Stewart Investors

Stewart Investors Indian Subcontinent Sustainability Fund

TCFD Climate Report for the year ended 31 December 2023

Prepared using the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

This public TCFD product report is published by First Sentier Investors (UK) Funds Limited pursuant to the requirements set out in chapter 2 of the Environmental, Social and Governance sourcebook ("ESG Sourcebook") of the FCA Handbook.

Introduction

Stewart Investors is a sub-brand of First Sentier Investors (FSI), which is 100% owned by Mitsubishi UFJ Trust and Banking Corporation (MUTB), a wholly-owned subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG). Stewart Investors operates as an autonomous investment group which includes the investment team, support functions and business management. Stewart Investors is also supported by FSI in various areas and is subject to FSI's governance and oversight arrangements.

Stewart Investors launched their first sustainable investment strategy in 2005, with a goal of investing in high-quality companies that contribute to, and benefit from, sustainable development. Stewart Investors' investment approach is bottom-up with the investment team analysing the management, franchise, and financial quality of each business, along with how their business models and activities support sustainable development objectives. Stewart Investors believe these attributes drive long-term investment returns.

The investment team seeks to understand how rising to the challenge of reducing greenhouse gas emissions in line with global goals might influence a company's business, and how each company can help the world achieve their carbon-reduction targets. Some companies Stewart Investors invest in directly support or otherwise enable the emission reductions needed to meet global climate goals. Obvious examples include renewable energy and electric vehicles. Less obvious examples include companies supporting energy efficiency, sustainable agriculture, and waste reduction.

Stewart Investors' investment process recognises that companies contributing to other aspects of sustainable development, such as improved health or reduced inequality, also need to reduce carbon emissions and build resilience across their value chains. The investment team actively encourages investee companies to do more and move faster to achieve sustainable development outcomes, including transitioning to a lower-carbon world.

In 2022 Stewart Investors published their first Climate Report which set baselines and targets for 2025, 2030 and 2050. Stewart Investors also aim to invest in companies achieving positive social outcomes and contributing to far-reaching sustainable development challenges such as poverty alleviation, inequality, and biodiversity loss. Climate-related targets do not diminish the investment team's focus on these other areas rather the team see them as being intrinsically connected and interdependent.

As a firm, Stewart Investors continues to critically assess the effectiveness of their investment approach and the goals they set for helping to achieve a net-zero carbon economy.

Stewart Investors climate commitments

Stewart Investors established four climate change commitments in 2021:

1. Allocate capital to high-quality companies developing and implementing solutions to alleviate climate change and biodiversity loss while not investing in fossil fuel companies.
2. Provide full transparency of their investments and map these on their Portfolio Explorer tool[1] to frameworks such as Project Drawdown climate change solutions[2] to both illustrate how companies are contributing to emission reductions and to help inform and focus engagement efforts.
3. Encourage companies to take positive actions and use their influence across their value chains to drive emission reductions while also striving to ensure equitable treatment of all their stakeholders in the transition to a carbon-constrained economy.
4. Reduce emissions in their own operations and offset whatever cannot be removed. They have a target of net zero scope 1 and 2 emissions from business operations and scope 3 emissions from employee travel and commute by 2030.

Governance of climate-related risks and opportunities

Climate change risks are overseen and monitored by multiple governance bodies within Stewart Investors and FSI.

The Stewart Investors investment team is responsible for assessing and managing climate risks and opportunities at the fund level. Stewart Investors manages climate change risks through bottom-up analysis and engagement with companies, guided by their investment philosophy and Hippocratic Oath.

Monitoring and oversight of investment funds occurs on a continuous basis, with the respective portfolio manager responsible for individual investment decisions. The head of the investment team has overall responsibility for the team's work.

FSI's management team has established operational governance structures to manage, support and oversee investment and other functions across FSI's operations globally. Governance arrangements that are relevant to Stewart Investors and their management of climate related risks include:

- FSI's Global Investment Committee (GIC) provides oversight of the investment return and risk characteristics of Stewart Investors pooled funds and mandates. This incorporates sustainability risks stemming from environmental, social and governance (ESG) sources, including climate change.
- FSI's Investment Product Research and Assurance (IPRA) team supports the GIC with investment assurance oversight, which includes systematic assessments of all aspects of investment and portfolio risk, including oversight of ESG-related risks.
- The IPRA team collaborates with FSI's Responsible Investment team in carrying out their investment assurance activities, in particular as it relates to engagement with the investment teams on their respective approaches to responsible investment and the assessment of responsible investment characteristics of the underlying investment funds. The Stewart Investors team engages with the Responsible Investment team and FSI management and have representatives on FSI's Global Responsible Investment Executive Committee and ESG Impacts Committee.
- FSI's internal audit function conduct periodic audits of investment functions. These audits include assessment of whether an investment team's stated investment philosophy and process is what occurs in practice – including management of climate change and ESG issues. Further details of FSI's oversight and management of climate-related risks and opportunities across the firm can be found in FSI's entity-level 2023 Climate Change Statement on the reports and policy section of the First Sentier Investors website.

[1] The Portfolio Explorer is an interactive tool which allows users to explore the companies that we invest in, and discover the contributions they are making to sustainable development.

[2] Founded in 2014, Project Drawdown®1 is a non-profit organisation that seeks to help the world reach 'drawdown' — the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline. Project Drawdown's deeply researched collection of around 90 climate change solutions, which if scaled up, can deliver the Paris Agreement's temperature goal. The full set of solutions along with the research that backs them are publicly available on www.drawdown.org

Implications of climate change for our strategy

Investment Strategy

Since 2005, Stewart Investors' investment philosophy has explicitly sought to invest in companies well positioned to contribute to, and benefit from, sustainable development. Every investment decision the investment team makes considers the sustainability positioning of every company from the bottom-up and includes:

- Detailed company analysis, including written company reports and annual stock reviews
- Investment team discussion and debate
- Weekly team and strategy meetings to discuss investment opportunities, risks, and decisions
- Meetings with company management and key stakeholders, from competitors to NGOs (Non-Governmental Organisation)
- Commissioned research on various aspects of business quality, including understanding climate and related risks
- Consideration of other third-party research

The output from many years of employing this investment philosophy has resulted in funds that have lower carbon footprints than their corresponding benchmarks, are free of fossil fuel-extracting companies, and have a minimum of 40% of companies contributing to climate change solutions. This Fund also meets those characteristics.

Investing in Quality Companies

While positive sustainability positioning is important, it is not enough to protect client assets from climate-related risks or to capture opportunities. Stewart Investors believes that high-quality companies are in a better position to make the long-term investments and changes needed to transition their businesses to net-zero emissions and build resilience to the physical impacts of a changing climate. Stewart Investors invests in companies that it believes have exceptional management teams and cultures, enduring franchises with strong market positions and reputations, and sound financials, including low or no debt, sustainable margins, and free cash flow.

Engagement

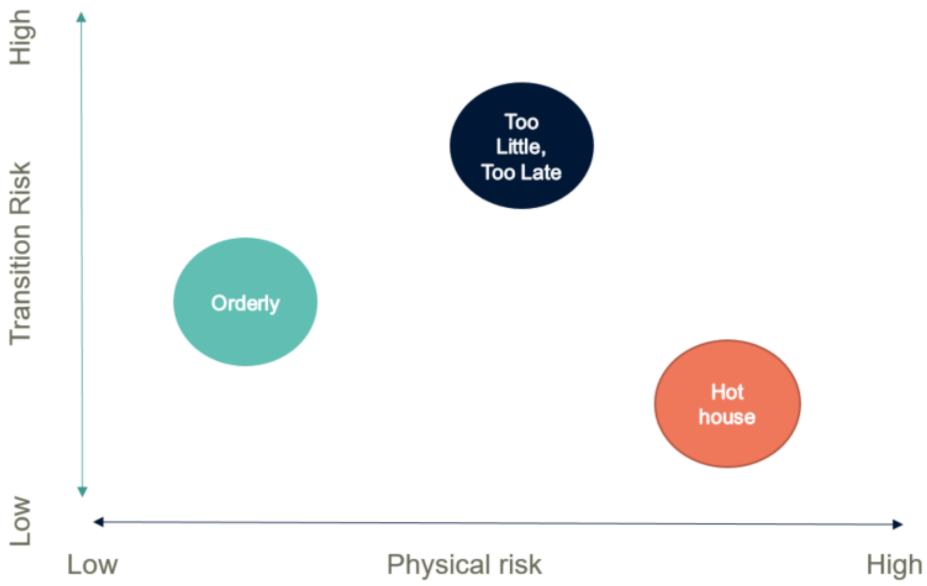
Company engagement is a critical part of Stewart Investors' investment process. Engagement helps the investment team to build confidence in company management and to encourage companies to improve. Stewart Investors believes that constructive engagement is vital for the success of investors with a long-term investment horizon. Climate change has long been an area of engagement with companies and Stewart Investors sees it as a key lever in achieving their climate targets.

Scenario Analysis

The UK climate reporting legislation requires asset managers to use scenario analysis to describe the risk, opportunities and impacts of different climate change scenarios on their investments. Stewart Investors' investment philosophy and process recognises that climate change is inextricably linked with other sustainable development challenges, from biodiversity loss to poverty alleviation and so cannot be looked at in isolation.

Stewart Investors have yet to integrate scenario analysis tools into their investment decision making, even though company resilience and their ability to transition to a net-zero carbon economy are key considerations when analysing every company.

FSI's Responsible Investment team independently conducts scenario analysis on Stewart Investors' funds and provides this analysis to Stewart Investors and the relevant FSI governance forums. FSI's qualitative analysis is based on the assumptions made under the three scenario narratives for the 'Orderly', 'Too Little, Too Late' and 'Hothouse' scenarios developed by the Network for Greening the Financial System, in addition to IEA Sustainable Development Scenario (SDS), Announced Pledges Scenario (APS) and Stated Policies Scenario (STEPS) carbon budget data. FSI's RI team has conducted a scenario assessment of the climate-related risks and opportunities for the fund.



Source: NGFS scenario portal[3]

The 'Orderly transition' scenario assumes that climate policies are introduced smoothly and likely limit global warming to 1.5 degrees Celsius. The 'Too Little Too Late transition' assumes that climate policies are delayed or divergent, with the world moving at two different speeds requiring steeper emission reductions at a higher cost to limit temperature rise to 1.5 degrees Celsius. The 'Hothouse' scenario assumes that some climate policies are implemented in some jurisdictions, but globally efforts are insufficient to halt significant global warming. The scenario results in higher physical climate impacts and severe social and economic disruption.

For transition risk exposure FSI considered stranded asset and carbon pricing risk by measuring the fund's exposure to investee company's involvement in fossil fuel related activities, whether they have set climate change related targets and the sector's contribution to fund emissions (see Key Metrics Section). For the physical risk impact exposure, FSI focused on 5 hazards (wildfire, water stress, sea level rise, floods, and temperature rise) and potential exposure to business/supply chain interruption.

The key results of the qualitative scenario analysis are that when climate policy action is high, the fund showed higher transition risk in the short and medium term compared to the less ambitious climate scenarios. However, as the portfolio has little exposure to carbon-intensive sectors and includes many companies actively contributing to climate solutions, the exposure to stranded asset and carbon pricing risks is less than for the fund's benchmark. While rapid decarbonisation will have implications for all companies, Stewart Investors focus on companies with high-quality management teams, enduring franchises, and strong balance sheets should allow these companies to better adapt to a rapidly changing economy.

Climate risk management

Investment risks

Climate-related risks to the investments Stewart Investors makes on behalf of their clients is the responsibility of the investment team. As indicated in the strategy and governance sections, Stewart Investors believes their focus on sustainability positioning and quality are the best defence against climate-related risks.

In addition to the investment teams' internal analysis, the team commissions specialist investment research to support their knowledge building, decision-making and engagement activities. This research helps the investment team to

[3] NGFS Portal: [NGFS Scenarios Portal]

understand how the size and the speed of the net-zero transition is likely to impact the companies as well as how companies are positioned to cope with the increasing impacts of a changing climate. A list of research that Stewart Investors have commissioned is available on their website.

Stewart Investors position statement on harmful and controversial activities lays out their approach to managing risks by avoiding polluting companies, including fossil fuel companies, with little hope of transitioning their businesses successfully. The investment team also monitor the revenues derived from the fossil fuel industry by investee companies as these revenues are also at risk.

In addition to the work of the investment team, FSI has a Global Investment Committee, which monitors climate and other ESG risks for all investment teams. More generally, FSI's Global Responsible Investment Executive Committee and ESG Impacts Committee set policies and support investment teams with data and opportunities to collaborate.

Business risks

The key risk for Stewart Investors is the reputational and regulatory consequences if their actions do not match the statements made regarding their approach to sustainable investment (when businesses claim to be more sustainable than they are, it is known as 'greenwashing').

Stewart Investors manage these risks by:

- Having exclusively managed sustainable development focused funds for almost 20 years, sustainability is deeply embedded within Stewart Investors' investment philosophy, culture, and ethos
- Stewart Investors have a small investment team and support functions to help maintain their culture and values while constantly revisiting their approach
- Stewart Investors have a diverse team with multidisciplinary skills and qualifications relevant to climate change
- The investment team, with support from Stewart Investors' Impact, Communications and Engagement team, produces all investment communications
- FSI's compliance team review all communications and apply high standards for evidence and sourcing of information
- Stewart Investors provide full fund transparency quarterly in their Portfolio Explorer tool where it describes the investment case, sustainability positioning and contributions investee companies make, along with risks and areas for improvement
- To validate climate change contributions, the investment team refers to credible frameworks like Project Drawdown
- Stewart Investors is clear and consistent in communicating their investment philosophy and process, including their qualitative approach to assessing companies. Through improved disclosure, like this report, Stewart Investors believes it can continue to demonstrate an authentic, rigorous, and transparent approach to sustainable investing.

Further details of FSI's risk management of climate-related risks and opportunities across the firm can be found in our entity-level 2023 Climate Change Statement on the reports and policy section of the First Sentier Investors website

Key metrics (as at 31 December 2023)

The following metrics are used as part of Stewart Investors assessment of climate-related risks and opportunities across the fund. The metrics include the Carbon Footprint, Weighted Average Carbon Intensity and Total Emissions of the fund as required by the UK Financial Conduct Authority's product-level climate disclosure rules. These rules also require Stewart Investors to determine if a fund has concentrated exposures or high exposures to carbon intensive sectors and if so to include quantitative scenario analysis metrics. This product did not have high exposure to carbon-intensive sectors during the reporting period; however, aside from fossil fuel companies, other high emitting sectors like cement and steel are not explicitly excluded and are eligible for investment if an individual company can meet Stewart investors quality and sustainability standards.

Stewart Investors has set climate-related targets consistent with their commitments. Stewart Investors targets are not fund specific and relate to all their investment portfolios and business:

- Reduce portfolio emissions in absolute terms by 50% or 86,850 tonnes of CO2e by 2030.
- 100% of companies disclosing scope 1 and 2 emissions by 2025
- 80% of financed emissions[4] covered by company targets by 2025, 100% by 2030
- Engage with 100% of companies that are not disclosing adequately or that do not have targets.
- 100% net zero financed and operational emissions by 2050

Targets were based on a 2019 baseline where:
- 173,701 tonnes of CO2e (Scope 1 & 2)
- 8.9 tonnes of CO2e per $m invested (Scope 1 & 2)
- 34% of companies with targets
- 43% disclosing emissions

Stewart Investors are due to review targets in 2024.

Stewart Investors climate-related targets relate to all portfolios in aggregate as opposed to the individual fund level covered in this report. The metrics in the section below are for the relevant fund. While some inferences can be drawn at the individual fund level for how Stewart Investors is tracking against targets, some funds may make faster progress than others. For example, Stewart Investors worldwide portfolios tend to have a higher proportion of companies with carbon targets than regional strategies like Global Emerging Markets or Asia Pacific.

Stewart Investors reports annually on their progress against their climate targets.

Challenges and progress

Access to reliable data continues to be a challenge. An issue we are grappling with is definitions: we still need more convergence of terminology around net zero ambitions, target setting and the credibility of transition plans, to assess the quality of a company's ambitions.

During 2023, Stewart Investors and FSI have changed data providers for carbon emissions and have been developing internal reporting tools for carbon and other sustainability metrics so that Stewart Investors and FSI can better monitor and report on their targets. As part of the process of changing providers, Stewart Investors are conducting company-by-company verification checks to ensure the data is accurate as Stewart Investors noted differences between providers' emissions data. These differences are largely due to differences in modelling approaches used for companies who have not disclosed emissions data, along with other timing and interpretive differences.

[4] Financed emissions relate to the emissions attributable to Stewart Investors based on the percentage Stewart Investor owns of each company. The ownership percentage and footprint is calculated in accordance with Partnership for Carbon Accounting Financials (PCAF).

Stewart Investors recognises that carbon footprint information will never be perfect. Various issues from long timing lags to the decisions individual companies make on how they account for and report their emissions will influence the outcomes. For example, Stewart Investors' data provider releases emissions data in January of each year for the year *before* last to ensure all disclosed data has been captured (e.g. in January 2024, all 2022 data disclosed during 2023 was released), meaning that depending on when a company discloses their emissions and when a carbon footprint report is run the carbon data can be up to three years old. Stewart Investors uses the 2022 emissions data for both 2022 and 20223. This means that differences in footprint values between 2022 and 2023 relate to which companies are held because the carbon footprint information is the same in both years.

Emissions Metrics (in GBP) - SI Indian Subcontinent Sustainability Fund

Total AUM: GBP £ 681.3 Million
AUM covered: GBP £ 664,8 Million[5]
Benchmark: MSCI India Index

Emissions data availability and disclosure

Percentage of covered AUM invested in holdings where **reported** Scope 1&2 emissions data is available from our data provider	Percentage of covered AUM invested in holdings where **estimated** Scope 1&2 emissions data is available from our data provider
71.12%	28.88%

Source: Stewart Investors, ISS ESG

Measures the percentage of AUM that is covered with company-reported versus modelled greenhouse gas (GHG) emissions data. Measuring GHG emissions is a critical first step as it enables companies to identify the different types of direct and indirect emissions throughout the value chain and as such enables them to design robust decarbonisation plans. The challenge remains access to robust GHG emissions data. We have experienced large differences between third-party data models as well as a difference in the company universe being covered.

Stewart Investors engages with companies and encourages them to disclose emissions as Stewart Investors believes that emissions data provided by investee companies is more reliable than emissions estimates provided by third-party data providers. Stewart Investors does not validate the estimates provided.

Total Carbon Emissions for fund

This metric measures the absolute GHG emissions associated with a fund (Scope 1, 2 and 3) expressed in tCO2e[6]. Scope 1, 2 and 3[7] emissions are allocated to investors based on an equity ownership approach (if an investor owns 10% of a company's total enterprise value, then they are allocated 10% of the company's emissions). Assets under management (AUM) is provided as, all other things being equal, higher AUM results in higher emissions.

The benchmark value is calculated by assuming the benchmark has the same total value of investments as the particular strategy. Where multiple strategies are included the benchmarks are weighted accordingly.

Use cases: To track the carbon footprint of the fund over time and compare to benchmark emissions. Not for comparison between strategies or asset managers as the data is not normalised.

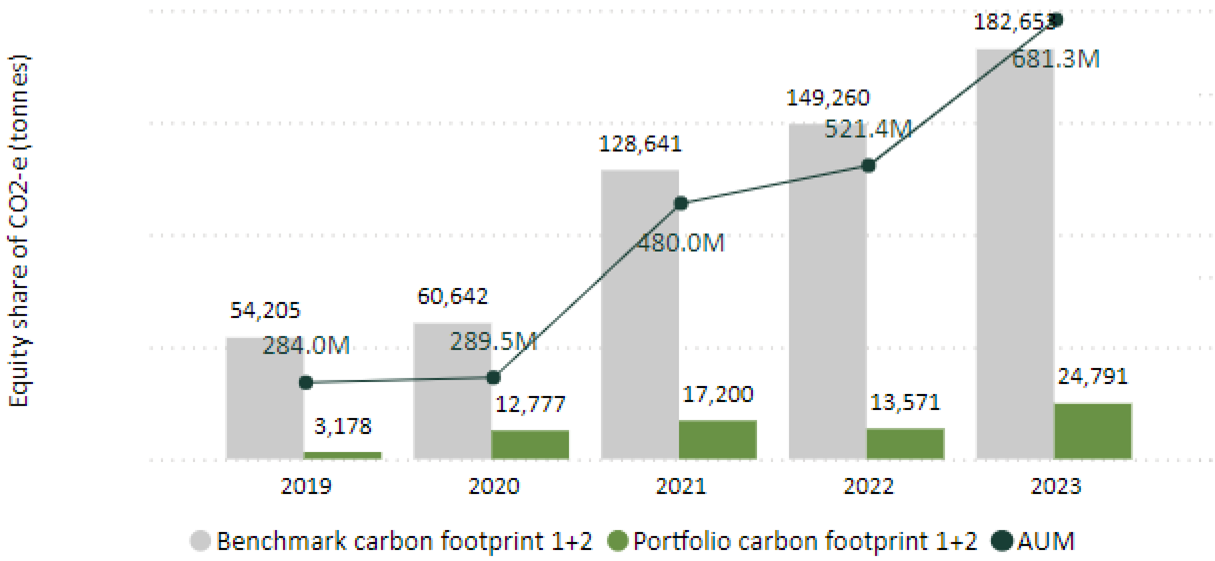
Financed Emissions	tCo2e
Total Scope 1 & 2 emissions	24,791
Scope 3 emissions	317,644
Total Scope 1, 2 and 3 emissions	342,435

Source: Stewart Investors, ISS ESG as at 31 December 2023

5 Cash is excluded

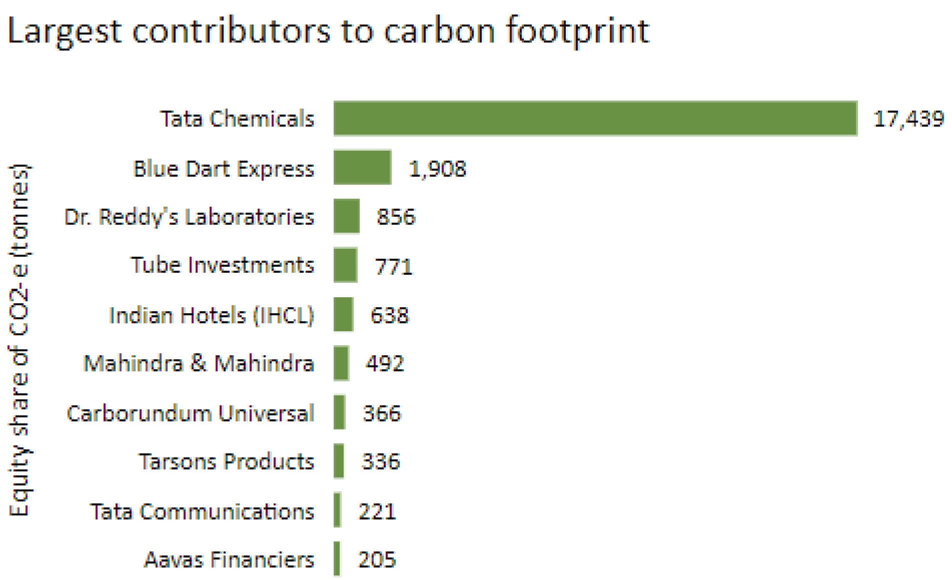
6 Not all greenhouse gases warm the atmosphere equally, some gases (such as methane) have a greater global warming potential, or warming effect, than carbon dioxide. To account for this, the term CO2e is used and means that greenhouse gases other than carbon dioxide can be converted, or normalized, to the equivalent amount of CO2, based on their relative contribution to global warming. This provides for a single, uniform means of measuring emissions reductions for multiple greenhouse gases. Source: UN-REDD (https://www.un-redd.org/glossary/carbon-dioxide-equivalent-co2e)

7 Scope 1: An organisation's direct GHG emissions from owned or controlled sources.
Scope 2: An organisation's emissions associated with the generation of electricity, heating/ cooling, or steam purchased for own consumption.
Scope 3: All indirect emissions (not included in scope 2) that occur in the value chain of the reporting company and is divided across 15 categories for both upstream (supply chain) and downstream (lifecycle of products) activities. Scope 3 emissions are almost entirely modelled by third party providers and Stewart Investors believes that they are not reliable at the company level.



Source: Stewart Investors, ISS ESG as at 31 December 2023

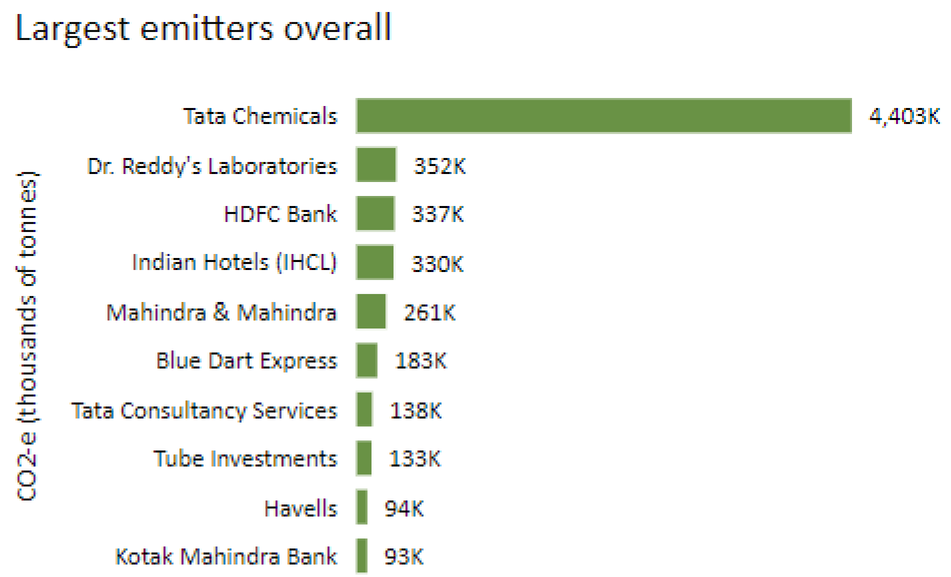
Using the PCAF[8] method the following companies are the ten highest contributors to the fund's scope 1 and 2 carbon emissions.



Source: Stewart Investors, ISS ESG as at 31 December 2023

As the PCAF methodology allocates emissions to shareholders based on the percentage of ownership, the highest contributors to fund emissions are not the same as the highest emitters overall. The ten companies below have the highest emissions in the fund:

[8] PCAF or the Partnership for Carbon Accounting Financials is a partnership for financial institutions working together to create a harmonised approach to assess and disclose GHG emissions associated with investments.



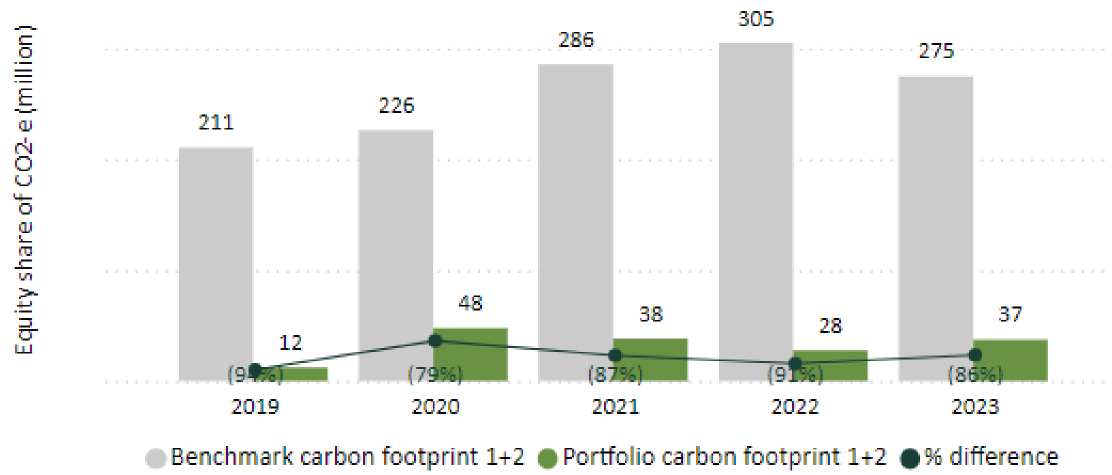
Source: Stewart Investors, ISS ESG as at 31 December 2023

Stewart Investors encourages companies to improve their disclosure and set targets for greenhouse gas emission reductions, among other climate related initiatives. For example, Stewart Investors has been engaging with the companies in the electronics sector on their management of risks associated with conflict minerals as these minerals will becomes increasingly important as the energy system transitions to renewable energy. More information on Stewart investors approach to engagement can be found in their annual report.

Relative Carbon footprint for fund

Relative Carbon Footprint: Total carbon emissions for a fund normalised by the market value of the fund, expressed in tonnes CO2/£M invested. It enables for easier comparison with a benchmark, between funds, and between individual investments. On 31 December 2023, the fund's relative carbon footprint was 86% lower than the benchmark's relative carbon footprint.

Relative carbon footprint	Scope 1&2 emissions (tCO2e) per £M invested
Fund	37.29
Benchmark	274.74



Source: Stewart Investors, ISS ESG as at 31 December 2023

Weighted average carbon intensity

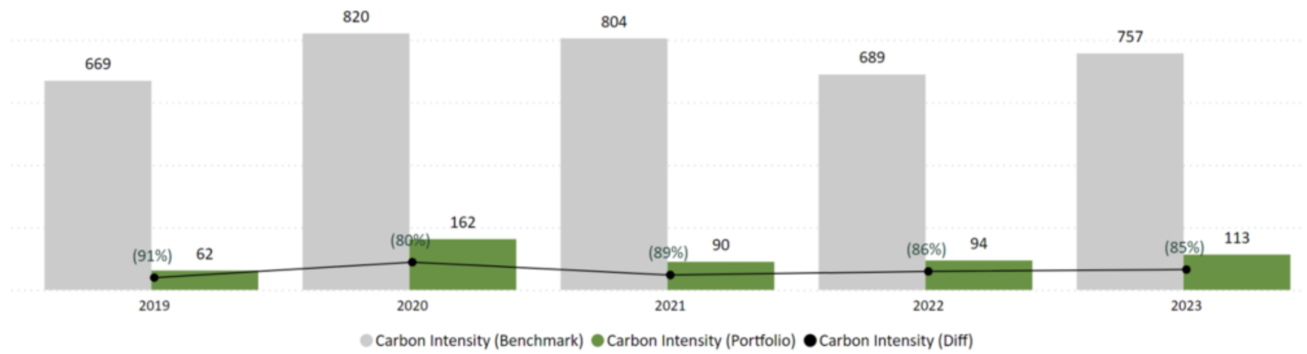
This metric captures each company's greenhouse gas emissions intensity (Scope 1 & 2) by dividing emissions by m sales. The emissions intensity is then averaged, weighted by the value of each holding in the fund. Intensity normalises company emissions by total sales, which means larger companies (with more revenues and emissions) can be compared to smaller companies. It should show which company is more efficient; however, it does not consider other variables that influence a company's revenues like currency or commodity price changes. For example, an increase in iron prices would make an iron ore producer's emission intensity fall even if they have taken no action to reduce emissions. The metric also treats all industries the same despite some being more energy or carbon-intensive and so may not distinguish the actual efforts to reduce carbon emissions between companies.

Largest contributors to carbon intensity and highest intensity companies overall uses the same method as for the carbon footprint.

Use cases: To compare emissions intensity against a benchmark or other fund.

Weighted Average Carbon Intensity	Scope 1&2 emissions (tCO2e) per £M revenue
Fund	112.84
Benchmark	757.00

Historical Weighted Average Carbon Intensity



Source:Stewart Investors, ISS ESG as at 31 December 2023

Metrics providing additional insights into climate-related risks and opportunities:

Exposure to Fossil Fuel (Transition Risk)

This indicator measures the portfolio's exposure to companies involved in fossil fuels as defined by Sustainalytics, this includes (i) exploration, mining, extraction, distribution or refining of hard coal and lignite; (ii) exploration, extraction, distribution (including transportation, storage and trade) or refining of liquid fossil fuels; and (iii) exploration, extraction, distribution (including transportation, storage and trade) of gaseous fossil fuels[9]. This measure is useful in understanding the potential stranded asset risk within the fund as the world is transitioning to a low carbon world.

During 2023, Stewart Investors had no exposure to fossil fuel companies, which our position statement on harmful and controversial products and services defines as companies generating 5% or more of revenue from exploration, production or generation of fossil fuel energy.

Stewart Investors also considers whether companies provide dedicated products and services to fossil fuel companies in their investment analysis as these revenues may be at risk as the world moves away from fossil energy. While none of the companies Stewart Investors invest in generate more than 5% of revenue from dedicated services to the sector, the following companies have been identified by ESG research provider Sustainalytics as having less than 5%:

- CG Power & Industrial Solutions
- Cyient
- Mahindra & Mahindra
- Tata Consultancy Services
- Tech Mahindra
- Tube Investments of India

Companies with climate-related targets

Stewart Investors has noted a steady increase in targets being set across their portfolios and as a proportion of their carbon footprint. It is also encouraging to see the quality of targets improve with more companies setting absolute emissions reduction targets including those certified by the Science Based Targets initiative (SBTi). As described above, due to the way carbon data is collected these figures are for companies held on 31 December 2023 but is based on carbon footprint data for December 2022.

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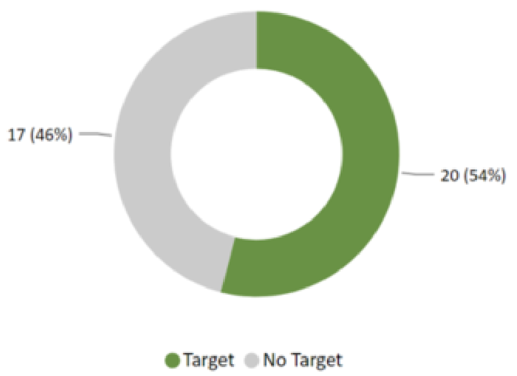
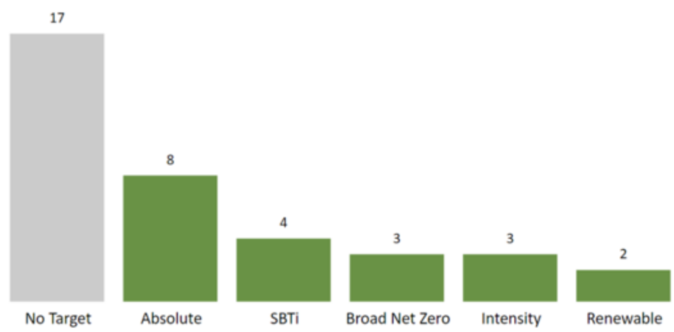
[9] Stewart Investors does not invest in companies that have a material exposure to the exploration, production or generation of fossil fuel energy. Stewart Investors defines fossil fuels as coal, unconventional oil & gas (arctic drilling, oil sands, shale energy), and conventional oil & gas. The Stewart Investors' Funds consider exploration, extraction, power generation, transportation, distribution, refining or providing dedicated equipment or services as part of the value chain. [Our position on harmful and controversial products and services (stewartinvestors.com)]

Company with targets (Count and %)



Source: Net Purpose 31 December 2023

Company Targets by Type (Number)



Source: Net Purpose, underlying company data is based on the latest published and public company information.

Some companies have multiple types of targets. We only count each company once in the following hierarchy with quality SBTi targets considered the highest quality and broad net zero the lowest:

> **Broad net zero:** refers to long-term net zero targets set by companies, typically by 2050.

> **Renewable energy:** Targets for renewable energy can relate to Scope 1, 2 or 3 emissions or all three. However, renewable energy is only one piece in the decarbonisation puzzle for most companies.

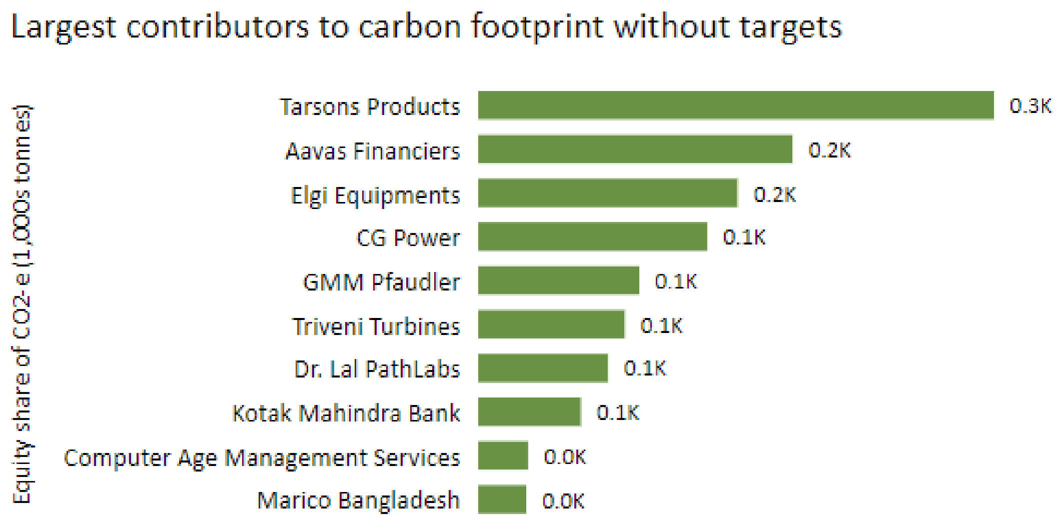
> **Intensity**[10]: Targets to decrease emissions on a relative basis, normally revenue but sometimes per unit of production or other relevant metric.

> **Absolute:** Targets for absolute emissions reductions regardless of the growth of the company.

> **SBTi:** Targets or commitments to set targets approved by the Science Based Targets initiative.

The companies below are the largest contributors to the fund's carbon footprint without carbon reduction targets. Stewart Investors actively engage with these companies to encourage them to set targets.

[10] While demonstrating increased carbon efficiency, absolute emissions can still grow under these targets if the unit of measure grows faster than emissions.



Source: Stewart Investors and ISS ESG as at 31 December 2023

Contribution to Climate Solutions (Climate Opportunities)

Stewart Investors maps the companies it invests in against Project Drawdown's categories of climate change solutions. Founded in 2014, Project Drawdown®[11] is a non-profit organisation that seeks to help the world reach 'drawdown' — the future point in time when levels of greenhouse gases in the atmosphere stop climbing and start to steadily decline. Project Drawdown's deeply researched collection of c.90 climate change solutions, which if scaled up, can deliver the Paris Agreement's 1.5°C temperature goal. The full set of solutions along with the research that backs them are publicly available on www.drawdown.org.

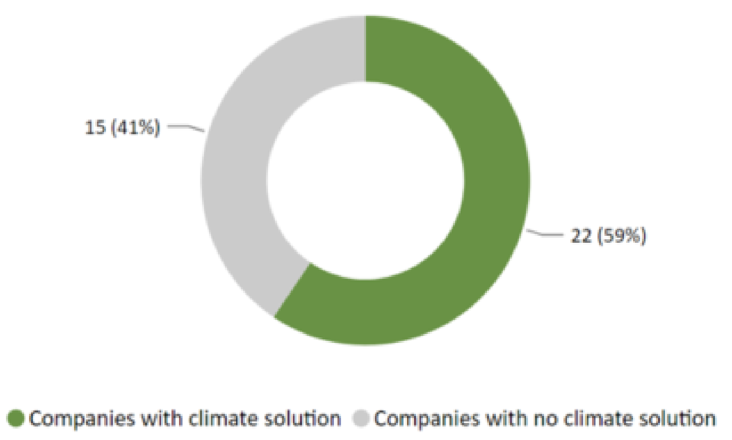
Information on how companies are mapped, and which companies have been mapped to which solutions can be found on Stewart Investors Portfolio Explorer tool, available on their website.

As at 31 December 2023, the Fund held 37 companies. 22 companies (59%) were contributing to climate change solutions[12]. These companies were contributing to 38 different solutions and, in total, were making 78 contributions to the solutions.

Stewart Investors have aggregated Project Drawdown's climate change solutions into eight areas, the split between the number of solutions (each company can contribute to multiple) and the number of companies contributing to solution types is broken down below. Rather than specifically targeting solution areas, this breakdown results from Stewart Investors' bottom-up analysis of high-quality companies contributing to sustainable development.

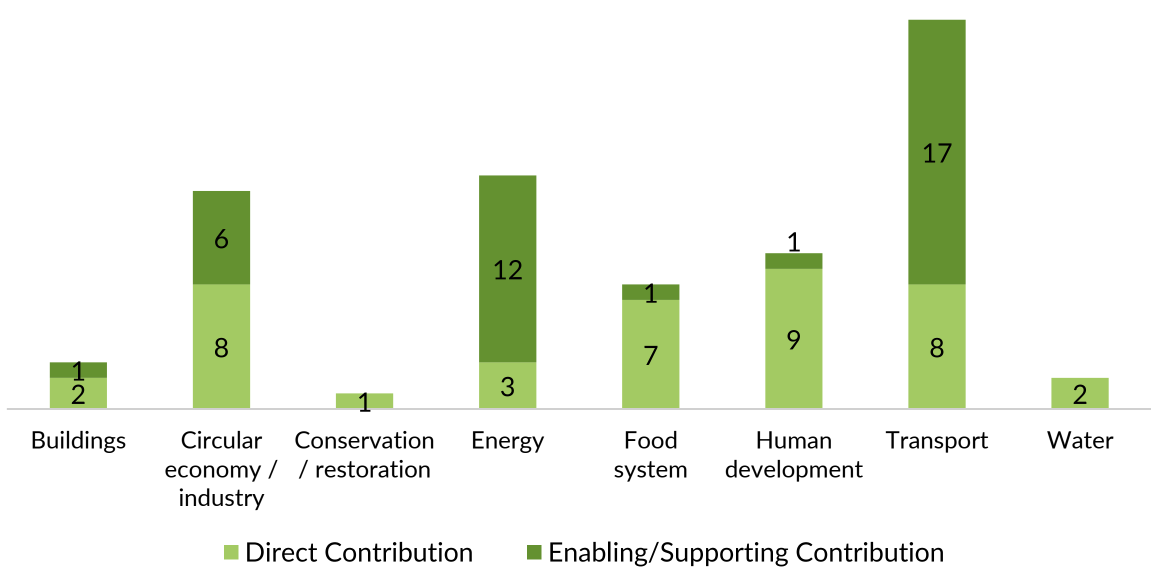
[11] https://www.stewartinvestors.com/uk/en/private-investor/how-we-invest/our-approach/climate-solutions.html
[12] Stewart Investors, company data and © Project Drawdown (drawdown.org). Contributions are defined by the team as demonstrable contributions to any solution, either direct (directly attributable to products, services or practices provided by that company), or enabling (supported or made possible by products or technologies provided by that company). It is not to be read as implying that Project Drawdown has reviewed or otherwise endorsed the Stewart Investors framework.

Companies Contributing to Climate Solutions (Count and %)



Source for Climate Solutions: © 2014–2024 Project Drawdown (drawdown.org)

Number of companies contributing to each solution



Source for Climate Solutions: © 2014–2024 Project Drawdown (drawdown.org)

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