a	n/a	1
Conservation/restoration	Direct	1	1	-
	Enabling/Supporting	-	-	-
	Indirect	n/a	n/a	1
Energy	Direct	3	3	2
	Enabling/Supporting	20	14	10
	Indirect	n/a	n/a	6
Food system	Direct	5	4	5
	Enabling/Supporting	1	1	1
	Indirect	n/a	n/a	-
Human development	Direct	8	7	7
	Enabling/Supporting	-	-	-
	Indirect	n/a	n/a	-
Transport	Direct	2	2	2
	Enabling/Supporting	17	14	17
	Indirect	n/a	n/a	6
Water	Direct	1	1	1
	Enabling/Supporting	-	1	1
	Indirect	n/a	n/a	-



During 2022 and following feedback from clients, the Investment Manager removed the Indirect Contribution from their climate solutions measures.

Indirect Contribution – providing generic products or services to companies making direct or enabling contributions or making operational decisions which have a material contribution.

In 2022, Project Drawdown added 11 new climate solutions to their framework. The Investment Manager considered these new solutions for their 2022 reporting measures. More detail on these changes are available on the Investment Manager's website: [stewartinvestors.com/all/insights/climate-solutions-update](https://stewartinvestors.com/all/insights/climate-solutions-update)

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Fund's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Investment Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the Fund held the following companies which flagged against the Investment Manager's policy.

**Tata Consultancy Services (TCS)**

**UN Global Compact Principle 2 (Breach):** Businesses should make sure that they are not complicit in human rights abuses.

**Reason for exception/holding:** TCS has no direct involvement in nuclear weapons or energy, however the external research provider considers the company to be involved because its parent company, Tata Sons, owns greater than 50% of TCS.

Tata Sons involvement is due to the company owning Tata Advanced Systems which acquired Tata Power's Strategic Engineering Division. The Strategic Engineering Division provides control systems for the Indian Navy's nuclear missile submarines.

As India has not signed the Treaty on the Non-Proliferation of Nuclear Weapons, the external data provider considers Tata Sons and by extension TCS to be in support of the nuclear weapons programme of India. The Investment Manager disagrees with this assessment and does not see anything in the activities or conduct of the company to question its sustainability positioning or the investment case.



**How did this financial product consider principal adverse impacts on sustainability factors?**

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.

Mandatory indicators	Metrics	2024	2023	2022
Exposure	(EUR m)	889	854	976
1. GHG Emissions	Scope 1 (tCO <sub>2</sub> eq)	1,785	2,330	2,085
	Scope 2 (tCO <sub>2</sub> eq)	5,013	5,726	4,756
	Scope 3 (tCO <sub>2</sub> eq)	248,636	234,484	267,297
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq)	6,798	8,056	6,841
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq)	255,433	242,540	274,138
2. Carbon Footprint	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq/EURm)	8	9	7
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	287	284	281
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO <sub>2</sub> eq/EURm)	36	44	39
	Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	1,189	1,058	1,042
4. Exposure to companies active in the fossil fuel sector	(% involvement)	1%	0%	0%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	79%	82%	84%
	Non-Renewable Energy Production (%)	6%	15%	18%
6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data	no data	no data
	Construction (GWh/EURm)	no data	no data	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data	no data	no data
	Manufacturing (GWh/EURm)	0.14	0.15	0.12
	Mining & Quarrying (GWh/EURm)	no data	no data	no data
	Real Estate Activities (GWh/EURm)	no data	no data	no data
	Transportation & Storage (GWh/EURm)	no data	no data	no data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data	no data	no data
	Trade & Repair of Automobiles (GWh/EURm)	insufficient data	no data	no data
7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	0%	0%	0%
8. Emissions to Water	(t/EURm)	no data	no data	insufficient data
9. Hazardous waste ratio	(t/EURm)	131	174	138
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%	2%	0%
	Breach (% involvement)	4%	4%	5%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance	(% involvement)	50%	55%	72%

with UNGC and OECD  
guidelines

12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	insufficient data	no data	insufficient data
13. Board Gender Diversity	% of Female Board Members	26%	24%	23%
14. Exposure to Controversial Weapons	(% involvement)	0%	0%	0%

Voluntary indicators	Metrics	2024	2023	2022
Water Usage and Recycling	% Water Withdrawal	58%	57%	n/a
	Recycling & Reuse (cubic metres)	38,637,608	25,486,852	n/a
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.1	0.2	n/a

The SFDR PAI methodology for fossil fuel sector exposure considers Oil & Gas Production, Thermal Coal Extraction and Thermal Coal Supporting Products/Services. The fossil fuel exposure % shown in the table above for the reporting period is for **Samsung C&T** and **Wesfarmers**. Samsung C&T, which was held for part of the reporting period, is a holding company with direct operating businesses in construction and trade, plus high-value holdings in health and electronics. The third-party data provider estimates that the company derives c.1% of revenue from one its subsidiaries which is involved in oil and gas exploration, development, and production. Wesfarmers is an Australian conglomerate with businesses in home improvement, retail, health, chemicals and fertilisers. The third-party data provider estimates that the company derives c.1% of revenue from one its subsidiaries which is involved in oil and gas exploration, development, and production.

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.





## What were the top investments of this financial product?

Largest investments	Sector	% assets	Country
Mahindra & Mahindra	Consumer Discretionary	8.2	India
HDFC Bank	Financials	5.4	India
OCBC	Financials	5.1	Singapore
Hoya	Health Care	5.1	Japan
Samsung Electronics	Information Technology	4.6	South Korea
TSMC	Information Technology	4.3	Taiwan
Tata Consultancy Services	Information Technology	3.8	India
CSL	Health Care	3.8	Australia
Dr. Reddy's Laboratories	Health Care	3.5	India
Unicharm	Consumer Staples	3.5	Japan
Midea	Consumer Discretionary	3.3	China
Tech Mahindra	Information Technology	3.1	India
Fisher & Paykel Healthcare	Health Care	3.0	New Zealand
Godrej Consumer Products	Consumer Staples	3.0	India
Kotak Mahindra Bank	Financials	2.8	India

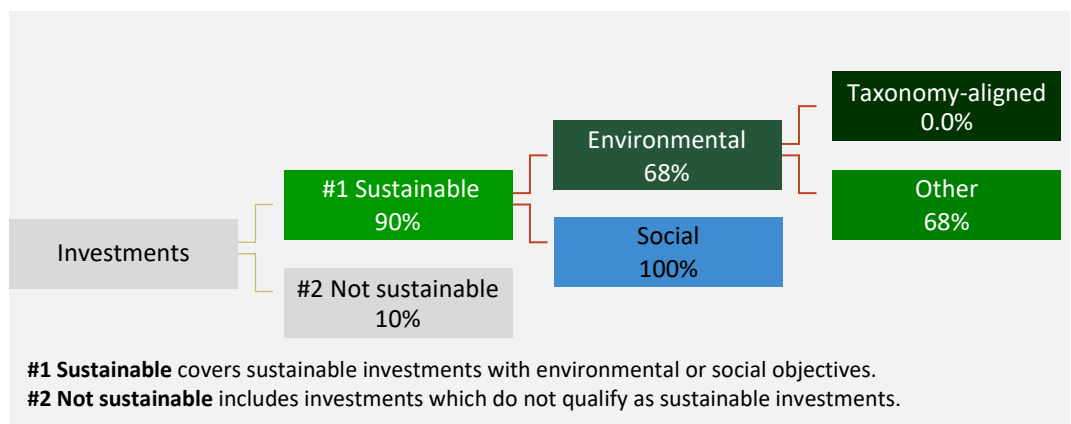
The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January 2024 to 31 December 2024.



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.



Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.

● **In which economic sectors were the investments made?**

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	3.9
Consumer Discretionary	11.8
Consumer Staples	12.7
Energy	-
Financials	16.9
Health Care	20.5
Industrials	5.8
Information Technology	24.5
Materials	-
Real Estate	-
Utilities	-
Cash and cash equivalents	4.0

To comply, with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or lower-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

Additional transparency is provided by the Investment Manager in their annual report (**Annual Review 2023** pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.



**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?**

● **Did the financial product investment in fossil gas and/or nuclear energy related activities**

☐ Yes

☐ In fossil gas

☐ In nuclear energy

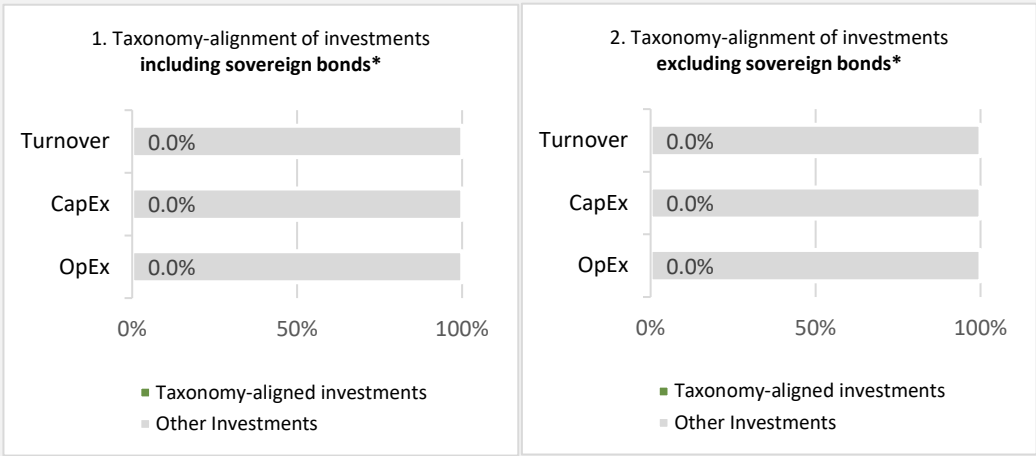
☒ No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



% figures represent taxonomy-aligned investments  
 \*For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures

- **What was the share of investments made in transitional and enabling activities?**  
 The reported share of investments made in transitional and enabling activities for the Fund is **0%**.
- **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**  
 The percentage of investments aligned with the EU Taxonomy for the previous reference period was **0%**.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **40** companies. Based on reported turnover data, there was no alignment with the EU taxonomy from any of these companies.



**What was the share of socially sustainable investments?**

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager’s human development pillars.



**What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The “#2 Not sustainable” assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.

The Fund's service providers for these assets are reviewed and assessed for compliance with FSI's modern slavery policy.



### What actions have been taken to attain the sustainable investment objective during the reference period?

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager's website (links below):

[Stewardship and corporate engagement policy](#)

[Engagement booklet](#)

[Proxy voting](#)

[Annual review](#)

During the reporting period, the Investment Manager met with **80%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period and across their funds, the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,
- **Animal testing/welfare** – animal testing exposure,
- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,
- **Governance** – corporate strategy and legal structure.

During the period the Investment Manager engaged with **54%** of Fund companies on the following topics -

- Environment: 28%
- Social: 32%
- Governance: 40%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.

**Voting activity: 1 January 2024 to 31 December 2024**

Number of companies that held voting meetings	41
Number of meetings to vote at	70
Total proposals to vote on	496
Number of votes against management proposals	14
Number of votes abstained from voting	0
Number of shareholder proposals to vote on	0
Number of shareholder proposals voted against	0
Number of shareholder proposals abstained from voting	0

**Voting rationales: 1 January 2024 to 31 December 2024**

Company	Proposal	No. of proposals	Voting decision
Glodon ResMed Vitasoy Yifeng Pharmacy Chain	Appointment of auditor	4	Against management recommendation
	<b>Rationale</b> The auditor has been in place for over ten years and the companies have given no information on intended rotation which the Investment Manager believes is important for ensuring a fresh perspective on the accounts.		
Bank Central Asia	Remuneration	1	Against management recommendation
	<b>Rationale</b> The Investment Manager was concerned about excesses in executive remuneration.		
Kasikornbank	Transaction of business	1	Against management recommendation
	<b>Rationale</b> The company did not provide enough information about the proposals and the Investment Manager wanted to avoid giving them unrestricted decision-making power without sufficient clarity.		
Midea	Adjustment of the guarantee for controlled subsidiaries assets pool business	4	Against management recommendation
	Employee stock ownership plan		
	<b>Rationale</b> On the guarantee for controlled subsidiaries assets pool business, the Investment Manager found the guarantee amount to be excessive. On the proposed employee stock ownership plan, the Investment Manager believed that non-executive director involvement could lead to a conflict of interest.		
ResMed	Director election	3	Against management recommendation
	Remuneration		



	<b>Rationale</b> The Investment Manager believed that a director who has retired from the company should step down from the board. Their vote against the re-election of the Chair of the nominating and governance committee was due to decreasing gender diversity on the board. In addition, they voted against executive remuneration and payment terms due to concerns about the complexity and use of many adjusted metrics.		
Samsung Electronics	Director election	1	Against management recommendation
	<b>Rationale</b> The Investment Manager would have preferred more independent, non-family associated directors.		



### How did this financial product perform compared to the reference sustainable benchmark?

A sustainable benchmark has not been designated to compare the performance for this Fund.

- ***How did the reference benchmark differ from a broad market index?***  
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***  
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable.
- ***How did this financial product perform compared with the broad market index?***  
Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Stewart Investors Asia Pacific and Japan  
All Cap Fund

**Legal entity identifier:**  
549300G4DULVSULOBZ21

*The Fund launched during the period.*

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It made **sustainable investments with an environmental objective: 61%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made **sustainable investments with a social objective: 100%**

☐ ☐ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **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, the Fund held **49** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **133 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager's website –

[stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### **Positive environmental outcomes**

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As of 31 December 2024, the Fund held **49** companies. **30 companies (61%)** were contributing to **climate change solutions**. These companies were contributing to **34** different solutions and, in total, were making **100 contributions** to the solutions.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager's website – [stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

### Assessment

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

#### Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

### ● **How did the sustainability indicators perform?**

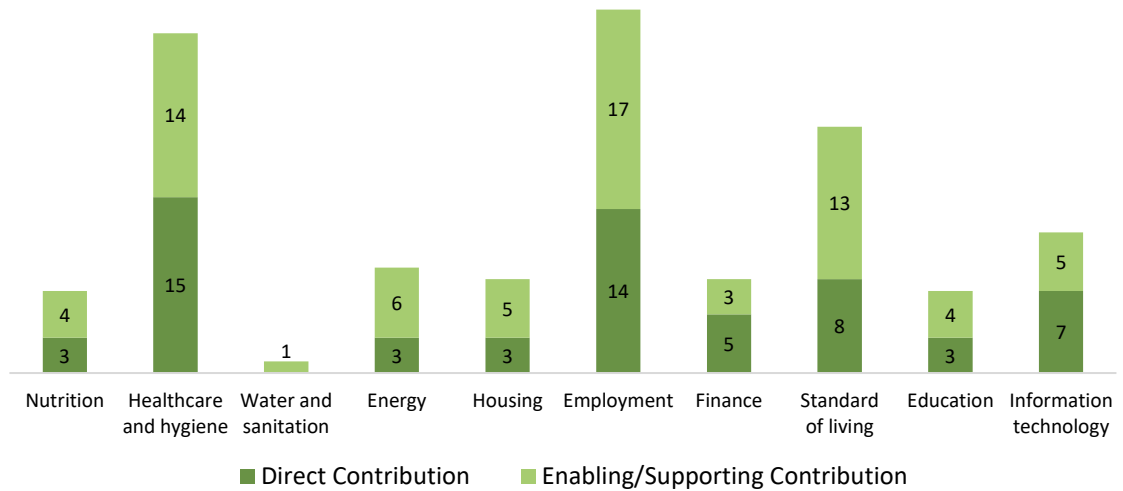
The Investment Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

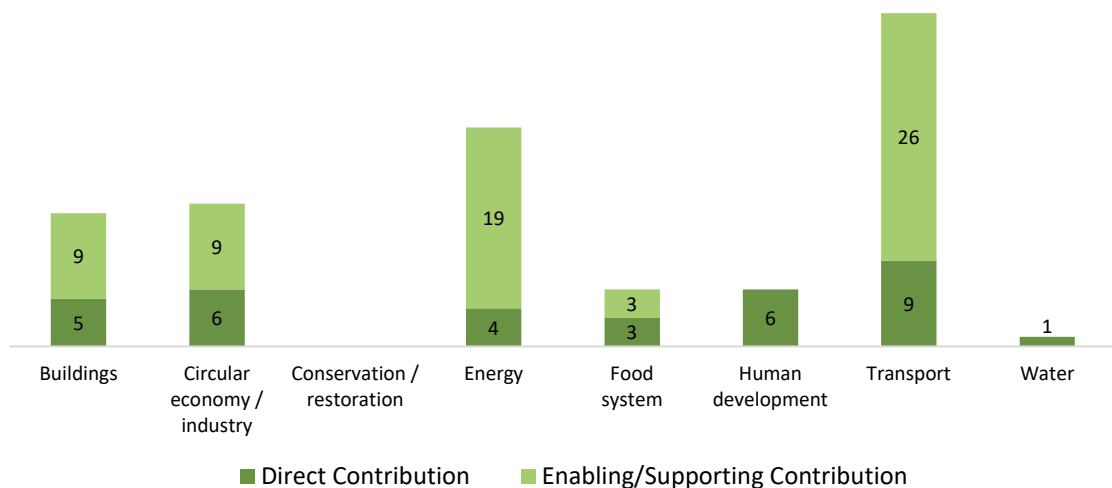
The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

### Human development pillars (number of companies contributing to each pillar)



### Climate change solutions (number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

#### ● ***...and compared to previous periods?***

Not applicable, the Fund launched during the period.

#### ● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.



**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Fund’s exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund’s position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company’s management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Investment Manager’s position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager’s bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company’s quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the Fund held the following company which flagged against the Investment Manager's policy.

#### **Tata Consultancy Services (TCS)**

**UN Global Compact Principle 2 (Breach):** Businesses should make sure that they are not complicit in human rights abuses.

**Reason for exception/holding:** TCS has no direct involvement in nuclear weapons or energy, however the external research provider considers the company to be involved because its parent company, Tata Sons, owns greater than 50% of TCS.

Tata Sons involvement is due to the company owning Tata Advanced Systems which acquired Tata Power's Strategic Engineering Division. The Strategic Engineering Division provides control systems for the Indian Navy's nuclear missile submarines.

As India has not signed the Treaty on the Non-Proliferation of Nuclear Weapons, the external data provider considers Tata Sons and by extension TCS to be in support of the nuclear weapons programme of India. The Investment Manager disagrees with this assessment and does not see anything in the activities or conduct of the company to question its sustainability positioning or the investment case.



### **How did this financial product consider principal adverse impacts on sustainability factors?**

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.

<b>Mandatory indicators</b>	<b>Metrics</b>	<b>2024</b>
Exposure	(EUR m)	1
1. GHG Emissions	Scope 1 (tCO <sub>2</sub> eq)	5
	Scope 2 (tCO <sub>2</sub> eq)	24
	Scope 3 (tCO <sub>2</sub> eq)	314
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq)	30
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq)	344
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq/EURm)	31
2. Carbon Footprint	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	363
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO <sub>2</sub> eq/EURm)	80
	Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	1,446
4. Exposure to companies active in the fossil fuel sector	(% involvement)	0%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	80%
	Non-Renewable Energy Production (%)	0%

6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data
	Construction (GWh/EURm)	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data
	Manufacturing (GWh/EURm)	0.16
	Mining & Quarrying (GWh/EURm)	no data
	Real Estate Activities (GWh/EURm)	no data
	Transportation & Storage (GWh/EURm)	no data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data
	Trade & Repair of Automobiles (GWh/EURm)	insufficient data
7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	0%
8. Emissions to Water	(t/EURm)	no data
9. Hazardous waste ratio	(t/EURm)	0
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%
	Breach (% involvement)	2%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance with UNGC and OECD guidelines	(% involvement)	76%
12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	no data
13. Board Gender Diversity	% of Female Board Members	24%
14. Exposure to Controversial Weapons	(% involvement)	0%

Voluntary indicators	Metrics	2024
Water Usage and Recycling	% Water Withdrawal	60%
	Recycling & Reuse (cubic metres)	35,959,257
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.0

The SFDR PAI methodology for fossil fuel sector exposure considers Oil & Gas Production, Thermal Coal Extraction and Thermal Coal Supporting Products/Services. The fossil fuel exposure % shown in the table above is for **Samsung C&T** which was held for part of the reporting period. Samsung C&T is a holding company with direct operating businesses in construction and trade, plus high-value holdings in health and electronics. The third-party data provider estimates that the company derives c.1% of revenue from one its subsidiaries which is involved in oil and gas exploration, development, and production.

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.



## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 13 August 2024 to 31 December 2024.

Largest investments	Sector	% assets	Country
MonotaRO	Industrials	5.4	Japan
Tube Investments	Consumer Discretionary	4.7	India
Japan Elevator Service	Industrials	4.5	Japan
Mahindra & Mahindra	Consumer Discretionary	4.3	India
Elgi Equipments	Industrials	3.9	India
Mainfreight	Industrials	3.6	New Zealand
TSMC	Information Technology	3.3	Taiwan
Hoya	Health Care	3.2	Japan
Aavas Financiers	Financials	3.1	India
MANI	Health Care	3.0	Japan
Voltronic Power	Industrials	2.9	Taiwan
AirTAC International	Industrials	2.9	Taiwan
Milkyway Intelligent Supply Chain	Industrials	2.5	China
IndiaMART	Industrials	2.5	India
CG Power	Industrials	2.3	India

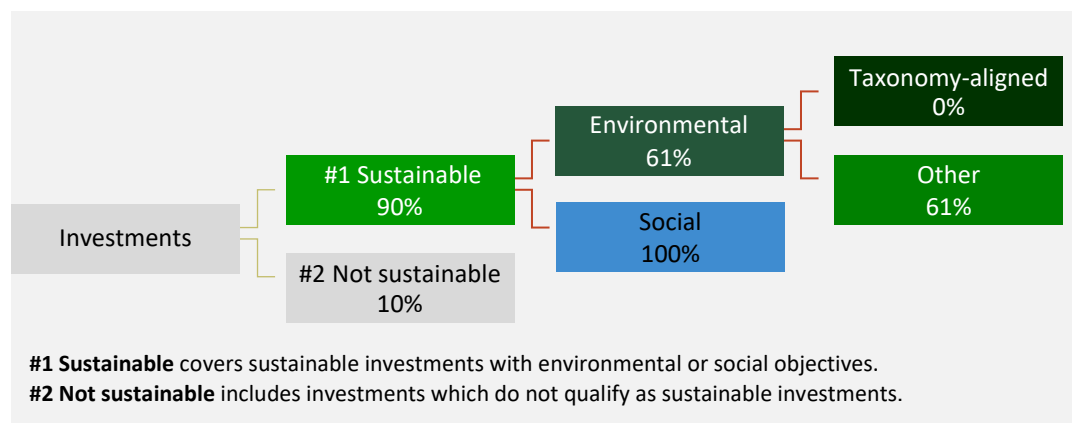


## What was the proportion of sustainability-related investments?

### What was the asset allocation?

**Asset allocation** describes the share of investments in specific assets.

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.



Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

**In which economic sectors were the investments made?**

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	1.1
Consumer Discretionary	12.0
Consumer Staples	9.6
Energy	-
Financials	6.5
Health Care	14.7
Industrials	37.4
Information Technology	15.9
Materials	-
Real Estate	-
Utilities	-
Cash and cash equivalents	2.9

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

Additional transparency is provided by the Investment Manager in their annual report (**Annual Review 2023** pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.



**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?**

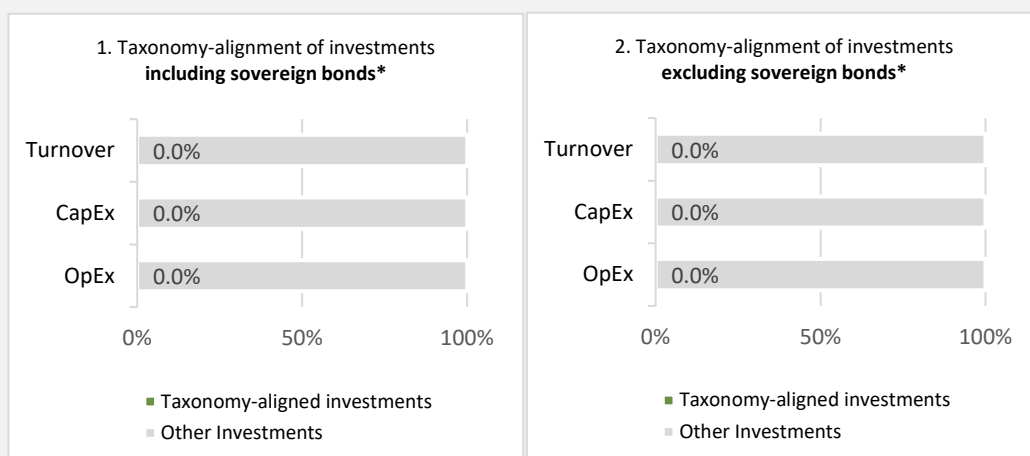
**Did the financial product investment in fossil gas and/or nuclear energy related activities**

- ☐ Yes
- ☐ In fossil gas    ☐ In nuclear energy
- ☒ No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



% figures represent taxonomy-aligned investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

The reported share of investments made in transitional and enabling activities for the Fund is **0%**.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable, the Fund launched during the period.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **49** companies. Based on reported turnover data, there was no alignment with the EU taxonomy from any of these companies



**What was the share of socially sustainable investments?**

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager's human development pillars.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

The "#2 Not sustainable" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The Fund's service providers for these assets are reviewed and assessed for compliance with FSI's modern slavery policy.



### What actions have been taken to attain the sustainable investment objective during the reference period?

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager's website (links below):

[Stewardship and corporate engagement policy](#)

[Engagement booklet](#)

[Proxy voting](#)

[Annual review](#)

During the reporting period, the Investment Manager met with **60%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period and across their funds, the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,
- **Animal testing/welfare** – animal testing exposure,
- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,
- **Governance** – corporate strategy and legal structure.

During the period the Investment Manager engaged with **28%** of Fund companies on the following topics -

- Environment: 37%
- Social: 16%
- Governance: 47%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.

## Voting activity: 13 August 2024 to 31 December 2024

Number of companies that held voting meetings	14
Number of meetings to vote at	18
Total proposals to vote on	76
Number of votes against management proposals	0
Number of votes abstained from voting	0
Number of shareholder proposals to vote on	0
Number of shareholder proposals voted against	0
Number of shareholder proposals abstained from voting	0

The Investment Manager did not vote against any resolutions during the period.



**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

## How did this financial product perform compared to the reference sustainable benchmark?

A sustainable benchmark has not been designated to compare the performance for this Fund.

- ***How did the reference benchmark differ from a broad market index?***  
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***  
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable.
- ***How did this financial product perform compared with the broad market index?***  
Not applicable.

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Stewart Investors European All Cap Fund

**Legal entity identifier:**  
254900AC9R2R60MRRP06

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It made **sustainable investments with an environmental objective: 76%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made **sustainable investments with a social objective: 100%**

☐ ☐ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **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, the Fund held **42** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **102 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager's website –

[stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### Positive environmental outcomes

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As of 31 December 2024, the Fund held **42** companies. **32 companies (76%)** were contributing to **climate change solutions**. These companies were contributing to **38** different solutions and, in total, were making **106 contributions** to the solutions.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager's website – [stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

### Assessment

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

#### Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

#### ● ***How did the sustainability indicators perform?***

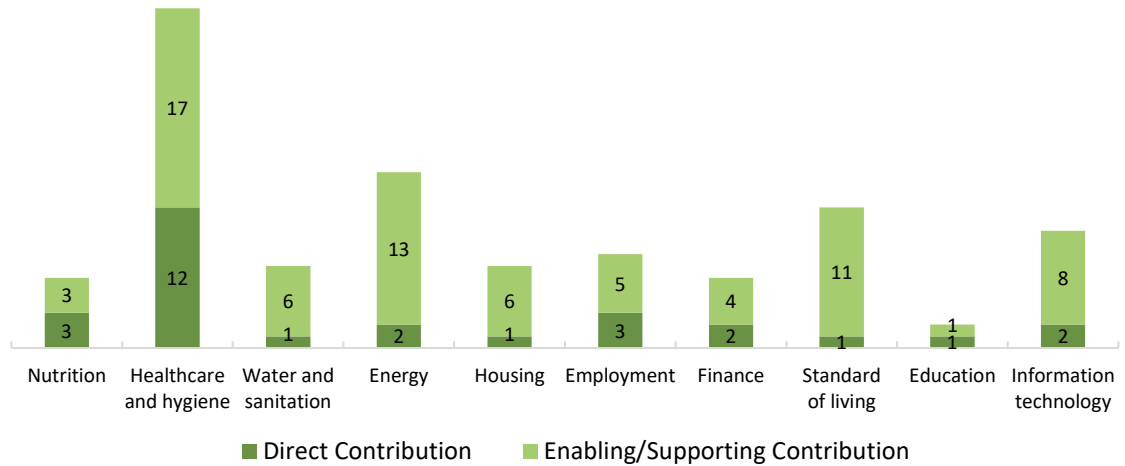
The Investment Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

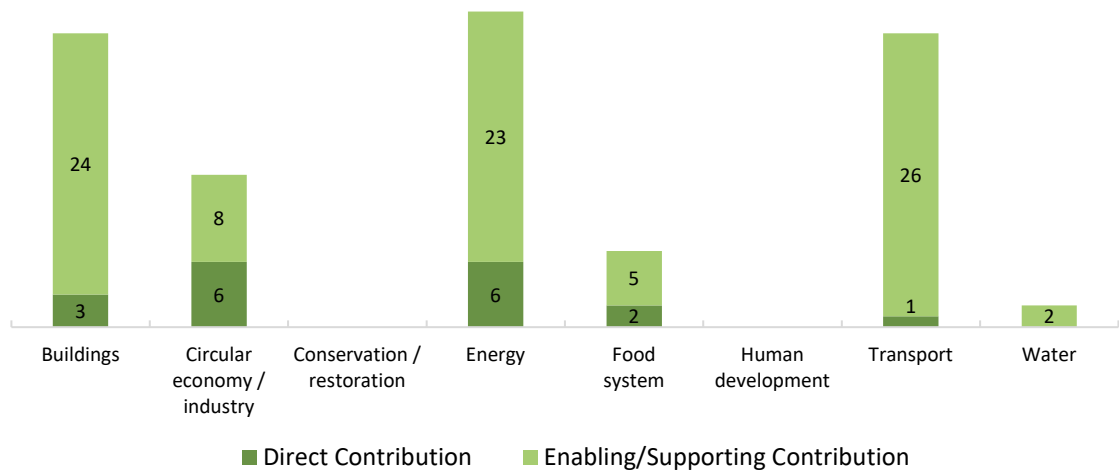
The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.



**Human development pillars**  
(number of companies contributing to each pillar)



**Climate change solutions**  
(number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

● **...and compared to previous periods?**

Changes in the sustainability outcomes for the Fund year-on-year are related to bottom-up changes in the portfolio and/or changes in the sustainability profile of individual investee companies.

The social and environmental outcomes for the Fund over previous periods are provided in the tables below.

## Positive social outcomes

Human development pillars	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	43 (100%)	41 (100%)	40 (100%)
Total no. of contributions	-	110	99	96
Nutrition	Direct	2	2	2
	Enabling/Supporting	3	6	6
Healthcare and hygiene	Direct	12	14	15
	Enabling/Supporting	18	13	12
Water and sanitation	Direct	2	2	2
	Enabling/Supporting	6	5	5
Energy	Direct	6	6	7
	Enabling/Supporting	10	5	7
Housing	Direct	-	-	-
	Enabling/Supporting	8	5	3
Employment	Direct	2	2	3
	Enabling/Supporting	5	5	3
Finance	Direct	4	3	1
	Enabling/Supporting	3	2	2
Standard of living	Direct	3	3	3
	Enabling/Supporting	14	16	15
Education	Direct	2	3	2
	Enabling/Supporting	1	1	1
Information technology	Direct	3	2	2
	Enabling/Supporting	6	4	5

## Positive environmental outcomes

Climate solutions	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	35 (81%)	33 (80%)	28 (70%)
No. of different solutions	-	43	41	31
Total no. of solutions	-	117	103	91
Buildings	Direct	4	5	6
	Enabling/Supporting	21	18	18
	Indirect	n/a	n/a	1
Circular economy/industry	Direct	8	9	4
	Enabling/Supporting	7	6	-
	Indirect	n/a	n/a	-
Conservation/restoration	Direct	-	-	-
	Enabling/Supporting	1	1	-
	Indirect	n/a	n/a	-
Energy	Direct	11	13	17
	Enabling/Supporting	24	19	16
	Indirect	n/a	n/a	1
Food system	Direct	2	3	2
	Enabling/Supporting	7	7	5
	Indirect	n/a	n/a	-
Human development	Direct	-	-	-
	Enabling/Supporting	2	2	1
	Indirect	n/a	n/a	-
Transport	Direct	2	2	2
	Enabling/Supporting	26	15	14
	Indirect	n/a	n/a	1
Water	Direct	-	2	2
	Enabling/Supporting	2	1	1
	Indirect	n/a	n/a	-

During 2022 and following feedback from clients, the Investment Manager removed the Indirect Contribution from their climate solutions measures.

Indirect Contribution – providing generic products or services to companies making direct or enabling contributions or making operational decisions which have a material contribution.

In 2022, Project Drawdown added 11 new climate solutions to their framework. The Investment Manager considered these new solutions for their 2022 reporting measures. More detail on these changes are available on the Investment Manager's website: [stewartinvestors.com/all/insights/climate-solutions-update](https://stewartinvestors.com/all/insights/climate-solutions-update)

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Fund's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Investment Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the Fund held the following companies which flagged against the Investment Manager's policy.

**Air Liquide**

**Activity exposure >5% revenue:** Supporting Oil & Gas.

**Reason for exception/holding:** The company produces essential gases which are necessary inputs for a variety of end customers including healthcare, chemicals, energy, manufacturing, electronics and food & beverages.

The external research provider estimates that revenues from products and services supporting oil and gas accounted for 15% of Air Liquide's overall revenue in FY2023. Oil and gas revenues are within their large industries segment which is c.28% of revenue and includes chemicals, metals and energy.

The most prominent product sold to the oil and gas industry is hydrogen used to remove sulphur from material during refining. This has environmental benefits such as reducing acid rain. They also provide nitrogen to the oil and gas industry for safety purposes.

The company plans to further develop products to support the energy transition, including carbon capture and storage (CCS). They also plan to invest EUR8 billion to reduce emissions from hydrogen production.

**Spirax-Sarco Engineering**

**Activity exposure >5% revenue:** Supporting Oil & Gas.

**Reason for exception/holding:** The company provides precision heat and control equipment and systems that improve energy efficiency for customers operating in the oil industry.

Revenues derived from oil and gas supporting products and services accounted for 5% of the company's overall revenue in FY2022.

*The Investment Manager sold the company during the period.*



## How did this financial product consider principal adverse impacts on sustainability factors?

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.

Mandatory indicators	Metrics	2024	2023	2022
Exposure	(EUR m)	2	2	2
1. GHG Emissions	Scope 1 (tCO <sub>2</sub> eq)	12	13	10
	Scope 2 (tCO <sub>2</sub> eq)	11	9	8
	Scope 3 (tCO <sub>2</sub> eq)	1,238	2,130	348
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq)	24	21	18
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq)	1,261	2,152	366
2. Carbon Footprint	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq/EURm)	13	10	10
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	692	1,037	195
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO <sub>2</sub> eq/EURm)	32	22	27
	Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	1,412	1,454	743
4. Exposure to companies active in the fossil fuel sector	(% involvement)	0%	0%	0%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	69%	66%	66%
	Non-Renewable Energy Production (%)	0%	0%	0%
6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data	no data	no data
	Construction (GWh/EURm)	no data	no data	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data	no data	insufficient data
	Manufacturing (GWh/EURm)	0.15	0.07	0.07
	Mining & Quarrying (GWh/EURm)	no data	no data	no data
	Real Estate Activities (GWh/EURm)	no data	no data	no data
	Transportation & Storage (GWh/EURm)	insufficient data	insufficient data	insufficient data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data	no data	no data
	Trade & Repair of Automobiles (GWh/EURm)	insufficient data	insufficient data	insufficient data



7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	4%	4%	5%
8. Emissions to Water	(t/EURm)	no data	no data	insufficient data
9. Hazardous waste ratio	(t/EURm)	0	0	0
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%	0%	0%
	Breach (% involvement)	0%	0%	0%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance with UNGC and OECD guidelines	(% involvement)	59%	51%	77%
12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	insufficient data	insufficient data	insufficient data
13. Board Gender Diversity	% of Female Board Members	36%	36%	33%
14. Exposure to Controversial Weapons	(% involvement)	0%	0%	0%

Voluntary indicators	Metrics	2024	2023	2022
Water Usage and Recycling	% Water Withdrawal	insufficient data	insufficient data	n/a
	Recycling & Reuse (cubic metres)	insufficient data	insufficient data	n/a
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.2	0.3	n/a

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.



## What were the top investments of this financial product?

Largest investments	Sector	% assets	Country
Judges Scientific	Industrials	4.9	United Kingdom
Roche	Health Care	4.0	Switzerland
Halma	Information Technology	3.7	United Kingdom
Nexans	Industrials	3.5	France
DiaSorin	Health Care	3.5	Italy
Spectris	Information Technology	3.5	United Kingdom
DiscoverIE	Industrials	3.1	United Kingdom
Atlas Copco	Industrials	3.1	Sweden
bioMérieux	Health Care	2.9	France
Adyen	Financials	2.9	Netherlands
Assa Abloy	Industrials	2.8	Sweden

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2024 to 31 December 2024.

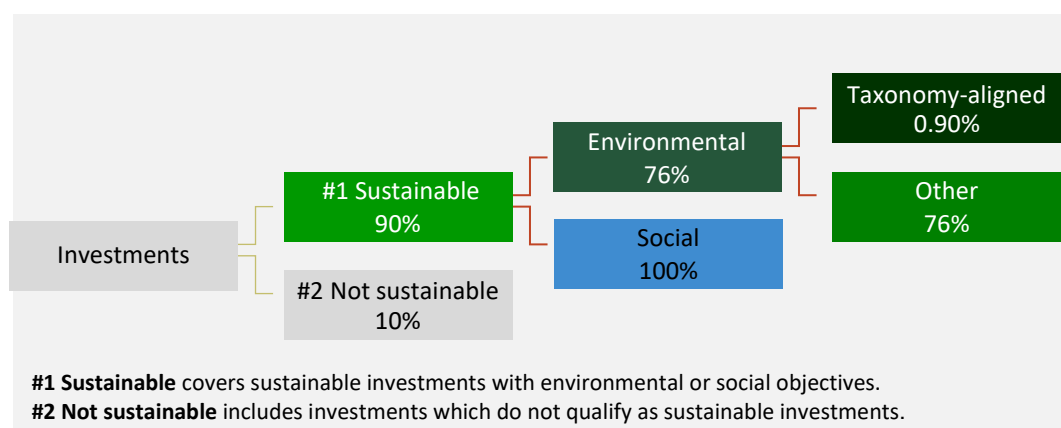
Indutrade	Industrials	2.7	Sweden
Jerónimo Martins	Consumer Staples	2.6	Portugal
DHL Group	Industrials	2.6	Germany
EPAM Systems	Information Technology	2.5	United States



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.



Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100. The 0.90% Taxonomy-aligned figure is weighted contribution based on reported turnover reflecting the share of revenue from green activities of investee companies. Separately, the 76% 'Other' figure is based on those companies contributing towards the Investment Manager's climate solutions assessment detailed above.

### ● In which economic sectors were the investments made?

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	2.2
Consumer Discretionary	1.6
Consumer Staples	9.3
Energy	-
Financials	6.2
Health Care	18.9
Industrials	33.9
Information Technology	20.1
Materials	5.0
Real Estate	-
Utilities	1.2
Cash and cash equivalents	1.6

**Asset allocation** describes the share of investments in specific assets.

To comply, with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or lower-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

For part of the reporting period the Fund held **Spirax-Sarco Engineering** which derives 5% of revenues from products and services supporting the oil & gas industry. The company provides precision heat and control equipment and systems that improve energy efficiency for customers operating in the oil industry. It also held **Air Liquide** which derives >5% of revenues from products and services supporting the oil & gas industry. The company produces essential gases which are necessary inputs for a variety of end customers including healthcare, chemicals, energy, manufacturing, electronics and food & beverages. (Full details are in the ‘do no harm’ section above).

Additional transparency is provided by the Investment Manager in their annual report (**Annual Review 2023** pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.



**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?**

☒ ***Did the financial product investment in fossil gas and/or nuclear energy related activities***

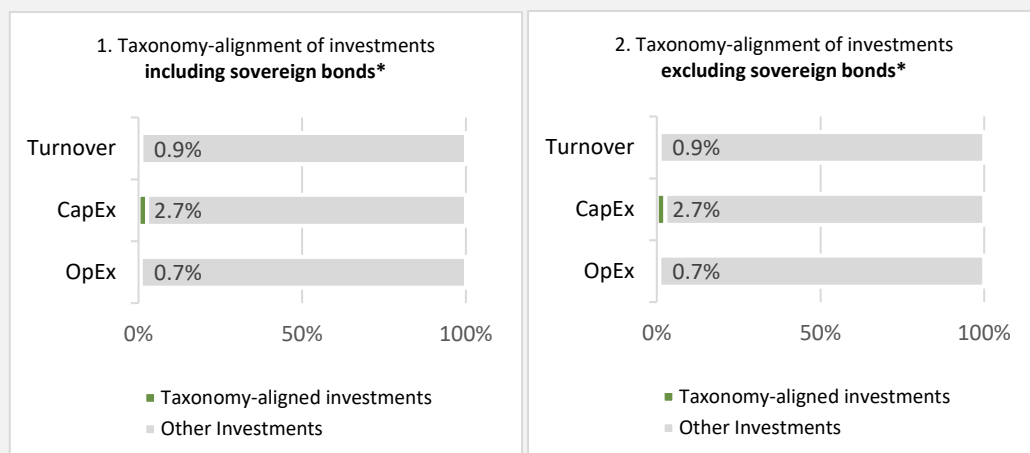
- ☐ Yes
- ☐ In fossil gas    ☐ In nuclear energy
- ☒ No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



% figures represent taxonomy-aligned investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

● **What was the share of investments made in transitional and enabling activities?**

Based on reported turnover, the share of investments that the Fund made in transitional activities was **0.02%** and enabling activities was **0.75%**.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

Based on reported turnover, the percentage of investments aligned with the EU Taxonomy for the previous reference period was **3.8%**.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **42** companies. Based on reported turnover data, **34** of the **42** companies had **no alignment** with the EU Taxonomy.



**What was the share of socially sustainable investments?**

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager's human development pillars.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

The "#2 Not sustainable" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.

The Fund's service providers for these assets are reviewed and assessed for compliance with FSI's modern slavery policy.



### What actions have been taken to attain the sustainable investment objective during the reference period?

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager's website (links below):

[Stewardship and corporate engagement policy](#)

[Engagement booklet](#)

[Proxy voting](#)

[Annual review](#)

During the reporting period, the Investment Manager met with **77%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,
- **Animal testing/welfare** – animal testing exposure,
- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,
- **Governance** – corporate strategy and legal structure.

During the period the Investment Manager engaged with **50%** of Fund companies on the following topics -

- Environment: 20%
- Social: 17%
- Governance: 63%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.

**Voting activity: 1 January 2024 to 31 December 2024**

Number of companies that held voting meetings	46
Number of meetings to vote at	49
Total proposals to vote on	916
Number of votes against management proposals	26
Number of votes abstained from voting	0
Number of shareholder proposals to vote on	2
Number of shareholder proposals voted against	2
Number of shareholder proposals abstained from voting	0

**Voting rationales: 1 January 2024 to 31 December 2024**

Company	Proposal	No. of proposals	Voting decision
bioMérieux EPAM Systems Indutrade Roche SFS Spirax Group Unilever	Appointment of auditor	7	Against management recommendation
	<b>Rationale</b> The auditor has been in place for over ten years and the companies have given no information on intended rotation which the Investment Manager believes is important for ensuring a fresh perspective on the accounts.		
Alcon Belimo INFICON Naturenergie SFS Sika Tecan	Transaction of business	7	Against management recommendation
	<b>Rationale</b> The companies did not provide enough information about the proposals and the Investment Manager wanted to avoid giving them unrestricted decision-making power without sufficient clarity.		
Ashtead Group	Remuneration	2	Against management recommendation
	<b>Rationale</b> The Investment Manager was concerned about excesses in the CEO salary in the remuneration motions.		
Assa Abloy	Remuneration	2	Against management recommendation
	<b>Rationale</b> The Investment Manager believes that acquisition-centric businesses should incentivise management on returns as well as shares held.		
Belimo	Amendments to articles	1	Against management recommendation
	<b>Rationale</b> The Investment Manager does not believe the registered office should be the sole place of jurisdiction for corporate disputes.		
DiaSorin	Amendments to articles	1	Against management recommendation
	<b>Rationale</b> The company did not provide enough information on the amendments.		
EPAM Systems	Shareholder proposal: board declassification	1	Against shareholder recommendation



	<b>Rationale</b> The Investment Manager did not deem it necessary for all directors to stand for election annually and believe this could destabilise the board by allowing excessive turnover.		
Handelsbanken	Shareholder proposal: change to software for checking customer payments	1	Against shareholder recommendation
	<b>Rationale</b> The Investment Manager believes that the day-to-day operation of the business is best left to the board and management.		
Indutrade	Remuneration	1	Against management recommendation
	<b>Rationale</b> The Investment Manager had concerns about the direction of travel and the compounding effects of the CEO salary increases.		
Roche	Remuneration	5	Against management recommendation
	<b>Rationale</b> The Investment Manager believed that the executive remuneration was excessive.		



## How did this financial product perform compared to the reference sustainable benchmark?

A sustainable benchmark has not been designated to compare the performance for this Fund.

- **How did the reference benchmark differ from a broad market index?**  
Not applicable.
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**  
Not applicable.
- **How did this financial product perform compared with the reference benchmark?**  
Not applicable.
- **How did this financial product perform compared with the broad market index?**  
Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Product name:**

Stewart Investors Global Emerging Markets  
All Cap Fund

**Legal entity identifier:**

549300V44ENSGLMQBN36

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**.

That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input type="radio"/> <b>No</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 62%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ___% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 100%</b>	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **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, the Fund held **47** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **138 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager’s website –

[stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### **Positive environmental outcomes**

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching ‘drawdown’, – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As of 31 December 2024, the Fund held **47** companies. **29 companies (62%)** were contributing to **climate change solutions**. These companies were contributing to **32** different solutions and, in total, were making **90 contributions** to the solutions.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager’s website – [stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

**Assessment**

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

- 1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
- 2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company’s business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company’s strong culture and sense of stewardship e.g. for equity and diversity; and
- 3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

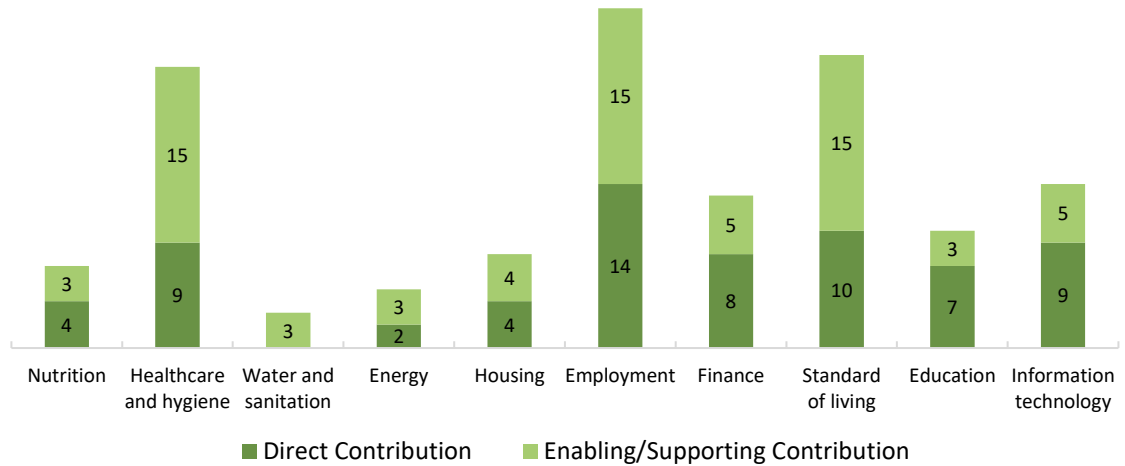
● **How did the sustainability indicators perform?**

The Investment Manager’s Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

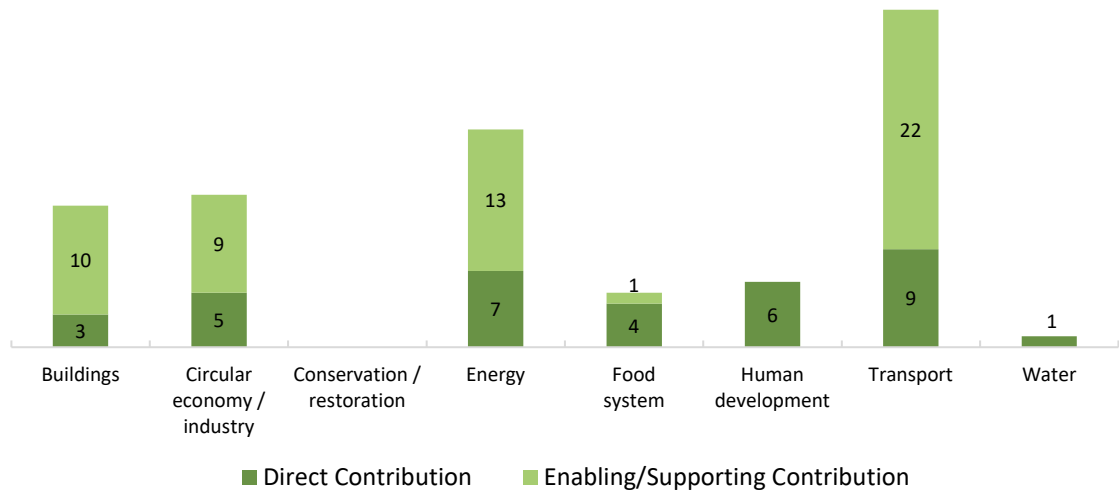
[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.

**Human development pillars**  
(number of companies contributing to each pillar)



**Climate change solutions**  
(number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

● **...and compared to previous periods?**

Changes in the sustainability outcomes for the Fund year-on-year are related to bottom-up changes in the portfolio and/or changes in the sustainability profile of individual investee companies.

The social and environmental outcomes for the Fund over previous periods are provided in the tables below.

## Positive social outcomes

Human development pillars	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	57 (100%)	53 (100%)	52 (100%)
Total no. of contributions	-	167	143	142
Nutrition	Direct	6	7	4
	Enabling/Supporting	3	1	1
Healthcare and hygiene	Direct	16	16	17
	Enabling/Supporting	18	10	9
Water and sanitation	Direct	-	-	-
	Enabling/Supporting	3	1	1
Energy	Direct	5	4	4
	Enabling/Supporting	6	5	4
Housing	Direct	3	3	3
	Enabling/Supporting	7	7	6
Employment	Direct	16	18	20
	Enabling/Supporting	16	12	10
Finance	Direct	10	8	6
	Enabling/Supporting	2	4	5
Standard of living	Direct	9	6	6
	Enabling/Supporting	23	21	24
Education	Direct	8	5	5
	Enabling/Supporting	3	3	3
Information technology	Direct	8	8	9
	Enabling/Supporting	5	4	5

## Positive environmental outcomes

Climate solutions	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	36 (63%)	31 (58%)	30 (58%)
No. of different solutions	-	33	29	29
Total no. of solutions	-	111	85	75
Buildings	Direct	3	2	2
	Enabling/Supporting	13	9	10
	Indirect	n/a	n/a	1
Circular economy/industry	Direct	8	7	2
	Enabling/Supporting	11	8	-
	Indirect	n/a	n/a	1
Conservation/restoration	Direct	-	1	1
	Enabling/Supporting	1	2	-
	Indirect	n/a	n/a	1
Energy	Direct	7	7	6
	Enabling/Supporting	22	15	9
	Indirect	n/a	n/a	3
Food system	Direct	4	3	2
	Enabling/Supporting	2	2	1
	Indirect	n/a	n/a	1
Human development	Direct	9	8	8
	Enabling/Supporting	2	-	-
	Indirect	n/a	n/a	-
Transport	Direct	8	6	6
	Enabling/Supporting	20	14	14
	Indirect	n/a	n/a	6
Water	Direct	1	1	1
	Enabling/Supporting	-	-	-
	Indirect	n/a	n/a	-

During 2022 and following feedback from clients, the Investment Manager removed the Indirect Contribution from their climate solutions measures.

Indirect Contribution – providing generic products or services to companies making direct or enabling contributions or making operational decisions which have a material contribution.

In 2022, Project Drawdown added 11 new climate solutions to their framework. The Investment Manager considered these new solutions for their 2022 reporting measures. More detail on these changes are available on the Investment Manager's website: [stewartinvestors.com/all/insights/climate-solutions-update](https://stewartinvestors.com/all/insights/climate-solutions-update)

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Fund's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.



The Investment Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the Fund held the following companies which flagged against the Investment Manager's policy.

**Tata Consultancy Services (TCS)**

**UN Global Compact Principle 2 (Breach):** Businesses should make sure that they are not complicit in human rights abuses.

**Reason for exception/holding:** TCS has no direct involvement in nuclear weapons or energy, however the external research provider considers the company to be involved because its parent company, Tata Sons, owns greater than 50% of TCS.

Tata Sons involvement is due to the company owning Tata Advanced Systems which acquired Tata Power's Strategic Engineering Division. The Strategic Engineering Division provides control systems for the Indian Navy's nuclear missile submarines.

As India has not signed the Treaty on the Non-Proliferation of Nuclear Weapons, the external data provider considers Tata Sons and by extension TCS to be in support of the nuclear weapons programme of India. The Investment Manager disagrees with this assessment and does not see anything in the activities or conduct of the company to question its sustainability positioning or the investment case.

### WEG

**Activity exposure >5% revenue:** Supporting Oil & Gas and Supporting Thermal Coal

**Reason for exception/holding:** The company manufactures and sells renewable energy solutions used in solar and wind power generation, hydroelectric power plants and biomass helping society to shift away from fossil fuel energy production. WEG also manufacture and sell energy efficient electric motors, which help their customers reduce their energy requirements and greenhouse gas emissions.

Revenues derived from oil and gas supporting products and services, and thermal coal supporting products and services accounted for an estimated 2.5% per activity (5% in total) of the company's overall revenue in FY2022, according to the external research provider.

Thermal coal exposure for supporting products and services was added by the external research provider in early 2023 and the Investment Manager contacted the company directly to check the 2.5% revenue estimates provided. Given that coal is not a strategic market segment for their products or customers, the company estimate that <1% revenues to be a more accurate reflection of their exposure.

**Updated research provided during 2024:** WEG flagged against the policy for the first half of 2024 and the wording above relates to this. In Q2 2024, the thermal coal exposure estimated by the external service provider reduced from 2.5% to 1%, meaning the company's overall fossil fuel revenue exposure reduced below the 5% threshold. The Investment Manager removed WEG from their material exposure disclosures.



### How did this financial product consider principal adverse impacts on sustainability factors?

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.

Mandatory indicators	Metrics	2024	2023	2022
Exposure	(EUR m)	518	451	315
1. GHG Emissions	Scope 1 (tCO <sub>2</sub> eq)	1,901	2,631	1,625
	Scope 2 (tCO <sub>2</sub> eq)	6,259	6,006	4,085
	Scope 3 (tCO <sub>2</sub> eq)	200,769	192,034	249,681
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq)	8,160	8,637	5,710
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq)	208,928	200,671	255,390
2. Carbon Footprint	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq/EURm)	15	18	18

	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	388	425	795
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO <sub>2</sub> eq/EURm)	50	59	61
	Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	1,499	1,327	1,470
4. Exposure to companies active in the fossil fuel sector	(% involvement)	3%	1%	2%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	67%	72%	69%
	Non-Renewable Energy Production (%)	0%	14%	16%
6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data	no data	no data
	Construction (GWh/EURm)	no data	no data	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data	no data	no data
	Manufacturing (GWh/EURm)	0.16	0.15	0.12
	Mining & Quarrying (GWh/EURm)	no data	no data	no data
	Real Estate Activities (GWh/EURm)	no data	no data	no data
	Transportation & Storage (GWh/EURm)	no data	no data	no data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data	no data	no data
	Trade & Repair of Automobiles (GWh/EURm)	insufficient data	insufficient data	insufficient data
7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	0%	0%	0%
8. Emissions to Water	(t/EURm)	no data	no data	insufficient data
9. Hazardous waste ratio	(t/EURm)	98	38	16
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%	0%	0%
	Breach (% involvement)	5%	4%	5%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance with UNGC and OECD guidelines	(% involvement)	58%	55%	70%
12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	insufficient data	no data	insufficient data
13. Board Gender Diversity	% of Female Board Members	22%	22%	19%
14. Exposure to Controversial Weapons	(% involvement)	0%	0%	0%

Voluntary indicators	Metrics	2024	2023	2022
Water Usage and Recycling	% Water Withdrawal	62%	61%	n/a
	Recycling & Reuse (cubic metres)	42,919,659	27,475,678	n/a
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.0	0.1	n/a

The SFDR PAI methodology for fossil fuel sector exposure considers Oil & Gas Production, Thermal Coal Extraction and Thermal Coal Supporting Products/Services. The fossil fuel exposure % shown in the table above for the reporting period is for **WEG**. WEG manufactures and sells efficient electrical motors, which help customers across a variety of industrial sectors reduce their energy requirements. The third-party data provider estimates WEG as having 1% of their total revenue derived from products supporting thermal coal.

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.



### What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2024 to 31 December 2024.

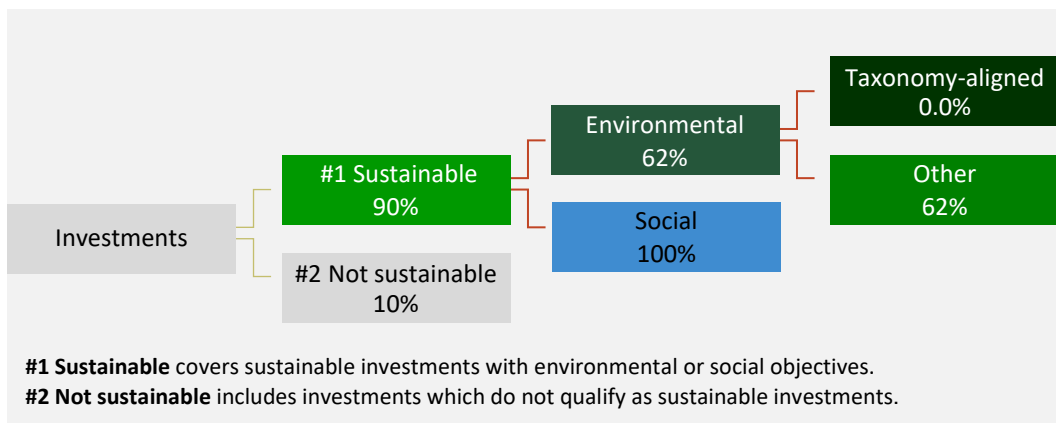
Largest investments	Sector	% assets	Country
Mahindra & Mahindra	Consumer Discretionary	7.3	India
TSMC	Information Technology	6.0	Taiwan
HDFC Bank	Financials	5.1	India
Tube Investments	Consumer Discretionary	5.0	India
Tata Consultancy Services	Information Technology	4.5	India
WEG	Industrials	3.0	Brazil
Unicharm	Consumer Staples	2.9	Japan
Voltronic Power	Industrials	2.8	Taiwan
Jerónimo Martins	Consumer Staples	2.8	Portugal
RaiaDrogasil	Consumer Staples	2.6	Brazil
EPAM Systems	Information Technology	2.5	United States
Samsung Electronics	Information Technology	2.4	South Korea
Globant	Information Technology	2.4	Argentina
Quálitas	Financials	2.3	Mexico
AirTAC International	Industrials	2.3	Taiwan



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.



Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.

### ● In which economic sectors were the investments made?

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	0.6
Consumer Discretionary	18.8
Consumer Staples	15.6
Energy	-
Financials	14.1
Health Care	5.4
Industrials	17.0
Information Technology	24.7
Materials	-
Real Estate	-
Utilities	-
Cash and cash equivalents	3.7

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution,

**Asset allocation**  
describes the share of investments in specific assets.

To comply, with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or lower-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

During the period the Fund held **WEG** which derives revenues from oil and gas supporting products and services, and thermal coal supporting products and services estimated as 2.5% per activity (5% in total). In Q2 2024, the thermal coal exposure estimated by the external service provider reduced from 2.5% to 1%, meaning the company's overall fossil fuel revenue exposure reduced below the 5% threshold. The company manufactures and sells renewable energy solutions used in solar and wind power generation, hydroelectric power plants and biomass helping society to shift away from fossil fuel energy production. (Full details are in the 'do no harm' section above).

Additional transparency is provided by the Investment Manager in their annual report (**Annual Review 2023** pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.



### To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?

● **Did the financial product invest in fossil gas and/or nuclear energy related activities?**

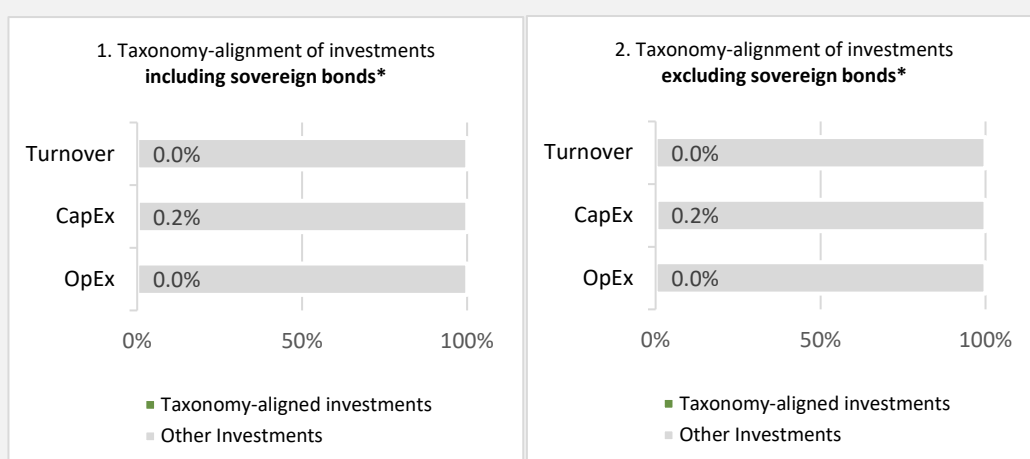
☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



% figures represent taxonomy-aligned investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

● **What was the share of investments made in transitional and enabling activities?**

The reported share of investments made in transitional and enabling activities for the Fund is **0%**.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

The percentage of investments aligned with the EU Taxonomy for the previous reference period was **0%**.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **47** companies. Based on reported turnover data, **46** of the **47** companies had **no alignment** with the EU Taxonomy.



**What was the share of socially sustainable investments?**

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager’s human development pillars.



**What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?**

The “#2 Not sustainable” assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.

The Fund’s service providers for these assets are reviewed and assessed for compliance with FSI’s modern slavery policy.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager’s website (links below):

- Stewardship and corporate engagement policy
- Engagement booklet
- Proxy voting
- Annual review

During the reporting period, the Investment Manager met with **81%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period and across their funds, the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives
- **Animal testing/welfare** – animal testing exposure
- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food
- **Governance** – corporate strategy and legal structure

During the period the Investment Manager engaged with **56%** of Fund companies on the following topics -

- Environment: 34%
- Social: 18%
- Governance: 48%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.

#### **Voting activity: 1 January 2024 to 31 December 2024**

Number of companies that held voting meetings	56
Number of meetings to vote at	94
Total proposals to vote on	783
Number of votes against management proposals	24
Number of votes abstained from voting	17
Number of shareholder proposals to vote on	1
Number of shareholder proposals voted against	1
Number of shareholder proposals abstained from voting	0

**Voting rationales: 1 January 2024 to 31 December 2024**

Company	Proposal	No. of proposals	Voting decision
EPAM Systems Glodon Philippine Seven Vitasoy Yifeng Pharmacy Chain Zhejiang Supor	Appointment of auditor	6	Against management recommendation
	<b>Rationale</b> The auditor has been in place for over ten years and the companies have given no information on intended rotation which the Investment Manager believes is important for ensuring a fresh perspective on the accounts.		
Amoy Diagnostics	Amendments to work systems and procedural rules	2	Abstained from voting
	<b>Rationale</b> The company did not provide sufficient information on the proposed amendments.		
Banco Bradesco	Approval for recasting and cumulative voting	5	Against management recommendation
	Board appointment		
	Increase in authorised capital		
	<b>Rationale</b> On the recasting and cumulative voting, the Investment Manager was concerned as that it would allow the board to make changes without shareholder assessment or knowledge of candidates. On the board appointment, the Investment Manager wanted to encourage the appointment of more external independent directors and on the authorised capital motion, they thought the proposed dilution was too high.		
Bank Central Asia	Remuneration	1	Against management recommendation
	<b>Rationale</b> The Investment Manager believed that the executive remuneration was excessive.		
EPAM Systems	Shareholder proposal: board declassification	1	Against shareholder recommendation
	<b>Rationale</b> The Investment Manager did not deem it necessary for all directors to stand for election annually and believed this could destabilise the board by allowing excessive turnover.		
Midea	Adjustment of the guarantee for controlled subsidiaries assets pool business	4	Against management recommendation
	Employee stock ownership plan		
	<b>Rationale</b> On the guarantee for controlled subsidiaries assets pool business, the Investment Manager found the guarantee amount to be excessive. On the proposed employee stock ownership plan, the		

	Investment Manager believed that non-executive director involvement could lead to a conflict of interest.		
Philippine Seven	Transaction of business	1	Against management recommendation
	<b>Rationale</b> The company did not provide enough information about the proposals and the Investment Manager wanted to avoid giving them unrestricted decision-making power without sufficient clarity.		
Quálitas	Amendments to articles	1	Abstained from voting
	<b>Rationale</b> The company did not provide sufficient information on the proposed amendments.		
RaiaDrogasil	Recasting of votes for supervisory council	1	Against management recommendation
	<b>Rationale</b> The Investment Manager believes that the principle of recasting votes for an amended slate is poor practice and would prefer the slate be resubmitted for voting.		
Regional	Various	12	Abstained from voting
	<b>Rationale</b> The company did not provide sufficient information on capital and shares allocation, board elections, and company report proposals.		
Samsung Electronics	Director election	1	Against management recommendation
	<b>Rationale</b> The Investment Manager would have preferred more independent, non-family associated directors.		
TOTVS	Approval for establishment of supervisory council and cumulative voting	2	Against management recommendation
	<b>Rationale</b> No detail on the candidates had been provided.		
WEG	Approval for recasting and cumulative voting	3	Against management recommendation
	<b>Rationale</b> The recasting and cumulative voting would allow the board to make changes without shareholder assessment or knowledge of candidates.		
	Supervisory council election	2	Abstained from voting
	Separate board election		
	<b>Rationale</b> The Investment Manager did not receive enough information on the motions and they also preferred the current family stewards to remain in place.		



**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

## How did this financial product perform compared to the reference sustainable benchmark?

A sustainable benchmark has not been designated to compare the performance for this Fund.

- ***How did the reference benchmark differ from a broad market index?***  
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***  
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable.
- ***How did this financial product perform compared with the broad market index?***  
Not applicable.

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Stewart Investors Global Emerging Markets  
Ex-China Leaders Fund

**Legal entity identifier:**  
25490012JPCPAREL2Q93

*The Fund launched during the period.*

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It made **sustainable investments with an environmental objective: 68%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made **sustainable investments with a social objective: 100%**

☐ ☐ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **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, the Fund held **28** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **86 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager's website –

[stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### **Positive environmental outcomes**

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.



As of 31 December 2024, the Fund held 28 companies. **19 companies (68%)** were contributing to **climate change solutions**. These companies were contributing to **24** different solutions and, in total, were making **64 contributions** to the solutions.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager's website – [stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

### Assessment

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

#### Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

#### ● **How did the sustainability indicators perform?**

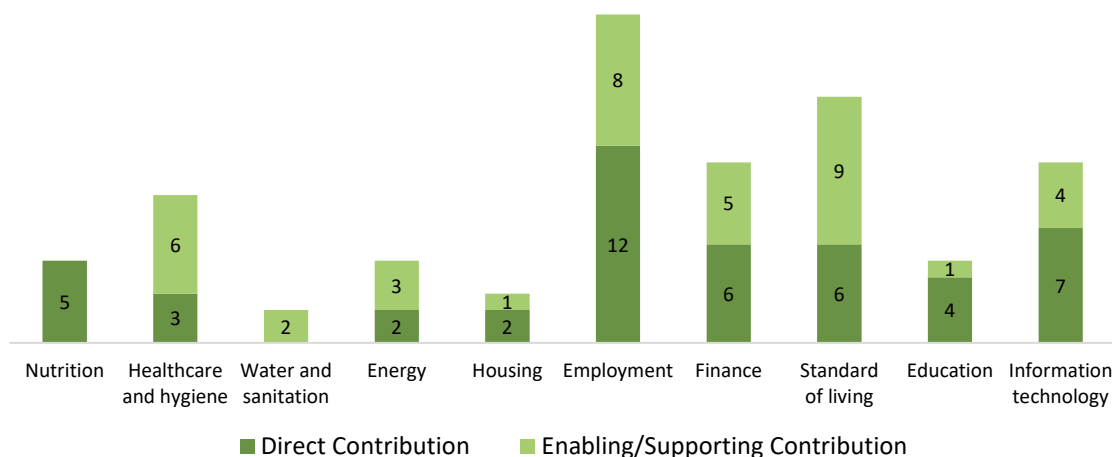
The Investment Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

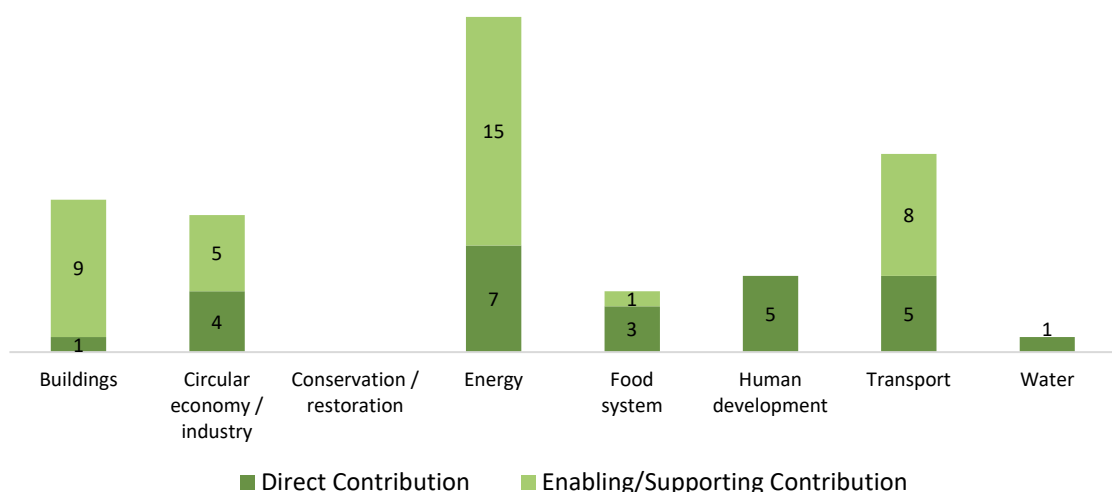
**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.

### Human development pillars (number of companies contributing to each pillar)



### Climate change solutions (number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

#### ...and compared to previous periods?

Not applicable, the Fund launched during the period.

#### How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes.

All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Fund's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Investment Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the Fund held the following companies which flagged against the Investment Manager's policy.

#### Tata Consultancy Services (TCS)

**UN Global Compact Principle 2 (Breach):** Businesses should make sure that they are not complicit in human rights abuses.

**Reason for exception/holding:** TCS has no direct involvement in nuclear weapons or energy, however the external research provider considers the company to be involved because its parent company, Tata Sons, owns greater than 50% of TCS.

Tata Sons involvement is due to the company owning Tata Advanced Systems which acquired Tata Power's Strategic Engineering Division. The Strategic Engineering Division provides control systems for the Indian Navy's nuclear missile submarines.

As India has not signed the Treaty on the Non-Proliferation of Nuclear Weapons, the external data provider considers Tata Sons and by extension TCS to be in support of the nuclear weapons programme of India. The Investment Manager disagrees with this assessment and does not see anything in the activities or conduct of the company to question its sustainability positioning or the investment case.



### How did this financial product consider principal adverse impacts on sustainability factors?

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.

Mandatory indicators	Metrics	2024
Exposure	(EUR m)	1
1. GHG Emissions	Scope 1 (tCO <sub>2</sub> eq)	3
	Scope 2 (tCO <sub>2</sub> eq)	7
	Scope 3 (tCO <sub>2</sub> eq)	322
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq)	11
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq)	333
2. Carbon Footprint	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq/EURm)	12
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	371
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO <sub>2</sub> eq/EURm)	40
	Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	1,336

4. Exposure to companies active in the fossil fuel sector	(% involvement)	4%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	63%
	Non-Renewable Energy Production (%)	0%
	Agriculture, Forestry & Fishing (GWh/EURm)	no data
	Construction (GWh/EURm)	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data
	Manufacturing (GWh/EURm)	0.17
6. Energy consumption intensity per high impact sector	Mining & Quarrying (GWh/EURm)	no data
	Real Estate Activities (GWh/EURm)	no data
	Transportation & Storage (GWh/EURm)	no data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data
	Trade & Repair of Automobiles (GWh/EURm)	0.08
7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	0%
8. Emissions to Water	(t/EURm)	no data
9. Hazardous waste ratio	(t/EURm)	0
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%
	Breach (% involvement)	6%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance with UNGC and OECD guidelines	(% involvement)	49%
12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	no data
13. Board Gender Diversity	% of Female Board Members	26%
14. Exposure to Controversial Weapons	(% involvement)	0%
<b>Voluntary indicators</b>	<b>Metrics</b>	<b>2024</b>
Water Usage and Recycling	% Water Withdrawal	62%
	Recycling & Reuse (cubic metres)	49,212,582
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.0

The SFDR PAI methodology for fossil fuel sector exposure considers Oil & Gas Production, Thermal Coal Extraction and Thermal Coal Supporting Products/Services. The fossil fuel

exposure % shown in the table above is for **WEG**. WEG manufactures and sells efficient electrical motors, which help customers across a variety of industrial sectors reduce their energy requirements. The third-party data provider estimates WEG as having 1% of their total revenue derived from products supporting thermal coal.

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.



## What were the top investments of this financial product?

Largest investments	Sector	% assets	Country
TSMC	Information Technology	9.5	Taiwan
Mahindra & Mahindra	Consumer Discretionary	8.3	India
HDFC Bank	Financials	6.8	India
Tata Consultancy Services	Information Technology	5.4	India
EPAM Systems	Information Technology	5.3	United States
Jerónimo Martins	Consumer Staples	4.8	Portugal
Globant	Information Technology	4.6	Argentina
Samsung Electronics	Information Technology	4.4	South Korea
WEG	Industrials	4.0	Brazil
Delta Electronics	Information Technology	3.8	Taiwan
Infosys	Information Technology	3.5	India
RaiaDrogasil	Consumer Staples	3.5	Brazil
AirTAC International	Industrials	3.3	Taiwan
Walmart de México (Walmex)	Consumer Staples	2.8	Mexico
Silergy	Information Technology	2.8	Taiwan

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 11 July 2024 to 31 December 2024.



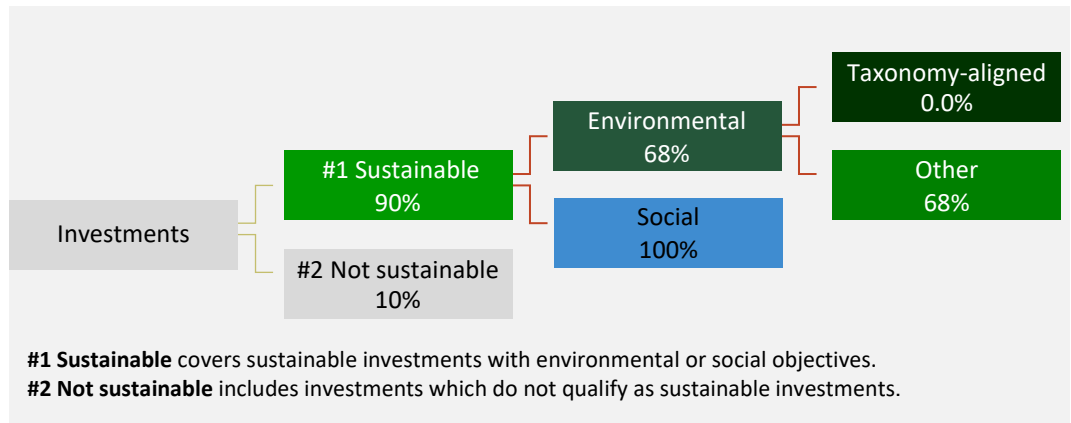
## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.

**Asset allocation** describes the share of investments in specific assets.





Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.

### ● *In which economic sectors were the investments made?*

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	1.1
Consumer Discretionary	12.5
Consumer Staples	18.7
Energy	-
Financials	10.0
Health Care	-
Industrials	9.3
Information Technology	44.3
Materials	-
Real Estate	-
Utilities	-
Cash and cash equivalents	4.1

To comply, with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or lower-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

Additional transparency is provided by the Investment Manager in their annual report (**Annual Review 2023** pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?

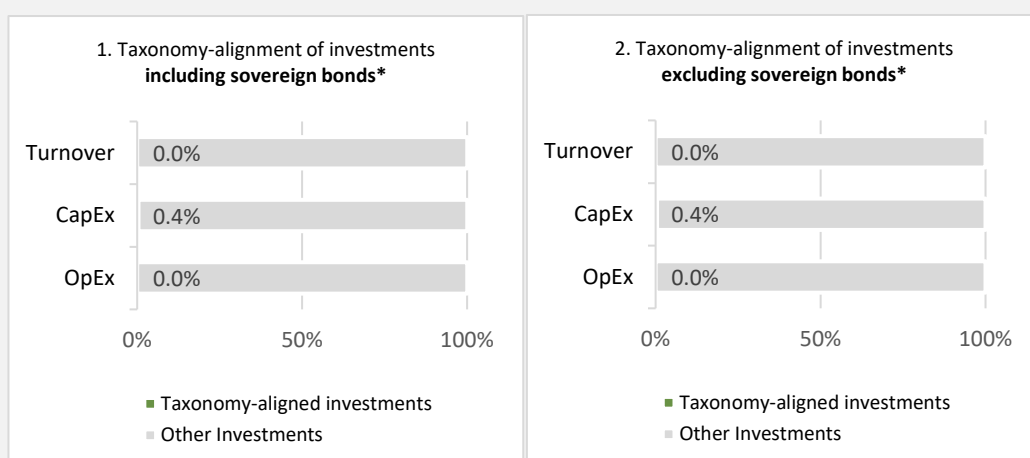
### ● Did the financial product investment in fossil gas and/or nuclear energy related activities

☐ Yes

☐ In fossil gas    ☐ In nuclear energy

☒ No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



% figures represent taxonomy-aligned investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### ● What was the share of investments made in transitional and enabling activities?

The reported share of investments made in transitional and enabling activities for the Fund is **0%**.

### ● How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Not applicable, the Fund launched during the period.



## What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **28** companies. Based on reported turnover data, **27** of the **28** companies had **no alignment** with the EU Taxonomy.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



### What was the share of socially sustainable investments?

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager's human development pillars.



### What investments were included under “not sustainable”, what was their purpose and were there any minimum environmental or social safeguards?

The “#2 Not sustainable” assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.

The Fund's service providers for these assets are reviewed and assessed for compliance with FSI's modern slavery policy.



### What actions have been taken to attain the sustainable investment objective during the reference period?

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager's website (links below):

[Stewardship and corporate engagement policy](#)

[Engagement booklet](#)

[Proxy voting](#)

[Annual review](#)

During the reporting period, the Investment Manager met with **62%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period and across their funds, the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,
- **Animal testing/welfare** – animal testing exposure,
- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,
- **Governance** - corporate strategy and legal structure.

During the period the Investment Manager engaged with **31%** of Fund companies on the following topics -

- Environment: 50%
- Social: 17%
- Governance: 33%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.

**Voting activity:** 11 July 2024 to 31 December 2024

Number of companies that held voting meetings	9
Number of meetings to vote at	10
Total proposals to vote on	88
Number of votes against management proposals	0
Number of votes abstained from voting	0
Number of shareholder proposals to vote on	0
Number of shareholder proposals voted against	0
Number of shareholder proposals abstained from voting	0

The Investment Manager did not vote against any resolutions during the period.



**How did this financial product perform compared to the reference sustainable benchmark?**

A sustainable benchmark has not been designated to compare the performance for this Fund.

- ***How did the reference benchmark differ from a broad market index?***  
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***  
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable.
- ***How did this financial product perform compared with the broad market index?***  
Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Stewart Investors Global Emerging Markets Leaders Fund

**Legal entity identifier:**  
549300YYD8Q6QBF6GS653

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It made **sustainable investments with an environmental objective: 62%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made **sustainable investments with a social objective: 100%**

☐ ☐ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **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, the Fund held **39** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **110 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager's website –

[stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### Positive environmental outcomes

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As of 31 December 2024, the Fund held **39** companies. **24 companies (62%)** were contributing to **climate change solutions**. These companies were contributing to **29** different solutions and, in total, were making **76 contributions** to the solutions.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager's website – [www.stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://www.stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

### Assessment

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

#### Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

### ● **How did the sustainability indicators perform?**

The Investment Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

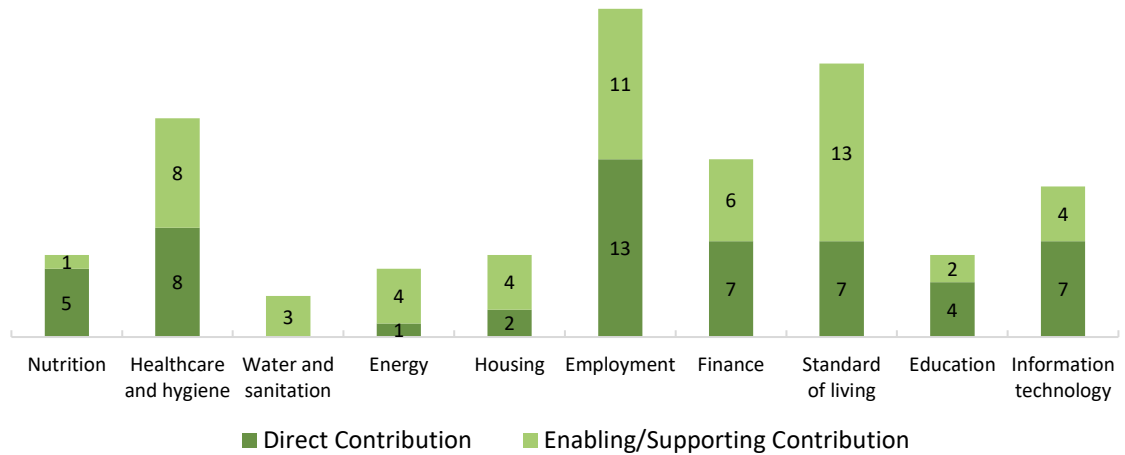
[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.

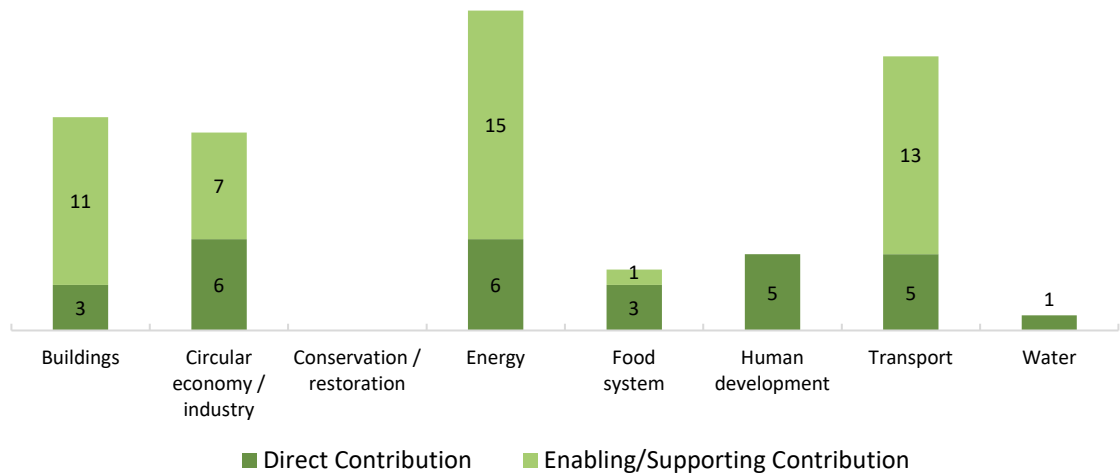
**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.



**Human development pillars**  
(number of companies contributing to each pillar)



**Climate change solutions**  
(number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

● **...and compared to previous periods?**

Changes in the sustainability outcomes for the Fund year-on-year are related to bottom-up changes in the portfolio and/or changes in the sustainability profile of individual investee companies.

The social and environmental outcomes for the Fund for previous periods are provided in the tables below. The Fund transitioned to have a sustainable investment approach from 30 November 2022.

## Positive social outcomes

Human development pillars	Contribution	31-Dec-2023	31-Dec-2022
No. of companies (%)	-	47 (100%)	42 (100%)
Total no. of contributions	-	133	117
Nutrition	Direct	8	7
	Enabling/Supporting	1	-
Healthcare and hygiene	Direct	13	13
	Enabling/Supporting	10	4
Water and sanitation	Direct	-	-
	Enabling/Supporting	3	1
Energy	Direct	4	3
	Enabling/Supporting	6	5
Housing	Direct	2	3
	Enabling/Supporting	6	6
Employment	Direct	14	14
	Enabling/Supporting	13	12
Finance	Direct	7	7
	Enabling/Supporting	3	3
Standard of living	Direct	7	4
	Enabling/Supporting	18	18
Education	Direct	5	4
	Enabling/Supporting	3	4
Information technology	Direct	7	7
	Enabling/Supporting	3	2

## Positive environmental outcomes

Climate solutions	Contribution	31-Dec-2023	31-Dec-2022
No. of companies (%)	-	30 (64%)	28 (67%)
No. of different solutions	-	31	28
Total no. of solutions	-	96	82
Buildings	Direct	3	2
	Enabling/Supporting	14	10
Circular economy/industry	Direct	7	7
	Enabling/Supporting	10	9
Conservation/restoration	Direct	-	1
	Enabling/Supporting	1	1
Energy	Direct	7	7
	Enabling/Supporting	21	15
Food system	Direct	4	3
	Enabling/Supporting	2	2
Human development	Direct	7	9
	Enabling/Supporting	1	-
Transport	Direct	3	3
	Enabling/Supporting	15	12
Water	Direct	1	1
	Enabling/Supporting	-	-

### ● **How did the sustainable investments not cause significant harm to any sustainable investment objective?**

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Fund's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold

(controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Investment Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the Fund held the following companies which flagged against the Investment Manager's policy.

#### **Tata Consultancy Services (TCS)**

**UN Global Compact Principle 2 (Breach):** Businesses should make sure that they are not complicit in human rights abuses.

**Reason for exception/holding:** TCS has no direct involvement in nuclear weapons or energy, however the external research provider considers the company to be involved because its parent company, Tata Sons, owns greater than 50% of TCS.

Tata Sons involvement is due to the company owning Tata Advanced Systems which acquired Tata Power's Strategic Engineering Division. The Strategic Engineering Division provides control systems for the Indian Navy's nuclear missile submarines.

As India has not signed the Treaty on the Non-Proliferation of Nuclear Weapons, the external data provider considers Tata Sons and by extension TCS to be in support of the nuclear weapons programme of India. The Investment Manager disagrees with this assessment and does not see anything in the activities or conduct of the company to question its sustainability positioning or the investment case.

#### **WEG**

**Activity exposure >5% revenue:** Supporting Oil & Gas and Supporting Thermal Coal

**Reason for exception/holding:** The company manufactures and sells renewable energy solutions used in solar and wind power generation, hydroelectric power plants and biomass helping society to shift away from fossil fuel energy production. WEG also manufacture and sell energy efficient electric motors, which help their customers reduce their energy requirements and greenhouse gas emissions.

Revenues derived from oil and gas supporting products and services, and thermal coal supporting products and services accounted for an estimated 2.5% per activity (5% in total) of the company's overall revenue in FY2022, according to the external research provider.

Thermal coal exposure for supporting products and services was added by the external research provider in early 2023 and the Investment Manager contacted the company directly to check the 2.5% revenue estimates provided. Given that coal is not a strategic market segment for their products or customers, the company estimate that <1% revenues to be a more accurate reflection of their exposure.

**Updated research provided during 2024:** WEG flagged against the policy for the first half of 2024 and the wording above relates to this. In Q2 2024, the thermal coal exposure estimated by the external service provider reduced from 2.5% to 1%, meaning the company's overall fossil fuel revenue exposure reduced below the 5% threshold. The Investment Manager removed WEG from their material exposure disclosures.



## How did this financial product consider principal adverse impacts on sustainability factors?

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.

Mandatory indicators	Metrics	2024	2023	2022
Exposure	(EUR m)	41	47	44
1. GHG Emissions	Scope 1 (tCO <sub>2</sub> eq)	133	162	110
	Scope 2 (tCO <sub>2</sub> eq)	396	392	308
	Scope 3 (tCO <sub>2</sub> eq)	12,516	13,919	12,043
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq)	529	554	418
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq)	13,045	14,472	12,461
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq/EURm)	13	12	9
2. Carbon Footprint	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	316	305	277
	Scope 1+2 (tCO <sub>2</sub> eq/EURm)	41	45	43
3. GHG Intensity of Investee Companies	Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	1,038	920	1,007
4. Exposure to companies active in the fossil fuel sector	(% involvement)	3%	1%	2%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	69%	74%	71%
	Non-Renewable Energy Production (%)	0%	1%	0%
6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data	no data	no data
	Construction (GWh/EURm)	no data	no data	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data	no data	no data
	Manufacturing (GWh/EURm)	0.16	0.18	0.13
	Mining & Quarrying (GWh/EURm)	no data	no data	no data
	Real Estate Activities (GWh/EURm)	no data	no data	no data
	Transportation & Storage (GWh/EURm)	no data	no data	no data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data	no data	no data
	Trade & Repair of Automobiles (GWh/EURm)	insufficient data	insufficient data	insufficient data

7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	0%	0%	0%
8. Emissions to Water	(t/EURm)	insufficient data	no data	insufficient data
9. Hazardous waste ratio	(t/EURm)	6	8	4
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%	2%	0%
	Breach (% involvement)	5%	5%	5%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance with UNGC and OECD guidelines	(% involvement)	57%	52%	71%
12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	insufficient data	no data	insufficient data
13. Board Gender Diversity	% of Female Board Members	22%	23%	20%
14. Exposure to Controversial Weapons	(% involvement)	0%	0%	0%
<b>Voluntary indicators</b>	<b>Metrics</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Water Usage and Recycling	% Water Withdrawal	62%	59%	n/a
	Recycling & Reuse (cubic metres)	49,009,673	29,758,440	n/a
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.1	0.1	n/a

The SFDR PAI methodology for fossil fuel sector exposure considers Oil & Gas Production, Thermal Coal Extraction and Thermal Coal Supporting Products/Services. The fossil fuel exposure % shown in the table above for the reporting period is for **WEG**. WEG manufactures and sells efficient electrical motors, which help customers across a variety of industrial sectors reduce their energy requirements. The third-party data provider estimates WEG as having 1% of their total revenue derived from products supporting thermal coal.

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.





## What were the top investments of this financial product?

The list includes the investments constituting the **greatest proportion of investments** of the financial product during the reference period which is: 1 January 2024 to 31 December 2024.

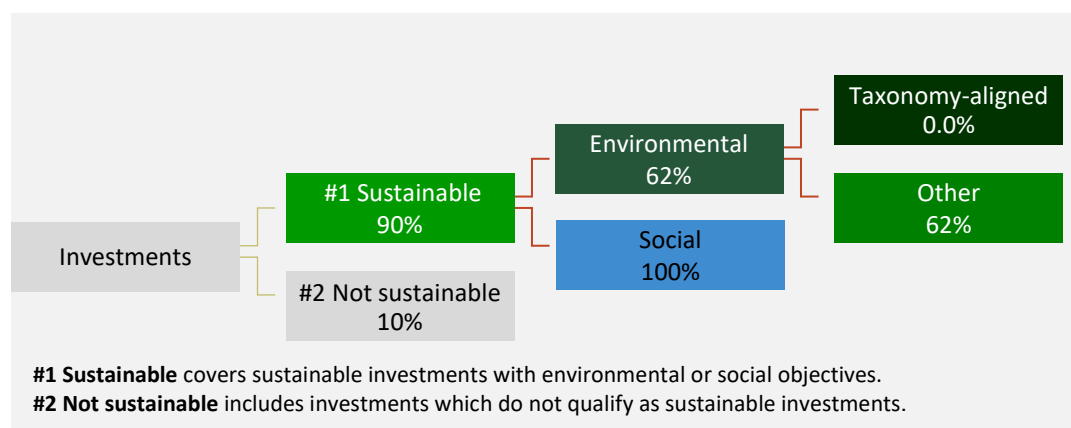
Largest investments	Sector	% assets	Country
TSMC	Information Technology	7.9	Taiwan
HDFC Bank	Financials	5.7	India
Mahindra & Mahindra	Consumer Discretionary	5.3	India
Samsung Electronics	Information Technology	4.6	South Korea
Tata Consultancy Services	Information Technology	4.4	India
Unicharm	Consumer Staples	4.2	Japan
Jerónimo Martins	Consumer Staples	3.5	Portugal
Infosys	Information Technology	3.4	India
Delta Electronics	Information Technology	3.2	Taiwan
EPAM Systems	Information Technology	3.2	United States
WEG	Industrials	2.9	Brazil
RaiaDrogasil	Consumer Staples	2.8	Brazil
Globant	Information Technology	2.7	Argentina
Techtronic Industries	Industrials	2.5	Hong Kong
Inovance	Industrials	2.4	China



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.



Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.

● ***In which economic sectors were the investments made?***

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	0.3
Consumer Discretionary	12.4
Consumer Staples	20.9
Energy	-
Financials	12.8
Health Care	1.6
Industrials	11.8
Information Technology	39.1
Materials	-
Real Estate	-
Utilities	-
Cash and cash equivalents	1.1

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

During the period the Fund held **WEG** which derives revenues from oil and gas supporting products and services, and thermal coal supporting products and services estimated as 2.5% per activity (5% in total). In Q2 2024, the thermal coal exposure estimated by the external service provider reduced from 2.5% to 1%, meaning the company's overall fossil fuel revenue exposure reduced below the 5% threshold. The company manufactures and sells renewable energy solutions used in solar and wind power generation, hydroelectric power plants and biomass helping society to shift away from fossil fuel energy production. (Full details are in the 'do no harm' section above).

Additional transparency is provided by the Investment Manager in their annual report (**Annual Review 2023** pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.

To comply, with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or lower-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?

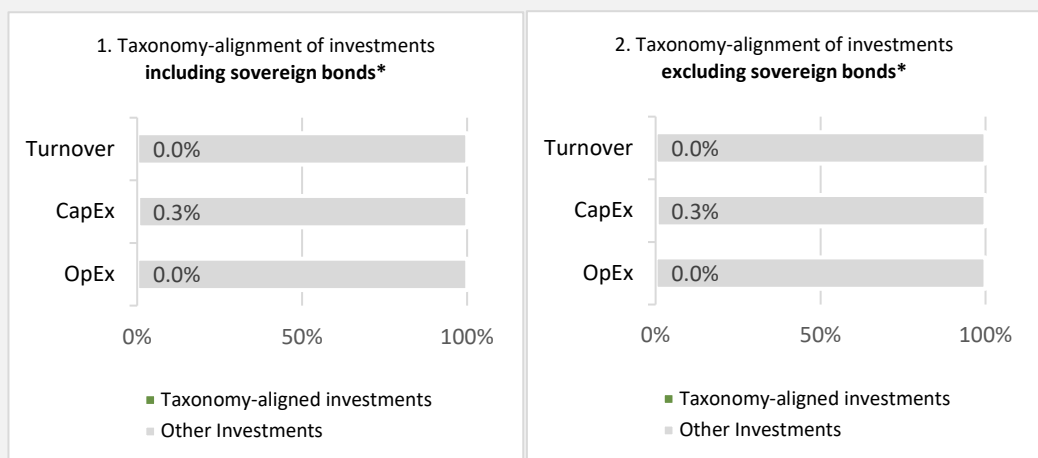
### ● Did the financial product investment in fossil gas and/or nuclear energy related activities

☐ Yes

☐ In fossil gas    ☐ In nuclear energy

☒ No

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



% figures represent taxonomy-aligned investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### ● What was the share of investments made in transitional and enabling activities?

The reported share of investments made in transitional and enabling activities for the Fund is **0%**.

### ● How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

The percentage of investments aligned with the EU Taxonomy for the previous reference period was **0%**.



## What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **39** companies. Based on reported turnover data, **38** of the **39** companies had **no alignment** with the EU Taxonomy.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



### What was the share of socially sustainable investments?

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager's human development pillars.



### What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The "#2 Not sustainable" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.

The Fund's service providers for these assets are reviewed and assessed for compliance with FSI's modern slavery policy.



### What actions have been taken to attain the sustainable investment objective during the reference period?

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager's website (links below):

[Stewardship and corporate engagement policy](#)

[Engagement booklet](#)

[Proxy voting](#)

[Annual review](#)

During the reporting period, the Investment Manager met with **83%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period and across their funds, the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,
- **Animal testing/welfare** – animal testing exposure,
- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,
- **Governance** – corporate strategy and legal structure.

During the period the Investment Manager engaged with **54%** of Fund companies on the following topics -

- Environment: 26%
- Social: 20%
- Governance: 54%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.

**Voting activity: 1 January 2024 to 31 December 2024**

Number of companies that held voting meetings	47
Number of meetings to vote at	76
Total proposals to vote on	721
Number of votes against management proposals	22
Number of votes abstained from voting	4
Number of shareholder proposals to vote on	1
Number of shareholder proposals voted against	1
Number of shareholder proposals abstained from voting	0

**Voting rationales: 1 January 2024 to 31 December 2024**

Company	Proposal	No. of proposals	Voting decision
EPAM Systems Estun Automation Glodon Sunny Optical Technology Yifeng Pharmacy Chain	Appointment of auditor	5	Against management recommendation
	<b>Rationale</b> The auditor has been in place for over ten years and the companies have given no information on intended rotation which the Investment Manager believes is important for ensuring a fresh perspective on the accounts.		
Amoy Diagnostics	Amendments to work systems and procedural rules	2	Abstained from voting
	<b>Rationale</b> The company did not provide sufficient information on the proposed amendments.		
Banco Bradesco	Approval for recasting and cumulative voting	5	Against management recommendation
	Board appointment		
	Increase in authorised capital		
	<b>Rationale</b> On the recasting and cumulative voting, the Investment Manager was concerned as that it would allow the board to make changes without shareholder assessment or knowledge of candidates. On the		

	board appointment, the Investment Manager wanted to encourage the appointment of more external independent directors and on the authorised capital motion, they thought the proposed dilution was too high.		
Bank Central Asia	Remuneration	1	Against management recommendation
	<b>Rationale</b> The Investment Manager believed that the executive remuneration was excessive.		
EPAM Systems	Shareholder proposal: board declassification	1	Against shareholder recommendation
	<b>Rationale</b> The Investment Manager did not deem it necessary for all directors to stand for election annually and believed this could destabilise the board by allowing excessive turnover.		
Midea	Adjustment of the guarantee for controlled subsidiaries assets pool business	4	Against management recommendation
	Employee stock ownership plan		
	<b>Rationale</b> On the guarantee for controlled subsidiaries assets pool business, the Investment Manager found the guarantee amount to be excessive. On the proposed employee stock ownership plan, the Investment Manager believed that non-executive director involvement could lead to a conflict of interest.		
RaiaDrogasil	Recasting of votes for supervisory council	1	Against management recommendation
	<b>Rationale</b> The Investment Manager believes that the principle of recasting votes for an amended slate is poor practice and would prefer the slate be resubmitted for voting.		
Samsung Electronics	Director election	1	Against management recommendation
	<b>Rationale</b> The Investment Manager would have preferred more independent, non-family associated directors.		
WEG	Approval for recasting and cumulative voting	3	Against management recommendation
	<b>Rationale</b> The recasting and cumulative voting would allow the board to make changes without shareholder assessment or knowledge of candidates.		
	Supervisory council election	2	Abstained from voting
	Separate board election		
	<b>Rationale</b> The Investment Manager did not receive enough information on the motions and they also preferred the current family stewards to remain in place.		



**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

## How did this financial product perform compared to the reference sustainable benchmark?

A sustainable benchmark has not been designated to compare the performance for this Fund.

- ***How did the reference benchmark differ from a broad market index?***  
Not applicable.
- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***  
Not applicable.
- ***How did this financial product perform compared with the reference benchmark?***  
Not applicable.
- ***How did this financial product perform compared with the broad market index?***  
Not applicable.



**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Stewart Investors Indian Subcontinent  
All Cap Fund

**Legal entity identifier:**  
549300KV9RVYY1I3UF70

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <b>Yes</b>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/> <b>No</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 61%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 100%</b>	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **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, the Fund held **36** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **94 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager's website –

[stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### Positive environmental outcomes

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As of 31 December 2024, the Fund held **36** companies. **22 companies (61%)** were contributing to **climate change solutions**. These companies were contributing to **37** different solutions and, in total, were making **75 contributions** to the solutions.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager's website – [stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

### Assessment

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

#### Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

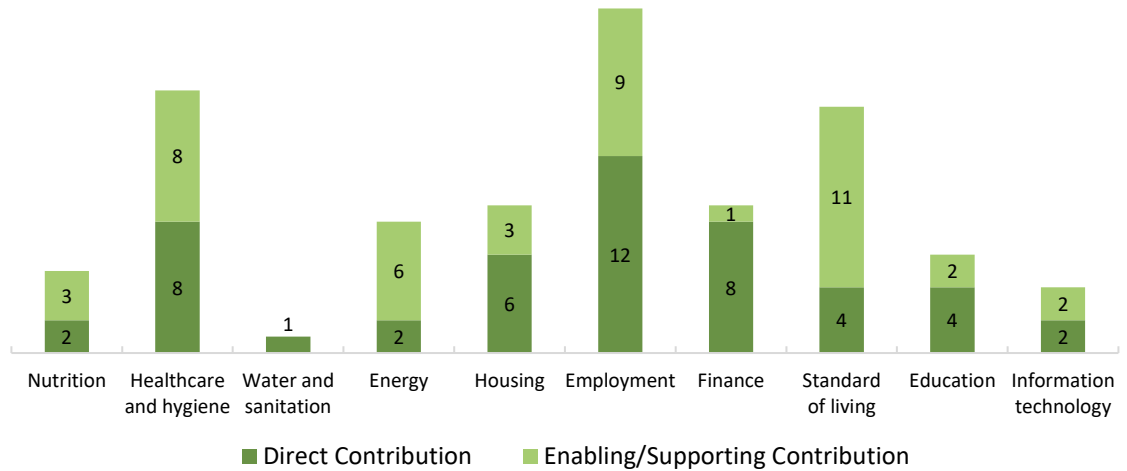
### ● **How did the sustainability indicators perform?**

The Investment Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

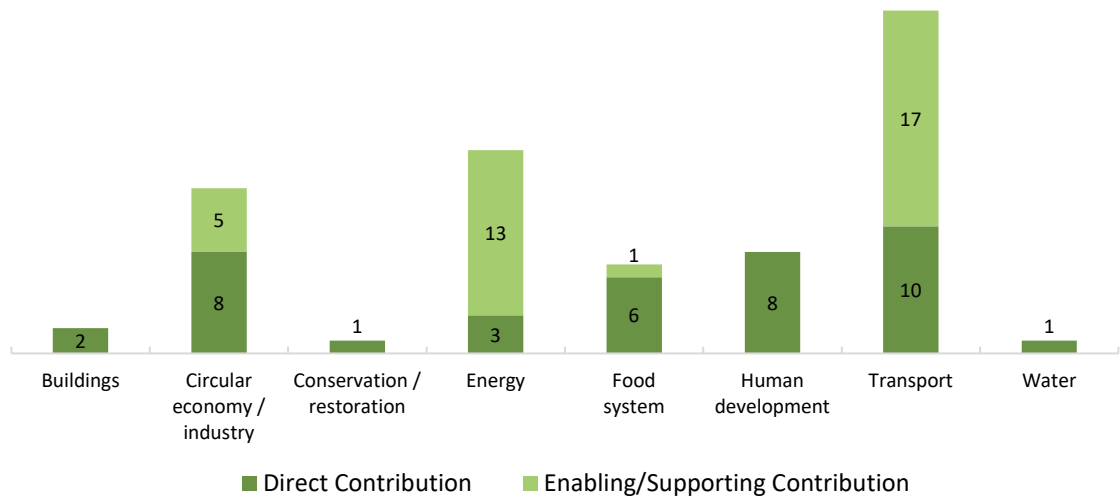
[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.

**Human development pillars**  
(number of companies contributing to each pillar)



**Climate change solutions**  
(number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

● **...and compared to previous periods?**

Changes in the sustainability outcomes for the Fund year-on-year are related to bottom-up changes in the portfolio and/or changes in the sustainability profile of individual investee companies.

The social and environmental outcomes for the Fund over previous periods are provided in the tables below.

## Positive social outcomes

Human development pillars	Contribution	31-Dec-2023
No. of companies (%)	-	37 (100%)
Total no. of contributions	-	107
Nutrition	Direct	3
	Enabling/Supporting	3
Healthcare and hygiene	Direct	7
	Enabling/Supporting	9
Water and sanitation	Direct	1
	Enabling/Supporting	-
Energy	Direct	2
	Enabling/Supporting	6
Housing	Direct	5
	Enabling/Supporting	5
Employment	Direct	14
	Enabling/Supporting	12
Finance	Direct	9
	Enabling/Supporting	1
Standard of living	Direct	3
	Enabling/Supporting	14
Education	Direct	6
	Enabling/Supporting	2
Information technology	Direct	3
	Enabling/Supporting	2

## Positive environmental outcomes

Climate solutions	Contribution	31-Dec-2023
No. of companies (%)	-	22 (59%)
No. of different solutions	-	38
Total no. of solutions	-	78
Buildings	Direct	2
	Enabling/Supporting	1
Circular economy/industry	Direct	8
	Enabling/Supporting	6
Conservation/restoration	Direct	1
	Enabling/Supporting	-
Energy	Direct	3
	Enabling/Supporting	12
Food system	Direct	7
	Enabling/Supporting	1
Human development	Direct	9
	Enabling/Supporting	1
Transport	Direct	8
	Enabling/Supporting	17
	Indirect	n/a
Water	Direct	2
	Enabling/Supporting	-

### ● How did the sustainable investments not cause significant harm to any sustainable investment objective?

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Fund’s exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund’s position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company’s management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Investment Manager’s position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

*How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager’s bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company’s quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in question below.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.



During the reporting period the Fund held the following companies which flagged against the Investment Manager's policy.

#### **Tata Consultancy Services (TCS)**

**UN Global Compact Principle 2 (Breach):** Businesses should make sure that they are not complicit in human rights abuses.

**Reason for exception/holding:** TCS has no direct involvement in nuclear weapons or energy, however the external research provider considers the company to be involved because its parent company, Tata Sons, owns greater than 50% of TCS.

Tata Sons involvement is due to the company owning Tata Advanced Systems which acquired Tata Power's Strategic Engineering Division. The Strategic Engineering Division provides control systems for the Indian Navy's nuclear missile submarines.

As India has not signed the Treaty on the Non-Proliferation of Nuclear Weapons, the external data provider considers Tata Sons and by extension TCS to be in support of the nuclear weapons programme of India. The Investment Manager disagrees with this assessment and does not see anything in the activities or conduct of the company to question its sustainability positioning or the investment case.

*The Investment Manager sold the company during the period.*

#### **Triveni Turbines**

**Activity exposure >5% revenue:** Supporting Nuclear Power

**Reason for exception/holding:** The company designs and manufactures steam turbines, with a focus on renewable, efficient industrial heat and power solutions.

Revenues derived from products and services supporting nuclear power accounted for an estimated 5% of the company's overall revenue in FY2023, according to the external research provider.

Nuclear power exposure for supporting products and services was added by the external research provider in early 2024 and the Investment Manager contacted the company directly to check the 5% revenue estimate provided. Given their nuclear power exposure is related to servicing old steam turbines within the industry, the company estimates around 1% of revenue to be a more accurate reflection of their exposure.



### **How did this financial product consider principal adverse impacts on sustainability factors?**

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for

controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.

Mandatory indicators	Metrics	2024	2023
Exposure	(EUR m)	9	5
1. GHG Emissions	Scope 1 (tCO <sub>2</sub> eq)	207	133
	Scope 2 (tCO <sub>2</sub> eq)	39	26
	Scope 3 (tCO <sub>2</sub> eq)	3,022	1,989
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq)	246	158
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq)	3,269	2,147
2. Carbon Footprint	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq/EURm)	27	31
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	361	425
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO <sub>2</sub> eq/EURm)	98	119
	Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	1,973	1,892
4. Exposure to companies active in the fossil fuel sector	(% involvement)	0%	0%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	77%	80%
	Non-Renewable Energy Production (%)	8%	33%
6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data	no data
	Construction (GWh/EURm)	no data	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data	no data
	Manufacturing (GWh/EURm)	0.42	0.51
	Mining & Quarrying (GWh/EURm)	no data	no data
	Real Estate Activities (GWh/EURm)	no data	no data
	Transportation & Storage (GWh/EURm)	insufficient data	no data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data	no data
	Trade & Repair of Automobiles (GWh/EURm)	no data	no data
7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	3%	0%
8. Emissions to Water	(t/EURm)	no data	no data
9. Hazardous waste ratio	(t/EURm)	3	1
	Watch (% involvement)	0%	0%

10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Breach (% involvement)	0%	2%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance with UNGC and OECD guidelines	(% involvement)	59%	72%
12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	insufficient data	no data
13. Board Gender Diversity	% of Female Board Members	22%	22%
14. Exposure to Controversial Weapons	(% involvement)	0%	0%
<b>Voluntary indicators</b>	<b>Metrics</b>	<b>2024</b>	<b>2023</b>
Water Usage and Recycling	% Water Withdrawal	43%	44%
	Recycling & Reuse (cubic metres)	5,494,160	6,294,344
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.0	0.1

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.



## What were the top investments of this financial product?

Largest investments	Sector	% assets	Country
Mahindra & Mahindra	Consumer Discretionary	8.8	India
Tube Investments	Consumer Discretionary	6.4	India
HDFC Bank	Financials	4.8	India
Triveni Turbines	Industrials	4.7	India
CG Power	Industrials	4.2	India
Cholamandalam Financial Holdings	Financials	3.8	India
Aavas Financiers	Financials	3.7	India
Dr. Reddy's Laboratories	Health Care	3.6	India
Blue Dart Express	Industrials	3.5	India
Godrej Consumer Products	Consumer Staples	3.3	India
Cyient	Information Technology	3.1	India
Tech Mahindra	Information Technology	3.0	India
Marico	Consumer Staples	2.9	India
Dr. Lal PathLabs	Health Care	2.8	India
Elgi Equipments	Industrials	2.7	India

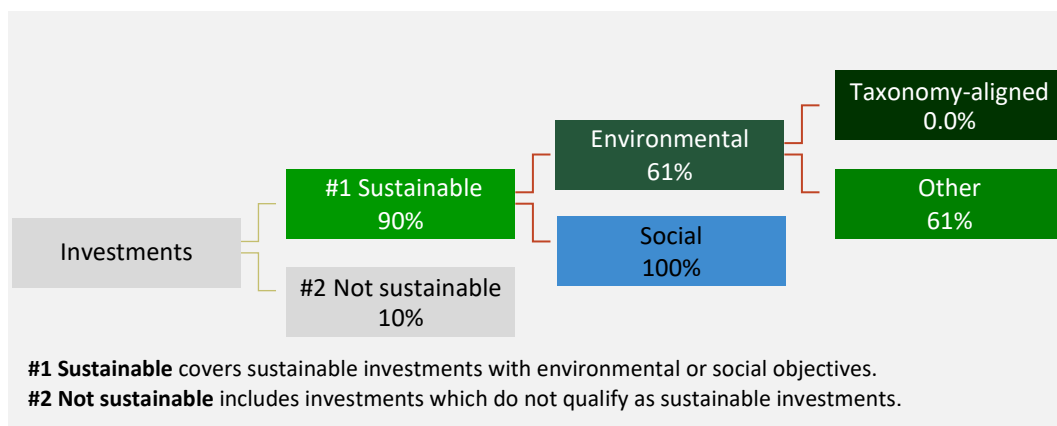
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2024 to 31 December 2024.



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.



Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.

### ● In which economic sectors were the investments made?

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	4.3
Consumer Discretionary	19.6
Consumer Staples	8.2
Energy	-
Financials	15.9
Health Care	10.6
Industrials	24.4
Information Technology	8.3
Materials	3.7
Real Estate	-
Utilities	-
Cash and cash equivalents	5.0

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration,

**Asset allocation** describes the share of investments in specific assets.

To comply, with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or lower-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

Additional transparency is provided by the Investment Manager in their annual report ([Annual Review 2023](#) pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.



## To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?

### ● *Did the financial product investment in fossil gas and/or nuclear energy related activities*

☐ Yes

☐ In fossil gas

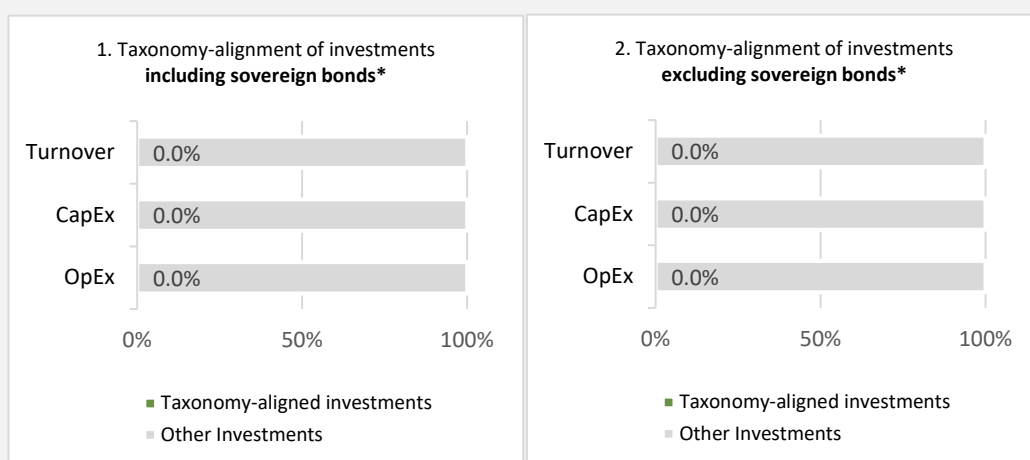
☐ In nuclear energy

☒ No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

*The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



% figures represent taxonomy-aligned investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### ● *What was the share of investments made in transitional and enabling activities?*

The reported share of investments made in transitional and enabling activities for the Fund is **0%**.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

● **How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?**

The percentage of investments aligned with the EU Taxonomy for the previous reference period was **0%**.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?**

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **36** companies. Based on reported turnover data, there was no alignment with the EU taxonomy from any of these companies.



**What was the share of socially sustainable investments?**

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager's human development pillars.



**What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?**

The "#2 Not sustainable" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.

The Fund's service providers for these assets are reviewed and assessed for compliance with FSI's modern slavery policy.



**What actions have been taken to attain the sustainable investment objective during the reference period?**

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager's website (links below):

[Stewardship and corporate engagement policy](#)

[Engagement booklet](#)

[Proxy voting](#)

[Annual review](#)

During the reporting period, the Investment Manager met with **66%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,
- **Animal testing/welfare** – animal testing exposure,

- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,
- **Governance** – corporate strategy and legal structure,

During the period the Investment Manager engaged with **27%** of Fund companies on the following topics -

- Environment: 47%
- Social: 6%
- Governance: 47%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.

#### **Voting activity: 1 January 2024 to 31 December 2024**

Number of companies that held voting meetings	39
Number of meetings to vote at	68
Total proposals to vote on	332
Number of votes against management proposals	0
Number of votes abstained from voting	0
Number of shareholder proposals to vote on	0
Number of shareholder proposals voted against	0
Number of shareholder proposals abstained from voting	0

The Investment Manager did not vote against any resolutions during the period.



#### **How did this financial product perform compared to the reference sustainable benchmark?**

A sustainable benchmark has not been designated to compare the performance for this Fund.

- ***How did the reference benchmark differ from a broad market index?***

Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.



- ***How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?***

Not applicable.

- ***How did this financial product perform compared with the reference benchmark?***

Not applicable.

- ***How did this financial product perform compared with the broad market index?***

Not applicable.

Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Stewart Investors Worldwide All Cap Fund

**Legal entity identifier:**  
549300CUQ1MDVG6JSB91

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

☒ ☒ ☒ **Yes**

☒ It made **sustainable investments with an environmental objective: 76%**

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☒ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☒ It made **sustainable investments with a social objective: 100%**

☐ ☐ ☐ **No**

☐ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of \_\_\_\_% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☐ It promoted E/S characteristics, but **did not make any sustainable investments**

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **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, the Fund held **49** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **116 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager's website –

[stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### **Positive environmental outcomes**

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As of 31 December 2024, the Fund held **49** companies. **37 companies (76%)** were contributing to **climate change solutions**. These companies were contributing to **35** different solutions and, in total, were making **116 contributions** to the solutions.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager's website – [stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

### Assessment

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

#### Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

### ● *How did the sustainability indicators perform?*

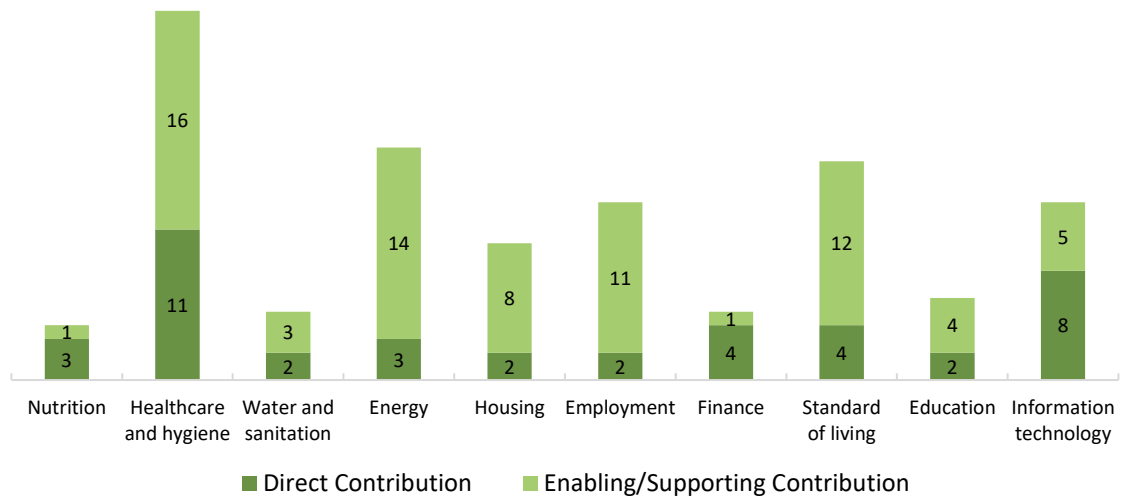
The Investment Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

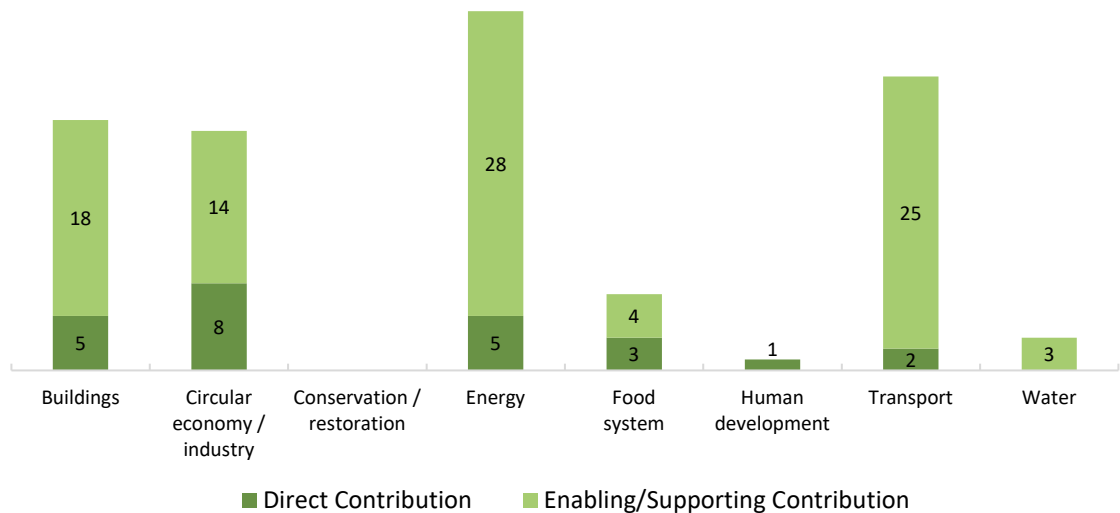
The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

**Human development pillars**  
(number of companies contributing to each pillar)



**Climate change solutions**  
(number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

● **...and compared to previous periods?**

Changes in the sustainability outcomes for the Fund year-on-year are related to bottom-up changes in the portfolio and/or changes in the sustainability profile of individual investee companies.

The social and environmental outcomes for the Fund over previous periods are provided in the tables below.

## Positive social outcomes

Human development pillars	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	50 (100%)	49 (100%)	48 (100%)
Total no. of contributions	-	119	111	114
Nutrition	Direct	4	4	3
	Enabling/Supporting	3	7	10
Healthcare and hygiene	Direct	15	15	18
	Enabling/Supporting	18	14	11
Water and sanitation	Direct	3	2	2
	Enabling/Supporting	5	6	7
Energy	Direct	5	3	3
	Enabling/Supporting	10	6	6
Housing	Direct	2	2	2
	Enabling/Supporting	5	2	1
Employment	Direct	2	3	2
	Enabling/Supporting	8	4	5
Finance	Direct	5	2	2
	Enabling/Supporting	1	2	2
Standard of living	Direct	4	5	4
	Enabling/Supporting	16	18	19
Education	Direct	1	2	1
	Enabling/Supporting	3	5	6
Information technology	Direct	6	4	5
	Enabling/Supporting	3	5	5

## Positive environmental outcomes

Climate solutions	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	36 (72%)	35 (71%)	31 (65%)
No. of different solutions	-	41	34	31
Total no. of solutions	-	114	99	90
Buildings	Direct	5	2	1
	Enabling/Supporting	13	13	14
	Indirect	n/a	n/a	2
Circular economy/industry	Direct	11	9	3
	Enabling/Supporting	9	9	-
	Indirect	n/a	n/a	-
Conservation/restoration	Direct	1	1	1
	Enabling/Supporting	-	-	-
	Indirect	n/a	n/a	-
Energy	Direct	8	7	8
	Enabling/Supporting	24	16	13
	Indirect	n/a	n/a	4
Food system	Direct	5	5	4
	Enabling/Supporting	7	8	7
	Indirect	n/a	n/a	-
Human development	Direct	3	2	2
	Enabling/Supporting	1	1	1
	Indirect	n/a	n/a	-
Transport	Direct	2	2	2
	Enabling/Supporting	21	20	17
	Indirect	n/a	n/a	7
Water	Direct	2	3	3
	Enabling/Supporting	2	1	1
	Indirect	n/a	n/a	-

During 2022 and following feedback from clients, the Investment Manager removed the Indirect Contribution from their climate solutions measures.

Indirect Contribution – providing generic products or services to companies making direct or enabling contributions or making operational decisions which have a material contribution.

In 2022, Project Drawdown added 11 new climate solutions to their framework. The Investment Manager considered these new solutions for their 2022 reporting measures. More detail on these changes are available on the Investment Manager's website: [stewartinvestors.com/all/insights/climate-solutions-update](https://stewartinvestors.com/all/insights/climate-solutions-update)

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Fund's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.



The Investment Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

— Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the Fund held the following companies which flagged against the Investment Manager's policy.

#### **ESAB Corporation**

**Activity exposure >5% revenue:** Supporting Oil & Gas

**Reason for exception/holding:** The company provides welding and cutting and gas control equipment and systems for a variety of industries including manufacturing, infrastructure, energy, shipbuilding and rail.

The external research provider estimates that revenues from products and services supporting oil and gas accounted for 20% of ESAB's overall revenue in FY2022, when the company had not yet begun to report revenue split by end market. The company released its inaugural sustainability report in 2023, coinciding with its first year as an independent corporation. The Investment Manager met with the company and based on their own analysis on the latest (2023) company data and believe the exposure to products and services supporting oil and gas within the business to be no greater than 9% which is lower than the external estimate but higher than their materiality threshold of 5%. They also believe exposure to oil and gas will continue to fall in the coming years as the economy transitions further away from fossil fuels, and the company continues to focus on growing sales in renewable energy. They will continue to engage with the company on their progress in this area.

#### **Spirax-Sarco Engineering**

**Activity exposure >5% revenue:** Supporting Oil & Gas.

**Reason for exception/holding:** The company provides precision heat and control equipment and systems that improve energy efficiency for customers operating in the oil industry.

Revenues derived from oil and gas supporting products and services accounted for 5% of the company's overall revenue in FY2022.

*The Investment Manager sold the company during the period.*

### WEG

**Activity exposure >5% revenue:** Supporting Oil & Gas and Supporting Thermal Coal

**Reason for exception/holding:** The company manufactures and sells renewable energy solutions used in solar and wind power generation, hydroelectric power plants and biomass helping society to shift away from fossil fuel energy production. WEG also manufacture and sell energy efficient electric motors, which help their customers reduce their energy requirements and greenhouse gas emissions.

Revenues derived from oil and gas supporting products and services, and thermal coal supporting products and services accounted for an estimated 2.5% per activity (5% in total) of the company's overall revenue in FY2022, according to the external research provider.

Thermal coal exposure for supporting products and services was added by the external research provider in early 2023 and the Investment Manager contacted the company directly to check the 2.5% revenue estimates provided. Given that coal is not a strategic market segment for their products or customers, the company estimate that <1% revenues to be a more accurate reflection of their exposure.

**Updated research provided during 2024:** WEG flagged against the policy for the first half of 2024 and the wording above relates to this. In Q2 2024, the thermal coal exposure estimated by the external service provider reduced from 2.5% to 1%, meaning the company's overall fossil fuel revenue exposure reduced below the 5% threshold. The Investment Manager removed WEG from their material exposure disclosures.



### How did this financial product consider principal adverse impacts on sustainability factors?

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.

Mandatory indicators	Metrics	2024	2023	2022
Exposure	(EUR m)	147	211	247
1. GHG Emissions	Scope 1 (tCO <sub>2</sub> eq)	473	452	424
	Scope 2 (tCO <sub>2</sub> eq)	879	927	980
	Scope 3 (tCO <sub>2</sub> eq)	42,544	47,221	36,984
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq)	1,352	1,379	1,404
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq)	43,896	48,600	38,388
2. Carbon Footprint	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq/EURm)	9	7	6

	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	299	231	156
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO <sub>2</sub> eq/EURm)	25	23	27
	Scope 1+2+3 (tCO <sub>2</sub> eq/EURm)	1,038	1,060	855
4. Exposure to companies active in the fossil fuel sector	(% involvement)	2%	1%	2%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	84%	73%	69%
	Non-Renewable Energy Production (%)	2%	0%	0%
6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data	no data	no data
	Construction (GWh/EURm)	no data	no data	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data	no data	no data
	Manufacturing (GWh/EURm)	0.10	0.09	0.09
	Mining & Quarrying (GWh/EURm)	no data	no data	no data
	Real Estate Activities (GWh/EURm)	no data	no data	no data
	Transportation & Storage (GWh/EURm)	no data	no data	no data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data	no data	no data
	Trade & Repair of Automobiles (GWh/EURm)	insufficient data	insufficient data	insufficient data
7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	4%	4%	1%
8. Emissions to Water	(t/EURm)	no data	no data	0
9. Hazardous waste ratio	(t/EURm)	13	11	9
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%	0%	0%
	Breach (% involvement)	0%	0%	0%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance with UNGC and OECD guidelines	(% involvement)	68%	67%	86%
12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	insufficient data	insufficient data	insufficient data
13. Board Gender Diversity	% of Female Board Members	35%	33%	32%
14. Exposure to Controversial Weapons	(% involvement)	0%	0%	0%
<b>Voluntary indicators</b>	<b>Metrics</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Water Usage and Recycling	% Water Withdrawal	42%	insufficient data	n/a

	Recycling & Reuse (cubic metres)	38,984,146	insufficient data	n/a
Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.1	0.1	n/a

The SFDR PAI methodology for fossil fuel sector exposure considers Oil & Gas Production, Thermal Coal Extraction and Thermal Coal Supporting Products/Services. The fossil fuel exposure % shown in the table above for the reporting period is for **WEG** and **Westinghouse Air Brake Tech (Wabtec)**. WEG manufactures and sells efficient electrical motors, which help customers across a variety of industrial sectors reduce their energy requirements. The third-party data provider estimates WEG as having 1% of their total revenue derived from products supporting thermal coal. Wabtec is a leading supplier of locomotives, brakes and other rail equipment. The third-party data provider estimates that the company derives 1% of revenue from products used by customers operating thermal coal mines.

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.



### What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2024 to 31 December 2024.

Largest investments	Sector	% assets	Country
Fortinet	Information Technology	5.1	United States
Halma	Information Technology	5.0	United Kingdom
Watsco	Industrials	4.2	United States
Infineon Technologies	Information Technology	3.9	Germany
Roche	Health Care	3.8	Switzerland
DiaSorin	Health Care	3.7	Italy
Edwards Lifesciences	Health Care	3.3	United States
HDFC Bank	Financials	3.2	India
Beiersdorf	Consumer Staples	3.2	Germany
Adyen	Financials	2.8	Netherlands
Zebra Technologies	Information Technology	2.7	United States
Jerónimo Martins	Consumer Staples	2.7	Portugal
Spectris	Information Technology	2.5	United Kingdom
Markel	Financials	2.4	United States
Assa Abloy	Industrials	2.2	Sweden

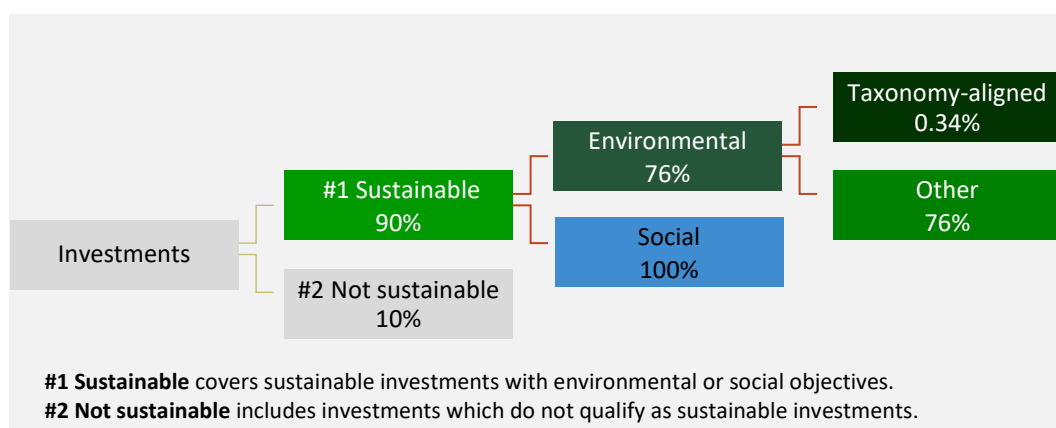
### What was the proportion of sustainability-related investments?



#### What was the asset allocation?

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.

**Asset allocation** describes the share of investments in specific assets.



Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100. The 0.34% Taxonomy-aligned figure is weighted contribution based on reported turnover reflecting the share of revenue from green activities of investee companies. Separately, the 76% 'Other' figure is based on those companies contributing towards the Investment Manager's climate solutions assessment detailed above.

### ● *In which economic sectors were the investments made?*

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	3.3
Consumer Discretionary	1.7
Consumer Staples	9.8
Energy	-
Financials	10.0
Health Care	17.9
Industrials	23.6
Information Technology	31.1
Materials	1.6
Real Estate	-
Utilities	-
Cash and cash equivalents	1.0

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

For part of the period, the Fund held **Spirax-Sarco Engineering** which derives 5% of revenues from products and services supporting the oil & gas industry. The company provides precision heat and control equipment and systems that improve energy efficiency for customers operating in the oil industry. The Fund also held

To comply, with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or lower-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

**WEG** which derives revenues from oil and gas supporting products and services, and thermal coal supporting products and services estimated as 2.5% per activity (5% in total). In Q2 2024, the thermal coal exposure estimated by the external service provider reduced from 2.5% to 1%, meaning the company’s overall fossil fuel revenue exposure reduced below the 5% threshold. The company manufactures and sells renewable energy solutions used in solar and wind power generation, hydroelectric power plants and biomass helping society to shift away from fossil fuel energy production. Finally, the Fund held **ESAB Corporation** which derives c.20% of revenues from products and services supporting the oil & gas industry according to the external research provider but the Investment Manager believes this to be much lower. The company provides welding and cutting and gas control equipment and systems for a variety of industries including manufacturing, infrastructure, energy, shipbuilding and rail. (Full details are in the ‘do no harm’ section above).

Additional transparency is provided by the Investment Manager in their annual report (**Annual Review 2023** pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.



**To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?**

**Did the financial product investment in fossil gas and/or nuclear energy related activities**

- ☐ Yes
- ☐ In fossil gas   ☐ In nuclear energy
- ☒ No

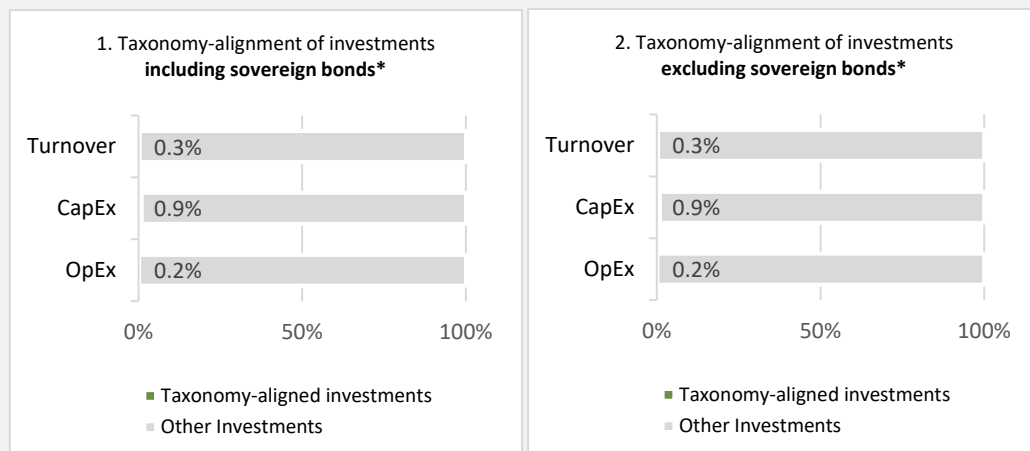
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.





are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy. For environmentally sustainable economic activities under the EU Taxonomy.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



% figures represent taxonomy-aligned investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

#### ● What was the share of investments made in transitional and enabling activities?

Based on reported turnover, the share of investments that the Fund made in transitional activities was **0.02%** and enabling activities was **0.32%**.

#### ● How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Based on reported turnover, the percentage of investments aligned with the EU Taxonomy for the previous reference period was **1.0%**.



#### What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **49** companies. Based on reported turnover data, **45** of the **49** companies had **no alignment** with the EU Taxonomy.



#### What was the share of socially sustainable investments?

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager's human development pillars.



#### What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The "#2 Not sustainable" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.



The Fund's service providers for these assets are reviewed and assessed for compliance with FSI's modern slavery policy.



## What actions have been taken to attain the sustainable investment objective during the reference period?

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager's website (links below):

[Stewardship and corporate engagement policy](#)

[Engagement booklet](#)

[Proxy voting](#)

[Annual review](#)

During the reporting period, the Investment Manager met with **76%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period and across their funds, the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,
- **Animal testing/welfare** – animal testing exposure,
- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,
- **Governance** – corporate strategy and legal structure.

During the period the Investment Manager engaged with **60%** of Fund companies on the following topics -

- Environment: 18%
- Social: 20%
- Governance: 61%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.

**Voting activity: 1 January 2024 to 31 December 2024**

Number of companies that held voting meetings	49
Number of meetings to vote at	57
Total proposals to vote on	675
Number of votes against management proposals	34
Number of votes abstained from voting	2
Number of shareholder proposals to vote on	7
Number of shareholder proposals voted against	4
Number of shareholder proposals abstained from voting	1

**Voting rationales: 1 January 2024 to 31 December 2024**

Company	Proposal	No. of proposals	Voting decision
A.O. Smith Advanced Drainage Systems Arista Networks Edwards Lifesciences EPAM Systems Fortinet Markel Nordson Roche Roper Technologies Spirax Group Synopsys Texas Instruments Veeva Systems Vitasoy Zebra Technologies	Appointment of auditor	16	Against management recommendation
	<b>Rationale</b> The auditor has been in place for over ten years and the companies have given no information on intended rotation which the Investment Manager believes is important for ensuring a fresh perspective on the accounts.		
A.O. Smith	Shareholder proposal: hiring practices	1	Against shareholder proposal
	<b>Rationale</b> The shareholder proposal requested the company to report on hiring practices for people with arrest records. The Investment Manager did not deem this necessary or productive and support the company's hiring process.		
Ashtead Group	Remuneration	2	Against management recommendation
	<b>Rationale</b> The Investment Manager was concerned about excesses in the CEO salary.		
Assa Abloy	Remuneration	2	Against management recommendation
	<b>Rationale</b> The Investment Manager believes that acquisition-centric businesses should incentivise management on returns as well as shares held.		

EPAM Systems	Shareholder proposal: board declassification	1	Against shareholder proposal
	<b>Rationale</b> The Investment Manager did not deem it necessary for all directors to stand for election annually and believed this could destabilise the board by allowing excessive turnover.		
DiaSorin	Amendments to articles	1	Against management recommendation
	<b>Rationale</b> The company did not provide enough information on the amendments.		
Markel	Shareholder proposal: disclosure of GHG emissions	1	Against shareholder proposal
	<b>Rationale</b> The shareholder proposal on greenhouse gas (GHG) emissions called for disclosure of emissions from underwriting, insuring and investments, which is not yet widely or reliably reported in the industry. The Investment Manager would prefer to discuss the topic with the company directly.		
Natura	Remuneration	2	Against management recommendation
	Recasting of votes for amended slate		
	<b>Rationale</b> The remuneration proposal which the company highlighted was based on a discrepancy in the Investment Manager’s third-party research which misrepresented the underlying proposal. Unfortunately, it was too late to reverse the vote but the Investment Manager alerted the research provider to the error. On the recasting of votes, the Investment Manager wanted to avoid the election of potentially unknown candidates.		
Roche	Remuneration	5	Against management recommendation
	<b>Rationale</b> The Investment Manager believed that the executive remuneration was excessive.		
Roper Technologies	Shareholder proposal: simple majority vote	1	Abstain shareholder proposal
	<b>Rationale</b> The board did not provide a recommendation for the shareholder proposal on the removal of supermajority requirements for certain issues.		
Synopsis	Shareholder proposal: independent Chair	1	Against shareholder proposal
	<b>Rationale</b> The shareholder proposal mandated that an independent director serve as Chair at the company. The Investment Manager is confident in the stewardship of the current Chair and former CEO to lead the majority independent board.		
Tecan	Transaction of business	1	Against management recommendation
	<b>Rationale</b>		

	The company did not provide enough information about the proposals and the Investment Manager wanted to avoid giving them unrestricted decision-making power without sufficient clarity.		
Veeva Systems	Amendment to officer exculpation	1	Against management recommendation
	<b>Rationale</b> The Investment Manager was not in favour of limiting the responsibility of corporate officers.		
WEG	Approval for recasting and cumulative voting	3	Against management recommendation
	<b>Rationale</b> The recasting and cumulative voting would allow the board to make changes without shareholder assessment or knowledge of candidates.		
	Supervisory council election	2	Abstained from voting
	Separate board election		
	<b>Rationale</b> The Investment Manager did not receive enough information on the motions and they also preferred the current family stewards to remain in place.		
Zebra Technologies	Remuneration	1	Against management recommendation
	<b>Rationale</b> The Investment Manager did not see sufficient rationale to support a one-off executive award with short vesting conditions.		



## How did this financial product perform compared to the reference sustainable benchmark?

A sustainable benchmark has not been designated to compare the performance for this Fund.

- **How did the reference benchmark differ from a broad market index?**  
Not applicable.
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**  
Not applicable.
- **How did this financial product perform compared with the reference benchmark?**  
Not applicable.
- **How did this financial product perform compared with the broad market index?**  
Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

**Template periodic disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852 establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
Stewart Investors Worldwide Leaders Fund

**Legal entity identifier:**  
5493003C0PDCQZH4VL30

## Sustainable investment objective

### Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input checked="" type="radio"/> <input checked="" type="radio"/> <b>Yes</b>	<input type="radio"/> <input type="radio"/> <input type="radio"/> <b>No</b>
<input checked="" type="checkbox"/> It made <b>sustainable investments with an environmental objective: 83%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input checked="" type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul>	<input type="checkbox"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul>
<input checked="" type="checkbox"/> It made <b>sustainable investments with a social objective: 100%</b>	<input type="checkbox"/> It promoted E/S characteristics, but <b>did not make any sustainable investments</b>

Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100.



### To what extent was the sustainable investment objective of this financial product met?

The Fund has a sustainable objective to invest in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, while many also contribute to positive environmental outcomes. The contribution to sustainable development is assessed under two frameworks, social and environmental.

#### Positive social outcomes

The Investment Manager assesses positive social outcomes by reference to the below human development pillars. Stewart Investors has developed these human development pillars by reference to, amongst other things, the UN Human Development Index.

- **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, the Fund held **36** companies. **All companies (100%)** were contributing to at least one **human development pillar** and, in total, were making **87 contributions** to the pillars.

Further information about how the Investment Manager uses the human development pillars is available on the Investment Manager's website –

[stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars](https://stewartinvestors.com/all/how-we-invest/our-approach/human-development-pillars)

### Positive environmental outcomes

The Investment Manager assesses positive environmental outcomes by reference to the climate solutions developed by Project Drawdown, a non-profit organisation that has mapped, measured and modelled over 90 different solutions that it believes will contribute to reaching 'drawdown', – i.e. the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline.

Below is a list of the climate solutions captured in eight broader categories together with corresponding examples that the Investment Manager believes lead to positive environmental outcomes:

- **Food system** – sustainable farming, food production and the distribution of products and services,
- **Energy** – adoption of renewable energy and other clean energy and related technologies,
- **Circular economy and industries** – improved efficiency, reduced waste, and new business models for closing resource loops in linear value chains and production processes,
- **Human development** – advancement of human rights and education that drive environmental conservation and sustainable use of resources,
- **Transport** – efficient transport technologies and growth in fossil fuel-free transportation options,
- **Buildings** – products and services which reduce the environmental footprint of the built environment, including energy efficiency, electrification, improved design, and use of alternative materials,
- **Water** – less energy-intensive methods for treating, transporting and heating water
- **Conservation and restoration** – supporting deforestation-free and environmentally regenerative supply chains, operations and end-of-life impacts.

As of 31 December 2024, the Fund held **36** companies. **30 companies (83%)** were contributing to **climate change solutions**. These companies were contributing to **35** different solutions and, in total, were making **91 contributions** to the solutions.

Further information about how the Investment Manager uses the Project Drawdown climate solutions is available on the Investment Manager's website – [stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions](https://stewartinvestors.com/all/how-we-invest/our-approach/climate-solutions)

### Assessment

In assessing whether a company “contributes to and benefits from” sustainable development, the Investment Manager will consider whether:

1. there is either a direct or enabling link between the activities of the company and the achievement of a positive social or environmental outcome;
2. the company can benefit from any contribution to positive social or environmental outcomes through revenue or growth drivers inherent in the company's business model, strategic initiatives that are backed by research and development or capital expenditure, or from the company's strong culture and sense of stewardship e.g. for equity and diversity; and
3. the company recognises potential negative social or environmental outcomes associated with its product or services and works towards minimising such outcomes, e.g. a company that sells affordable nutritious food products in plastic packaging but is investigating alternative packaging options.

#### Notes:

Any reference to **Project Drawdown** is to describe the publicly available materials utilised by Stewart Investors in formulating its sustainability analysis. It is not intended to be, and should not be, read as constituting or implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors sustainability assessment framework.

A **direct link** would arise where the goods an entity produces or the services it provides are the primary means through which the positive social or environmental outcome can be achieved (e.g. solar panel manufacturers or installers).

An **enabling link** would arise if the goods a company produces or services it provides enable other companies to contribute towards the achievement of the positive social or environmental outcome (e.g. manufacturers of critical components that are used as inputs in the manufacture of solar panels).

### ● *How did the sustainability indicators perform?*

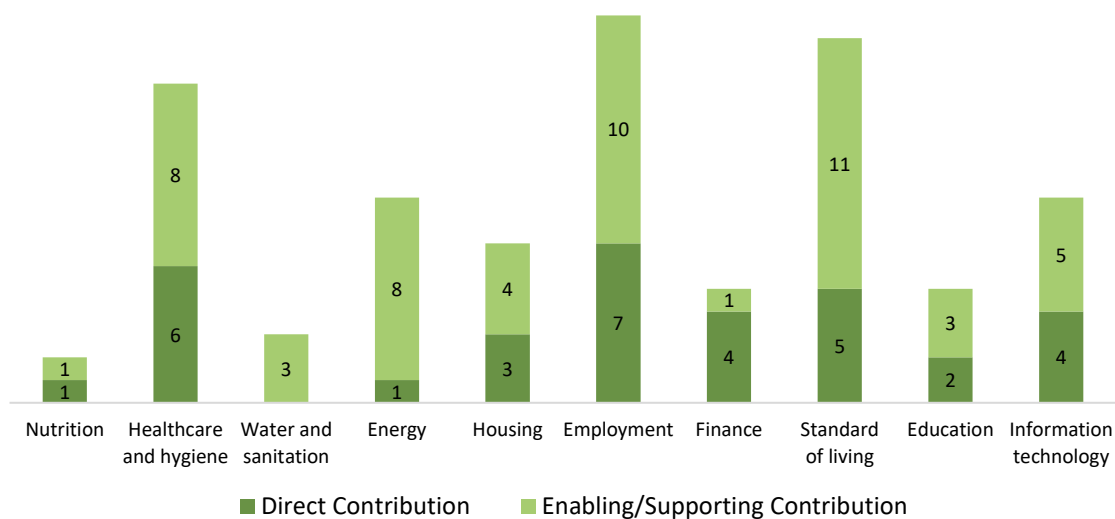
The Investment Manager's Portfolio Explorer tool provides the contribution that each company makes to climate solutions, human development and the Sustainable Development Goals, as well as the investment rationale, key risks and areas for improvement. Click on the link below to access the tool.

[stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer](https://stewartinvestors.com/all/how-we-invest/our-approach/portfolio-explorer)

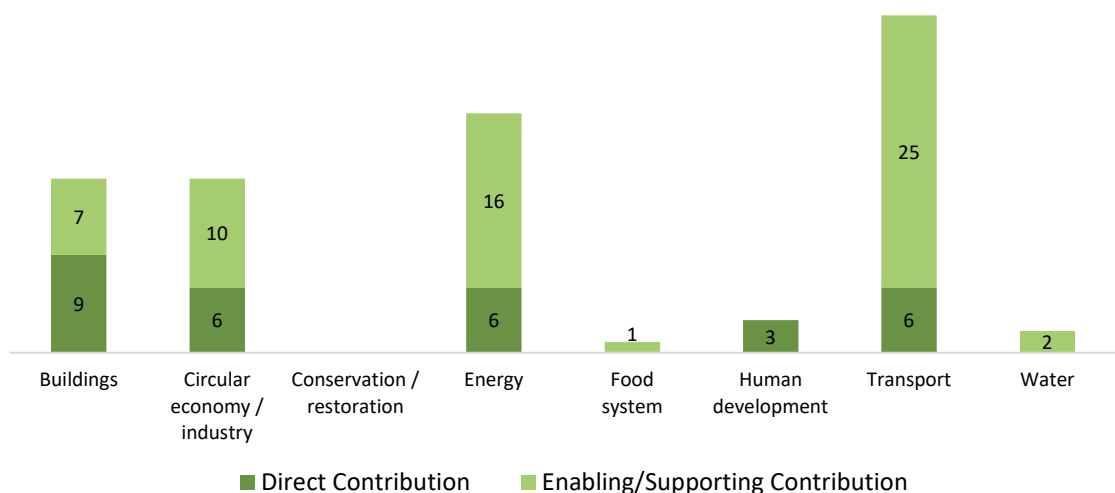
The social and environmental outcomes for the Fund as of 31 December 2024 are provided in the charts below.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

**Human development pillars**  
(number of companies contributing to each pillar)



**Climate change solutions**  
(number of companies contributing to each solution)



Notes: Direct Contribution - directly attributable to products, services or practices provided by that company. Enabling/Supporting Contribution - supported or made possible by products or technologies provided by that company.

● **...and compared to previous periods?**

Changes in the sustainability outcomes for the Fund year-on-year are related to bottom-up changes in the portfolio and/or changes in the sustainability profile of individual investee companies.

The social and environmental outcomes for the Fund over previous periods are provided in the tables below.



## Positive social outcomes

Human development pillars	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	38 (100%)	42 (100%)	40 (100%)
Total no. of contributions	-	98	106	102
Nutrition	Direct	1	2	1
	Enabling/Supporting	1	3	4
Healthcare and hygiene	Direct	7	10	9
	Enabling/Supporting	10	11	8
Water and sanitation	Direct	1	1	1
	Enabling/Supporting	4	3	3
Energy	Direct	2	2	1
	Enabling/Supporting	8	5	6
Housing	Direct	2	2	2
	Enabling/Supporting	4	3	3
Employment	Direct	9	9	8
	Enabling/Supporting	8	4	5
Finance	Direct	5	3	2
	Enabling/Supporting	-	2	2
Standard of living	Direct	5	6	6
	Enabling/Supporting	18	22	20
Education	Direct	2	2	2
	Enabling/Supporting	3	7	8
Information technology	Direct	5	6	7
	Enabling/Supporting	3	3	4

## Positive environmental outcomes

Climate solutions	Contribution	31-Dec-2023	31-Dec-2022	31-Dec-2021
No. of companies (%)	-	30 (79%)	32 (76%)	27 (68%)
No. of different solutions	-	36	35	27
Total no. of solutions	-	94	94	71
Buildings	Direct	4	1	3
	Enabling/Supporting	15	13	10
	Indirect	n/a	n/a	3
Circular economy/industry	Direct	5	8	3
	Enabling/Supporting	9	8	1
	Indirect	n/a	n/a	1
Conservation/restoration	Direct	-	1	1
	Enabling/Supporting	-	1	-
	Indirect	n/a	n/a	-
Energy	Direct	6	7	3
	Enabling/Supporting	15	11	7
	Indirect	n/a	n/a	3
Food system	Direct	-	-	-
	Enabling/Supporting	2	5	3
	Indirect	n/a	n/a	-
Human development	Direct	3	3	4
	Enabling/Supporting	-	1	-
	Indirect	n/a	n/a	-
Transport	Direct	5	5	4
	Enabling/Supporting	26	27	19
	Indirect	n/a	n/a	5
Water	Direct	-	-	-
	Enabling/Supporting	4	3	1
	Indirect	n/a	n/a	-

During 2022 and following feedback from clients, the Investment Manager removed the Indirect Contribution from their climate solutions measures.

Indirect Contribution – providing generic products or services to companies making direct or enabling contributions or making operational decisions which have a material contribution.

In 2022, Project Drawdown added 11 new climate solutions to their framework. The Investment Manager considered these new solutions for their 2022 reporting measures. More detail on these changes are available on the Investment Manager's website: [stewartinvestors.com/all/insights/climate-solutions-update](https://stewartinvestors.com/all/insights/climate-solutions-update)

● ***How did the sustainable investments not cause significant harm to any sustainable investment objective?***

The Fund only invests in companies which both contribute to, and benefit from, sustainable development, achieving positive social and environmental outcomes. All investee companies contribute to improving human development, and may also contribute to positive environmental outcomes.

The Fund's exposure to harmful or controversial products, services or practices is monitored on at least a quarterly basis. For harmful products and services which are revenue-generating, the Investment Manager applies a 5% revenue threshold (controversial weapons and tobacco production are 0%). In other areas where harmful or controversial activities are not attributable to revenue (for example, employee or supply chain issues) the Investment Manager uses internal analysis and research from external providers to monitor and assess companies.

Where any material exposure to these harmful activities is found, the Investment Manager will:

- review the company research and investment case, noting the response where they believe it is adequate,
- engage with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- exit the Fund's position in the company where engagement has been unsuccessful, or where part of a pattern of behaviour raises concerns regarding the quality and integrity of the company's management. If an investment is held in a company that has material exposure to harmful products and services, this will be disclosed on the Stewart Investors website, and the reasons for the exception and for maintaining the holding explained. Exceptions may occur if a company is winding down a legacy commercial activity (in which case the company will be engaged and encouraged to cease the commercial activity concerned), or where the company is not increasing capital expenditure or if a company is only indirectly exposed to a harmful industry or activity, for example, a company making safety products for a wide range of industries may also have customers in the fossil fuel or defence industries.

The Investment Manager's position on harmful and controversial products and services and investment exclusions is available on the Stewart Investors website:

[stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services](https://stewartinvestors.com/all/insights/our-position-on-harmful-and-controversial-products-and-services)

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

— *How were the indicators for adverse impacts on sustainability factors taken into account?*

Adverse impact indicators relevant to each Fund investee company are taken into account through the Investment Manager's bottom-up research, company engagement, adherence to their position statement on harmful and controversial products and services, Group-wide exclusion policies and third-party research providers.

The Investment Manager meets and liaises with companies on an on-going basis and is continuously assessing their sustainability credentials and quality. Where the Investment Manager has identified changes to a company's quality or sustainability positioning through either meetings, ongoing monitoring and reviewing their annual reports, the Investment Manager will re-evaluate the investment case.

In addition, the Fund portfolio is assessed on an ongoing basis by external service providers including controversy monitoring, product involvement, carbon footprints and other impact measures, and breaches of social norms.

The Principal Adverse Impacts (as prescribed under the SFDR) are incorporated into the Investment Manager's company analysis, team discussion and engagement programme. Every investment in the portfolio must do no significant harm, based on the adverse impact indicator assessment. It is possible that an investor does no significant harm but still have some adverse sustainability impacts. In those cases, the Investment Manager shall engage with the company either directly or as part of collaborations with other investment institutions.

Depending on the nature of the issue and the response by the company, the Investment Manager's actions can range from:

- reviewing the company research and investment case, noting the response where they believe it is adequate,
- engaging with the company where they require further information or wish to encourage improved practices and an appropriate resolution of the issues,
- Where engagement has been unsuccessful or where the harmful activities are part of a pattern of behaviour that raises concerns regarding the quality and integrity of the company's management, the Investment Manager will not invest or will exit the Fund's position in the company in an orderly manner, having regard to the best interest of investors.

The Investment Manager includes product level data on Principal Adverse Impact (PAI) indicators in the question below.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

The Fund's sustainable investments are aligned with these Guidelines and Principles.

The Investment Manager continually monitors the companies owned to understand any changes to the strategies. The Fund's portfolio is assessed quarterly by an external service provider for compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, UN global norms and exposure to high-risk sectors. The Investment Manager also receives regular updates from a controversy monitoring service. Where issues are raised by these services, the Investment Manager will review and consider as part of the investment analysis and depending on the detail may engage with the company in question, and if necessary will divest to ensure the portfolio continues to meet the principles which sit at the heart of the investment philosophy.

During the reporting period the Fund held the following companies which flagged against the Investment Manager's policy.

**Tata Consultancy Services (TCS)**

**UN Global Compact Principle 2 (Breach):** Businesses should make sure that they are not complicit in human rights abuses.

**Reason for exception/holding:** TCS has no direct involvement in nuclear weapons or energy, however the external research provider considers the company to be involved because its parent company, Tata Sons, owns greater than 50% of TCS.

Tata Sons involvement is due to the company owning Tata Advanced Systems which acquired Tata Power's Strategic Engineering Division. The Strategic Engineering Division provides control systems for the Indian Navy's nuclear missile submarines.

As India has not signed the Treaty on the Non-Proliferation of Nuclear Weapons, the external data provider considers Tata Sons and by extension TCS to be in support of the nuclear weapons programme of India. The Investment Manager disagrees with this assessment and does not see anything in the activities or conduct of the company to question its sustainability positioning or the investment case.

### WEG

**Activity exposure >5% revenue:** Supporting Oil & Gas and Supporting Thermal Coal

**Reason for exception/holding:** The company manufactures and sells renewable energy solutions used in solar and wind power generation, hydroelectric power plants and biomass helping society to shift away from fossil fuel energy production. WEG also manufacture and sell energy efficient electric motors, which help their customers reduce their energy requirements and greenhouse gas emissions.

Revenues derived from oil and gas supporting products and services, and thermal coal supporting products and services accounted for an estimated 2.5% per activity (5% in total) of the company's overall revenue in FY2022, according to the external research provider.

Thermal coal exposure for supporting products and services was added by the external research provider in early 2023 and the Investment Manager contacted the company directly to check the 2.5% revenue estimates provided. Given that coal is not a strategic market segment for their products or customers, the company estimate that <1% revenues to be a more accurate reflection of their exposure.

**Updated research provided during 2024:** WEG flagged against the policy for the first half of 2024 and the wording above relates to this. In Q2 2024, the thermal coal exposure estimated by the external service provider reduced from 2.5% to 1%, meaning the company's overall fossil fuel revenue exposure reduced below the 5% threshold. The Investment Manager removed WEG from their material exposure disclosures.



## How did this financial product consider principal adverse impacts on sustainability factors?

In addition to the detail described above, the Investment Manager has set a materiality threshold of 5% of revenue for direct involvement in companies materially involved in the exploration, production or generation of fossil fuel energy and a threshold of 0% for controversial weapons. Portfolio companies are checked against the thresholds each quarter by an external third-party research platform.

The below table sets out the PAI indicators for the Fund.

Mandatory indicators	Metrics	2024	2023	2022
Exposure	(EUR m)	78	66	49
1. GHG Emissions	Scope 1 (tCO <sub>2</sub> eq)	619	578	331
	Scope 2 (tCO <sub>2</sub> eq)	395	292	177
	Scope 3 (tCO <sub>2</sub> eq)	26,487	19,624	13,983
	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq)	1,015	871	508
	Total Emissions Scope 1+2+3 (tCO <sub>2</sub> eq)	27,502	20,494	14,491
2. Carbon Footprint	Total Emissions Scope 1+2 (tCO <sub>2</sub> eq/EURm)	13	13	10

	Total Emissions Scope 1+2+3 (tCO2eq/EURm)	355	312	294
3. GHG Intensity of Investee Companies	Scope 1+2 (tCO2eq/EURm)	60	41	33
	Scope 1+2+3 (tCO2eq/EURm)	1,390	1,359	967
4. Exposure to companies active in the fossil fuel sector	(% involvement)	3%	2%	1%
5. Share of Non-Renewable Energy Consumption and Production	Non-Renewable Energy Consumption (%)	75%	85%	78%
	Non-Renewable Energy Production (%)	7%	0%	insufficient data
6. Energy consumption intensity per high impact sector	Agriculture, Forestry & Fishing (GWh/EURm)	no data	no data	no data
	Construction (GWh/EURm)	no data	no data	no data
	Electricity, Gas, Steam & Air Conditioning Supply (GWh/EURm)	no data	no data	no data
	Manufacturing (GWh/EURm)	0.22	0.10	0.07
	Mining & Quarrying (GWh/EURm)	no data	no data	no data
	Real Estate Activities (GWh/EURm)	no data	no data	no data
	Transportation & Storage (GWh/EURm)	insufficient data	insufficient data	insufficient data
	Water Supply, Sewerage, Waste Remediation (GWh/EURm)	no data	no data	no data
	Trade & Repair of Automobiles (GWh/EURm)	insufficient data	no data	insufficient data
7. Activities Negatively Affecting Biodiversity Areas	(% involvement)	0%	0%	1%
8. Emissions to Water	(t/EURm)	no data	no data	insufficient data
9. Hazardous waste ratio	(t/EURm)	8	5	2
10. Violations of UNGC and OECD Guidelines for Multinational Enterprises	Watch (% involvement)	0%	1%	1%
	Breach (% involvement)	2%	2%	4%
11. Lack of Processes & Compliance Mechanisms to Monitor Compliance with UNGC and OECD guidelines	(% involvement)	71%	60%	77%
12. Unadjusted Gender Pay Gap	% of Male Gross Hourly Rate	no data	no data	insufficient data
13. Board Gender Diversity	% of Female Board Members	30%	29%	30%
14. Exposure to Controversial Weapons	(% involvement)	0%	0%	0%
<b>Voluntary indicators</b>	<b>Metrics</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Water Usage and Recycling	% Water Withdrawal	64%	32%	n/a
	Recycling & Reuse (cubic metres)	49,433,508	4,747,704	n/a

Number of Identified Cases of Severe Human Rights Issues & Incidents	Weighted number of incidents	0.4	n/a
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The SFDR PAI methodology for fossil fuel sector exposure considers Oil & Gas Production, Thermal Coal Extraction and Thermal Coal Supporting Products/Services. The fossil fuel exposure % shown in the table above for the reporting period is for **WEG**, **Samsung C&T** and **Westinghouse Air Brake Tech (Wabtec)**. WEG manufactures and sells efficient electrical motors, which help customers across a variety of industrial sectors reduce their energy requirements. The third-party data provider estimates WEG as having 1% of their total revenue derived from products supporting thermal coal. Samsung C&T, which was held for part of the reporting period, is a holding company with direct operating businesses in construction and trade, plus high-value holdings in health and electronics. The third-party data provider estimates that the company derives 1% of revenue from one its subsidiaries which is involved in oil and gas exploration, development, and production. Wabtec is a leading supplier of locomotives, brakes and other rail equipment. The third-party data provider estimates that the company derives 1% of revenue from products used by customers operating thermal coal mines.

Notes: PAI data is sourced from third-party ESG data providers. Limitations to the data provided from third parties will stem from their coverage and methodologies and from limited disclosures by issuer companies. Where data is not available, third-party providers may use estimation models or proxy indicators. Methodologies used by data providers may include an element of subjectivity. Whilst data is collected on an ongoing basis, in this rapidly evolving environment, data can become outdated within a short time period. Data for certain metrics may be based on limited data across the portfolio companies.



## What were the top investments of this financial product?

The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2024 to 31 December 2024.

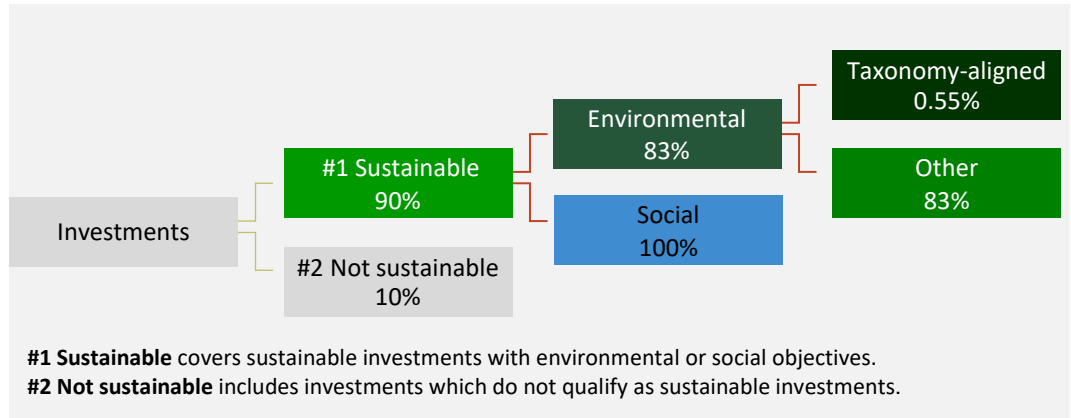
Largest investments	Sector	% assets	Country
Mahindra & Mahindra	Consumer Discretionary	7.7	India
Watsco	Industrials	6.9	United States
Fortinet	Information Technology	6.2	United States
bioMérieux	Health Care	5.4	France
HDFC Bank	Financials	4.9	India
TSMC	Information Technology	4.6	Taiwan
Costco	Consumer Staples	3.7	United States
DHL Group	Industrials	3.7	Germany
Arista Networks	Information Technology	3.4	United States
Copart	Industrials	2.9	United States
Markel	Financials	2.8	United States
Texas Instruments	Information Technology	2.7	United States
Beiersdorf	Consumer Staples	2.7	Germany
Roper Technologies	Information Technology	2.6	United States
Old Dominion Freight Line	Industrials	2.6	United States



## What was the proportion of sustainability-related investments?

### ● What was the asset allocation?

The Fund invested at least 90% of its Net Asset Value in companies that are positioned to contribute to, and benefit from, sustainable development. Sustainable development is based on the Investment Manager's own philosophy explained in the Investment Policy of the Prospectus.



Notes: The percentages are defined and measured on the basis that each sustainable investment must contribute to a social objective and may also contribute to an environmental objective. The percentages will therefore not add to 100. The 0.55% Taxonomy-aligned figure is weighted contribution based on reported turnover reflecting the share of revenue from green activities of investee companies. Separately, the 83% 'Other' figure is based on those companies contributing towards the Investment Manager's climate solutions assessment detailed above.

### ● In which economic sectors were the investments made?

The average holdings (excluding cash) over the reporting period in Global Industry Classification Standard (GICs) sectors:

Sector	% assets
Communication Services	-
Consumer Discretionary	8.4
Consumer Staples	6.4
Energy	-
Financials	7.9
Health Care	9.7
Industrials	34.4
Information Technology	30.1
Materials	2.2
Real Estate	-
Utilities	-
Cash and cash equivalents	0.9

The Fund has no direct holdings in companies materially involved in the exploration, production or generation of fossil fuel energy.

To comply, with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or lower-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective

**Transitional activities are economic activities** for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

or investments in specific assets.



The Investment Manager checks investee companies (via a third-party research platform and on a quarterly basis) for any revenues derived from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels. They disclose any companies above their material threshold (5% of revenues) on their website.

During the period the Fund held **WEG** which derives revenues from oil and gas supporting products and services, and thermal coal supporting products and services estimated as 2.5% per activity (5% in total). In Q2 2024, the thermal coal exposure estimated by the external service provider reduced from c.2.5% to c.1%, meaning the company's overall fossil fuel revenue exposure reduced below the 5% threshold. The company manufactures and sells renewable energy solutions used in solar and wind power generation, hydroelectric power plants and biomass helping society to shift away from fossil fuel energy production. (Full details are in the 'do no harm' section above).

Additional transparency is provided by the Investment Manager in their annual report (**Annual Review 2023** pg.20), where they disclose companies that are providing services to the fossil fuel industry directly or via their underlying subsidiaries.



### To what extent were sustainable investments with an environmental objective aligned with the EU Taxonomy<sup>1</sup>?

#### ● *Did the financial product investment in fossil gas and/or nuclear energy related activities*

☐ Yes

☐ In fossil gas    ☐ In nuclear energy

☒ No

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

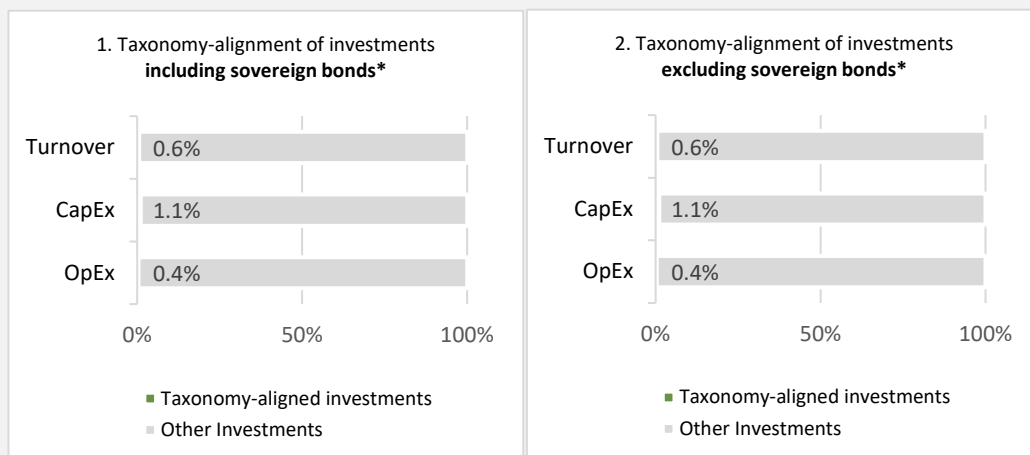
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<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory notes in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.



% figures represent taxonomy-aligned investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures

### ● What was the share of investments made in transitional and enabling activities?

Based on reported turnover, the share of investments that the Fund made in transitional activities was **0.00%** and enabling activities was **0.39%**.

### ● How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

Based on reported turnover, the percentage of investments aligned with the EU Taxonomy for the previous reference period was **0.7%**.



### What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

The Fund does not actively target EU Taxonomy-aligned assets.

As of 31 December 2024, the Fund held **36** companies. Based on reported turnover data, **34** of the **36** companies had **no alignment** with the EU Taxonomy.



### What was the share of socially sustainable investments?

**All companies** in the Fund were aligned to socially sustainable investments as defined by the Investment Manager's human development pillars.



### What investments were included under "not sustainable", what was their purpose and were there any minimum environmental or social safeguards?

The "#2 Not sustainable" assets are cash and near-cash assets held pending investment, to meet liquidity requirements, or assets held in order to allow efficient operational exit of positions. Cash is held by the depositary.

The Fund's service providers for these assets are reviewed and assessed for compliance with FSI's modern slavery policy.



## What actions have been taken to attain the sustainable investment objective during the reference period?

No company is perfect and engagement and voting are key responsibilities for the Investment Manager as long-term shareholders. They believe that engagement is a means to mitigate business risks, protect against potential headwinds and improve sustainability outcomes. Engagement is fully integrated into the responsibilities of the investment team and contributes invaluable insights into their understanding of each company.

More information is available on the Investment Manager's website (links below):

[Stewardship and corporate engagement policy](#)

[Engagement booklet](#)

[Proxy voting](#)

[Annual review](#)

During the reporting period, the Investment Manager met with **70%** of Fund companies.

All engagement starts with bottom-up analysis, with responsibility shared across the investment team. Over the period and across their funds, the Investment Manager engaged on topics such as:

- **Pollution, natural resource degradation, biodiversity and climate change** – packaging, plastic pellets, deforestation, sustainability of supply chains (soy, palm oil and coffee), fossil fuel versus renewables, water, waste and energy efficiency,
- **Aligned remuneration and incentives** – living wage, gender pay gap and complexity of incentives,
- **Animal testing/welfare** – animal testing exposure,
- **Human rights and modern slavery** – conflict minerals in the supply chains of semiconductors, trafficking, forced labour and child labour in the Asia Pacific region and public health,
- **Diversity, equity and inclusion** – diversity, particularly gender, in senior management and on boards,
- **Addictive products** – indirect exposure to tobacco, chemicals, gaming, adult entertainment, and sugar content in food,
- **Governance** – corporate strategy and legal structure.

During the period the Investment Manager engaged with **62%** of Fund companies on the following topics -

- Environment: 12%
- Social: 21%
- Governance: 67%

*Engagements may relate to one or multiple environmental, social or governance topics.*

Proxy voting is an extension of the Investment Manager's engagement activities. It is not outsourced to an external provider or separate proxy voting/engagement team. The Investment Manager considers each proxy vote individually and on its own merits in the context of their knowledge about that particular company. A breakdown of voting activity for the Fund is detailed below.

**Voting activity: 1 January 2024 to 31 December 2024**

Number of companies that held voting meetings	39
Number of meetings to vote at	45
Total proposals to vote on	556
Number of votes against management proposals	25
Number of votes abstained from voting	2
Number of shareholder proposals to vote on	10
Number of shareholder proposals voted against	5
Number of shareholder proposals abstained from voting	2

**Voting rationales: 1 January 2024 to 31 December 2024**

Company	Proposal	No. of proposals	Voting decision
Arista Networks bioMérieux Copart Edwards Lifesciences EPAM Systems Expeditors Fastenal Fortinet Graco Lincoln Electric Linde Markel Old Dominion Freight Line Roper Technologies Texas Instruments	Appointment of auditor	15	Against management recommendation
	<b>Rationale</b> The auditor has been in place for over ten years and the companies have given no information on intended rotation which the Investment Manager believes is important for ensuring a fresh perspective on the accounts.		
Ashtead Group	Remuneration	2	Against management recommendation
	<b>Rationale</b> The Investment Manager was concerned about excesses in the CEO salary.		
Costco	Shareholder proposal: reporting on climate change	1	Against shareholder proposal
	<b>Rationale</b> The shareholder proposal requested that the company conduct a feasibility study of reaching net zero by 2050. The Investment Manager believes that the company is making progress with tangible near-term climate targets in place, and that long-term projections on net zero transition are difficult and can be fraught with errors. The Investment Manager finds the company's approach reasonable and sensible.		
EPAM Systems	Shareholder proposal: board declassification	1	Against shareholder proposal

	<b>Rationale</b> The Investment Manager did not deem it necessary for all directors to stand for election annually and believed this could destabilise the board by allowing excessive turnover.		
Expeditors	Shareholder proposal: diversity and inclusion report	1	Against shareholder proposal
	<b>Rationale</b> The shareholder proposal requested that a Diversity and Inclusion report be produced by the company. The Investment Managers believes this topic requires a wider discussion and cannot be resolved through disclosure alone.		
Fastenal	Shareholder proposal: simple majority vote	1	Against shareholder proposal
	<b>Rationale</b> The simple majority voting was already covered by the company's own proposals.		
Markel	Shareholder proposal: disclosure of GHG emissions	1	Against shareholder proposal
	<b>Rationale</b> The shareholder proposal on greenhouse gas (GHG) emissions called for disclosure of emissions from underwriting, insuring and investments, which is not yet widely or reliably reported in the industry. The Investment Manager would prefer to discuss the topic with the company directly.		
Midea	Adjustment of the guarantee for controlled subsidiaries assets pool business	4	Against management recommendation
	Employee stock ownership plan		
	<b>Rationale</b> On the guarantee for controlled subsidiaries assets pool business, the Investment Manager found the guarantee amount to be excessive. On the proposed employee stock ownership plan, the Investment Manager believed that non-executive director involvement could lead to a conflict of interest.		
Old Dominion Freight Line	Shareholder proposal: adoption of GHG targets and alignment with the Paris Agreement	1	Abstain shareholder proposal
	<b>Rationale</b> The Investment Manager had previously engaged with the company on this issue and preferred to continue the dialogue directly with the company to better understand their plans.		
Roper Technologies	Shareholder proposal: simple majority vote	1	Abstain shareholder proposal
	<b>Rationale</b> The board did not provide a recommendation for the shareholder proposal on the removal of supermajority requirements for certain issues.		

Samsung Electronics	Director election	1	Against management recommendation
	<b>Rationale</b> The Investment Manager would have preferred more independent, non-family associated directors.		
WEG	Approval for recasting and cumulative voting	3	Against management recommendation
	<b>Rationale</b> The recasting and cumulative voting would allow the board to make changes without shareholder assessment or knowledge of candidates.		
	Supervisory council election	2	Abstained from voting
	Separate board election		
	<b>Rationale</b> The Investment Manager did not receive enough information on the motions and they also preferred the current family stewards to remain in place.		



### How did this financial product perform compared to the reference sustainable benchmark?

A sustainable benchmark has not been designated to compare the performance for this Fund.

- **How did the reference benchmark differ from a broad market index?**  
Not applicable.
- **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?**  
Not applicable.
- **How did this financial product perform compared with the reference benchmark?**  
Not applicable.
- **How did this financial product perform compared with the broad market index?**  
Not applicable.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable objective.

## Important Information

This document has been prepared for informational purposes only and is only intended to provide a summary of the subject matter covered and does not purport to be comprehensive. The views expressed are the views of the writer at the time of issue and may change over time. It does not constitute investment advice and/or a recommendation and should not be used as the basis of any investment decision. This document is not an offer document and does not constitute an offer or invitation or investment recommendation to distribute or purchase securities, shares, units or other interests or to enter into an investment agreement. No person should rely on the content and/or act on the basis of any material contained in this document.

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Further information is contained in the Prospectus and the relevant key information documents which are available free of charge by writing to: Client Services, First Sentier Investors, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland or by telephoning +353 1 635 6798 between 9am and 5pm (Dublin time) Monday to Friday or by visiting [www.firstsentierinvestors.com](http://www.firstsentierinvestors.com). Telephone calls may be recorded.

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Representative and Paying Agent in Switzerland: The representative and paying agent in Switzerland is BNP Paribas Securities Services, Paris, Succursale de Zurich, Selnaustrasse 16, 8002 Zurich, Switzerland. The prospectus, key investor information documents, the instrument of incorporation as well as the annual and semi-annual reports may be obtained free of charge from the representative in Switzerland.

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