

J O Hambro Capital Management Limited

Stewardship Report 2025

Contents

Introduction

Introduction by Bill Street, Chief Executive Officer 3

Part 1: Policy and Context Disclosure

Disclosure A: purpose and investment beliefs 5

Disclosure B: Governance 8

Disclosure C: Policies 13

Disclosure D: Conflicts of interest 14

Disclosure E: Client dialogue 16

Part 2: Activities and Outcomes Report

Principle 1: Integration of stewardship and investment 19

Principle 2: Market-wide and systemic risks 22

Principle 3: Engagement with issuers 40

Principle 4: Rights and responsibilities 50

Principle 6: Monitoring proxy advisors 55

Introduction by Bill Street, Chief Executive Officer

As we reflect on 2025, a year marked by continued geopolitical uncertainty, persistent inflationary pressures, and a shifting regulatory environment, our role as stewards of our clients' capital remains as important as ever. I am therefore pleased to introduce J O Hambro Capital Management's annual stewardship report, which sets out our approach to active ownership, engagement, and responsible investment, and explains how we have met our commitments under the UK Stewardship Code during the year.

The investment and stewardship landscape continues to evolve rapidly. Alongside heightened political and economic uncertainty, we have seen increasing divergence in attitudes towards ESG across markets, while technological developments, particularly in generative AI, are reshaping industries, business models, and the wider economy. These changes present both opportunities and challenges, and reinforce the need for thoughtful, active stewardship to support well-governed companies, well-functioning markets, and long-term value creation.

In parallel, the publication of the revised UK Stewardship Code 2026 by the Financial Reporting Council represents an important milestone for the industry. We welcome the introduction of a more streamlined reporting framework, comprising a Policy and Context Disclosure and an Activities and Outcomes Report, which we believe places greater emphasis on high-quality stewardship and more relevant, decision-useful disclosures. This report has been prepared in line with that revised structure.

Throughout 2025, we continued to engage actively with clients, companies, and other stakeholders. During 2025, we tracked 435 engagement objectives across 189 companies. Over the course of the year, 152 were closed, with 283 remained open at year-end. We also contributed to collaborative initiatives including the Responsible Investment Association Australasia, Share Action, and the Principles for Responsible Investment.

Voting is an integral part of our stewardship responsibilities. During the year, we voted on 99% of eligible proposals and voted against management in 8.2% of cases, reflecting our willingness to challenge companies where appropriate. This included supporting resolutions on climate transition planning, human rights, remuneration, and political expenditure reporting.

As we look ahead to 2026, we remain committed to strengthening our stewardship practices further and to working in partnership with clients, companies, and policymakers to help drive positive change across the financial system.



Bill Street
Chief Executive Officer

Part 1: Policy and Context Disclosure



Disclosure A: purpose and investment beliefs

Our purpose

J O Hambro Capital Management Limited (JOHCML) and its affiliates, JOHCM (USA) Inc. and JOHCM (Singapore) PTE. Limited, together form J O Hambro Capital Management (JOHCM), a fully active equity investment management firm. From our offices in London, Singapore, Boston, New York, Prague and Zug, we manage £17.08bn of assets across a range of global and regional equity, as well as thematic strategies and funds. This total reflects all assets overseen by JOHCM investment teams, including those for which JOHCM has sub-delegated investment management responsibilities.

From 2011, JOHCM operated as an investment boutique within Pendal Group Limited. In January 2023, JOHCM was acquired by Perpetual Limited, a diversified financial services company listed on the Australian Securities Exchange.

JOHCM exists to provide a diversified range of actively managed funds and strategies to help clients achieve their savings, retirement, and wealth management goals. Our experienced fund managers have proven, long-term investment pedigrees and robust investment processes. As a business, we aim to protect and grow the wealth of our clients by navigating our client portfolios through a constantly evolving and changing world.

Strategies are driven by small teams at a regional level to capitalise on the best opportunities. Each investment team therefore operates with a distinct identity and approach, shaping their investment solutions and stewardship activities to meet client needs. All teams share our overarching commitment to active management and setting clear investment objectives at the strategy and fund level.

Figure 1 details our different investment teams, and their respective strategies, as of December 2025.

Figure 1: Chart of funds and strategies

Long-only equity fund management					
UK Strategies	Global/ International Strategies	European Strategies	Emerging Markets Strategies	Asia ex Japan Strategies	Thematic Strategies
JOHCM UK Dynamic	JOHCM Global/ International Select/Global ex US	JOHCM Continental European	JOHCM Global Emerging Markets	JOHCM Asia ex Japan	Regnan Sustainable Water & Waste
JOHCM UK Equity Income	JOHCM Global/ International Opportunities		JOHCM Global Emerging Markets Opportunities		Regnan Global Mobility and Logistics
JOHCM UK Growth	JOHCM Global Select Shariah		JOHCM Emerging Markets Small Mid Cap		JOHCM Climate Transition

Our client base

For granularity, our client base by client type, client geography, asset class and region of investment, as of December 2025, is detailed in the following tables:

Table 1: AUM by client geography

Geography	AUM (%)
Africa	0
Asia	0.7
Australia	3.9
Canada and the United States	37
Europe	14
Middle East	0
UK	44.4
South America	0

Table 2: AUM by client type

Client Type	AUM (%)
Insurance	0.4
Multi-manager	2.6
Pension fund	8.3
Pooled vehicle	55.7
Sub adviser	33.0

Table 3: AUM by investment vehicle

Investment Vehicle	AUM (%)
Mutual Fund	20.9
OEIC	29.6
Seg	44.3
DST	4.5
CIT	0.8

Table 4: AUM by asset class

Asset Class	AUM (%)
Equity	100.0

Table 5: AUM by region of investment

Region	AUM (%)
Asia	1.2
Emerging markets	18.9
Europe	1.9
Global	60.7
UK	17.3

Table 6: Proportion of AUM managed in-house vs. external managers

Management Type	AUM (%)
In-house	100
External manager	0.0

Our investment beliefs and stewardship approach

We believe in disciplined capital allocation, recognising sustainability considerations are essential in managing economic risks and opportunities. As mentioned in our purpose and approach, we emphasise active management and investment autonomy with our investment managers, underlining the importance of good governance and the integration of sustainability into our investment decisions. We value a collaborative and constructive approach to stewardship, aiming to support resilient long-term investment returns.

Our investment philosophy is guided by a principles-based framework that is applied across investment teams and products. These core principles are:

- **Clear investment objectives:** Provide clear objectives that define the sustainable approach and how it defines eligible securities.
- **Robust eligibility criteria:** Demonstrate how eligible characteristics are identified and the alignment of a strategy with these characteristics.
- **Risk mitigation:** Ensure that there are no overwhelming negative impacts that undermine the fund or strategy objective.
- **Transparency on exclusions:** State clearly if any activities or characteristics are avoided.
- **Active stewardship:** Leveraging voting and engagement (where applicable) to support shareholder value creation in line with the investment objective.
- **Transparent reporting:** Provide clear and consistent reporting based on data and insights used in the investment process.

"Our strategy is grounded in active, open dialogue and a steadfast commitment to navigating market upheavals with clarity and a long-term perspective."

Our stewardship strategy

Our stewardship strategy is designed to be proportionate and appropriate to our size, resources and position in the investment chain as an active equity asset manager. In line with our decentralised model,stewardship is led by investment teams who are closest to investment decisions and investee companies, ensuring engagement and voting are integrated directly into stock selection and portfolio management. This approach is supported by firm-wide resources, including our Head of Stewardship, Sustainable Investments team, proprietary data platforms such as Affinity and Horizon, the Regnan Insights and Advisory Centre and formal governance oversight through the Investment Oversight Group and Board committees ensuring consistency and accountability across the organisation. Our position as an active manager with long-term client mandates enables us to exercise stewardship through sustained engagement, escalation and voting, aligned with clients' long-term objectives.

Our investment time horizon

We are committed to helping our clients achieve their long-term financial goals through a disciplined focus on performance, risk management, and sustainable wealth creation. Our strategy is grounded in active, open dialogue and a steadfast commitment to navigating market upheavals with clarity and a long-term perspective.

We empower our portfolio managers with meaningful investment autonomy, encouraging a philosophy centred on sustainable financial returns and robust stewardship rather than outcomes driven by overly prescriptive approaches. Our strategies are best suited to clients with an investment horizon of five years or more, ensuring strong alignment with our approach to resilient and sustained financial growth.

By prioritising long-term investment thinking and effective risk management, we help clients avoid the pitfalls of short-term decision-making and adverse outcomes. We actively pursue forward-looking stewardship opportunities, enabling us to proactively address emerging challenges and remain aligned with our clients' evolving needs. Through the consistent application of this long-term investment horizon, we aim to deliver a secure financial future for our clients, providing stability amid the ever-changing dynamics of global markets.

Disclosure B: Governance

Our governance structure

JOHCM operates as an investment boutique within Perpetual Limited, a diversified financial services company listed on the Australian Securities Exchange. Perpetual provides a broad range of financial services, including asset management, private wealth, and trustee services.

We recognise that effective stewardship is integral to sustainable value creation. To support this, we have established clear decision-making processes and well-defined lines of responsibility, ensuring the firm is well positioned to respond to evolving stewardship and sustainable investing practices, as well as ongoing regulatory developments.

Sustainable investment and stewardship considerations are managed through the firm's existing governance and risk management framework. Oversight of sustainability risks is embedded within Board and Audit & Risk Committee responsibilities, executive decision-making and investment oversight processes, ensuring sustainability management is fully integrated into the organisation's overall governance.

Overview of our sustainable investments and stewardship governance structure

Our governance structure is designed to ensure rigorous oversight, accountability, and effective integration of stewardship and sustainability considerations across the organisation. It comprises three key committees, each providing oversight at different levels, where the ultimate accountability for stewardship sits with the JOHCML Board, supported by the Audit & Risk Committee and Executive Committee.

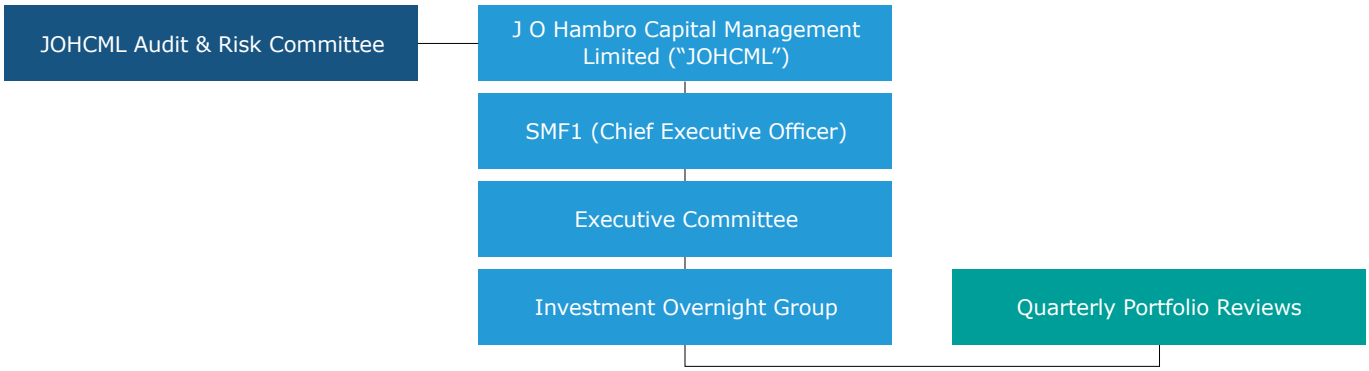
JOHCML Board Audit & Risk Committee (ARC)
The ARC provides independent oversight and supports the JOHCML Board in monitoring responsible investment risks, ensuring these risks are appropriately identified, assessed, and managed.

JOHCML Board and Executive Committee
The Board and Executive Committee retain overall responsibility for the implementation of the company's strategy, including oversight of the integration of stewardship principles. This includes the adoption of key policies and procedures such as the Stewardship Policy and Sustainability Risks Policy and the regular monitoring of responsible investing risks, supported by the ARC.

Investment Oversight Group (IOG)
The Investment Oversight Group provides direct oversight of sustainable investment practices, including engagement and proxy voting, across all investment teams. It serves as a key governance body, ensuring consistency in approach while allowing flexibility across different investment strategies. Matters are escalated to the Executive Committee where appropriate. The IOG meets quarterly, bringing together representatives from Trading, Investment Risk and Performance, Product and Sustainable Investments.

The group draws on insights from quarterly portfolio reviews, which feed directly into its discussions. These reviews enable the IOG to consider key topics and emerging trends, supporting a holistic view of sustainable investment activity and effective oversight across the firm.

Figure 2: Sustainability governance chart



Ensuring our governance structures and processes enable effective stewardship

Our governance framework is designed to support effective oversight and accountability and reflects our strong commitment to responsible investing. We believe this framework enables us to align our investment and stewardship practices with evolving regulatory requirements and sustainability objectives, supporting our clients in achieving their long-term ssavings, retirement and wealth management goals. Key elements of this framework include:

- Maintaining clear oversight and decision-making responsibility across the Board, the Executive Committee, and the Investment Oversight Group.
- Embedding stewardship considerations into quarterly portfolio reviews and ongoing sustainability risk monitoring.

A core strength of our framework is its ability to adapt to evolving stewardship challenges, developments in sustainable investing, and regulatory change. This adaptability is achieved by: Integrating client feedback, audit findings, and regulatory updates to continuously refine and strengthen our stewardship approach.

Evaluating and enhancing our governance structures We believe our governance approach to stewardship is effective and proportionate to the size and culture of our organisation. Nevertheless, we remain committed to ongoing review and enhancement of our processes to ensure continued alignment with best practice, as stewardship expectations and sustainability standards evolve in response to new regulation and emerging insights.

"The Sustainable Investments (SI) Team supports fund managers in their stewardship activities by providing advanced data, tools, and specialist resources."

How we resource our stewardship activities

Across JOHCM, we have 193 employees. Our stewardship activities are supported by a robust governance framework and dedicated teams that ensure effective integration of sustainability considerations across the investment process. During 2025, we appointed both a new CEO and Head of Stewardship.

Head of Stewardship
The Head of Stewardship leads the development and execution of the stewardship strategy across JOHCM, working in partnership with investment teams and overseeing issuer and thematic research, engagement, and advocacy efforts to ensure the firm meets its commitments and adheres to leading practice standards. Additionally, the role involves representing JOHCM and Regnan's approach to clients and stakeholders while driving sustainability integration and thought leadership across the organisation.

Sustainable Investments Team
The Sustainable Investments (SI) Team supports fund managers in their stewardship activities by providing advanced data, tools, and specialist resources. The team assists in tracking and documenting engagement and voting activities through the Affinity platform, ensuring that all actions are accurately recorded and aligned with our stewardship objectives.

Investment managers engage with companies on environmental, social, and governance (ESG) issues with the support of the SI Team, helping to ensure consistency, accountability, and alignment with established stewardship goals. The SI Team manages the Affinity platform, a proprietary system that consolidates sustainability metrics from third-party providers and other sources. Through this platform, investment managers have access to real-time data on ESG factors, adverse impact assessments, and detailed records of voting and engagement activities.

Investment teams are also encouraged to seek the advice and expertise of the SI Team, particularly when engaging on complex ESG matters or when deeper sustainability insights are required. The team provides research, analysis, and guidance to support more informed investment decision-making.

Integration of Audit and Depository Feedback
Feedback from Internal Audit and the Funds' Depositories regarding sustainability management is incorporated into our governance framework.

Quarterly portfolio reviews
Sustainability considerations including stewardship activity is assessed in our quarterly portfolio reviews. These reviews are conducted by the Investment Risk and Performance, Product and Trading teams, alongside individual investment teams. Conclusions drawn from these sessions are communicated to the Investment Oversight Group.

Regnan Insight and Advisory Centre (RIAC)
Regnan supports the JOHCM, Pendal and Perpetual Asset Management investment teams with speciality ESG on thematic and security level research, resilient systems stewardship, advocacy, and activity screening. Investment teams can leverage the knowledge and expertise of RIAC for stewardship research and advisory on best practice, with the option to outsource engagements to RIAC, an approach adopted occasionally by the JOHCM Global Select team.

Stewardship advisory and support from our resilient systems brand: Regnan
Regnan can trace its antecedents back to 1996, when its antecedent group was spun out of the School of Geography and Environmental Science of Monash University. It is deeply rooted in the Responsible Investing movement in Australia, where its advisory work on stewardship and sustainability research made it a trusted advisory brand for nearly two decades. Regnan is now wholly owned by Perpetual, with the vision to recreate Regnan as a world-leading responsible investment brand for the Group, founded on the insights from its respected research, stewardship, and advocacy work on shaping resilient systems. While the commercial advisory work was wound down post-acquisition, acting as trusted advisors to their clients and passionate advocates for a more resilient and sustainable economic system remain deeply engrained parts of Regnan's culture.

Today, Regnan has three Regnan-labelled investment strategies: Regnan Sustainable Water & Waste, Regnan Mobility & Logistics, and Regnan Credit Impact Trust; the latter is managed by the Pendal Fixed Income team in Australia, and the former twostrategies are run by one team JOHCM.

Spread over offices in London, Melbourne and Sydney, Regnan employees directly support the investment capabilities.

Performance management and reward programmes

Our remuneration structure is designed to attract, retain, and motivate, while ensuring strong alignment between investment outcomes, effective stewardship, and long-term value creation. Compensation consists of a base salary, a proportion of management fees earned, and a share of performance fees on selected vehicles.

To reinforce a culture of accountability and long-term value alignment, a significant portion of any variable award is invested back into a combination of the firm's equity and holdings in the funds managed by the team. These awards are subject to malus and clawback provisions, ensuring that compensation remains aligned with sustained performance and responsible decision-making.

While stewardship is not a separate pillar within our remuneration policy, it is inherently linked to investment success. Our investment professionals are incentivised to deliver strong, risk-adjusted returns over the long term, which requires a deep integration of effective stewardship practices.

Experience, qualifications, training and diversity

JOHCM keeps its people up to date with the latest stewardship-related developments through ongoing training, participation in industry initiatives and collaborative forums, engagement with academic and research partners, and regular internal governance and portfolio review processes.

Our Board of Directors and Executive Committee are comprised of individuals with a breadth of professional experience and industry expertise to ensure decisions are well-informed. The Board acknowledges the important role of stewardship and sustainability in its discussions and decision-making.

The Regnan team brings together transdisciplinary expertise in sustainability and impact. Collectively, across the UK and Australia, the team holds 86 years of industry experience, including 71 years dedicated specifically to sustainability-related roles.

The SI team has expertise across both corporate sustainability, sustainable investments and data science, with 32 years' industry experience and 22 years' sustainability-related experience.

We encourage our staff to pursue company-funded external qualifications and training, and we have

previously supported employees in undertaking the CFA Certificate in ESG Investing.

Additionally, we have an ongoing commitment to cultivate an environment that embraces and champions diversity and inclusion, where fairness and transparency are valued and promoted. We aim to foster an inclusive environment by considering gender, ethnicity, and other key demographic factors in our governance and team structures. By encouraging diversity of thought, experience and expertise, we aim to promote an atmosphere that allows all individuals to attain their fullest potential, which in turn, will create a more effective and positive culture at a Corporate and industry level.

Enabling employees in all parts of the organisation to access opportunities of learning and progression is a key element.

To support these objectives, our Diversity, Equity and Inclusion Forum continue to support our efforts and act as an advisory body to the firm on relevant matters and works closely with HR to improving our diversity data monitoring.

Our service providers

We employ a variety of service providers to inform and enhance stewardship activities. These service providers are detailed in the following table:

Service Provider	Role and rationale
ISS	ISS provides our vote execution service, delivering proxy voting research and voting recommendations. While ISS provides input, we retain ultimate discretion on how we vote.
Third-party investment research	We allocate individual budgets to investment teams for purchasing third-party research, including sustainability and stewardship insights.
Data service providers	Bloomberg and FactSet
Sustainability data providers	Sustainability data from Net Purpose, Sustainalytics, ISS, MSCI, CDP, SBTi are all integrated into our Affinity platform. We also recently onboarded GIST Impact, who are able to support ad hoc data requests.

Affinity and Horizon

To enhance our investment team's stewardship activities, our Sustainable Investments team has developed our proprietary sustainability data platform, Affinity, and our Greenhouse Gases (GHG) modelling data science tool, Horizon.

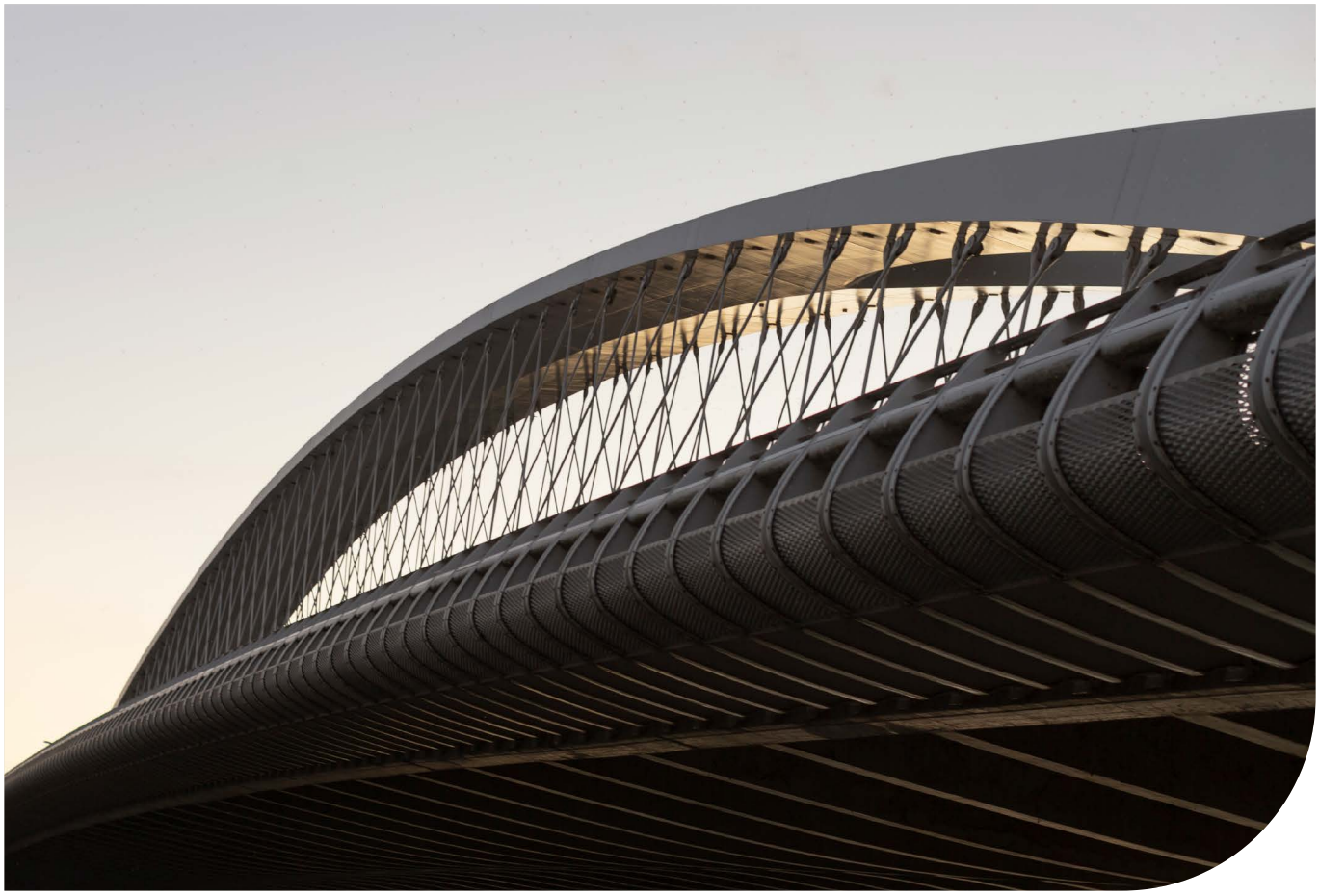
Horizon goes beyond traditional methods to project a company's future emissions trajectory based on their carbon reduction pledges, not just a single point estimate. This creates a range of possible outcomes, giving a more nuanced picture of climate risk. This helps us assess the credibility of their pledges and identify potential risks or opportunities. Horizon incorporates new data as it becomes available, automatically recalculating the emissions trajectory and target alignment score. This ensures our analysis stays up to date with a company's progress. The model factors in external forces like government regulations, industry initiatives, and consumer pressure, providing a more comprehensive view of the factors influencing a company's emissions. This expertise in quantifying externalities comes from our partnership with the University of Exeter.

Affinity is JOHCM's proprietary sustainability data and analytics platform, designed to centralise and streamline the integration of ESG and climate-related data into investment decision-making. The platform aggregates data from leading third-party providers alongside proprietary tools and metrics, to offer a comprehensive view of sustainability performance at both the company and portfolio levels. Built with a modular structure, Affinity is continuously evolving, ensuring the platform adapts to the

dynamic requirements of the investment landscape. It facilitates in-depth analysis of sustainability data, supports engagement tracking and voting records, and enhances transparency in ESG reporting and compliance processes.

During 2025, the Sustainable Investments team has been assessing our technology, data, and processes within our sustainability and stewardship capabilities in order to continue to enhance our approach. The Team has undertaken several key initiatives:

- **Enhancements to Affinity to support investment teams' navigation and interaction with ESG data.** We progressed upgrades to Affinity to make ESG information easier to access and interpret within day-to-day research workflows. This included the development of a new climate risk dashboard, incorporating newly available climate-related datasets and presenting them in a more intuitive, decision-oriented format. The dashboard is designed to help teams quickly identify and compare climate exposures and trends across portfolios and issuers, and to support prioritisation for engagement and deeper analysis.
- **New feature to Affinity's engagement tool to capture and track systems engagements.** Unlike direct engagements with investee companies, systems engagements typically involve a wider set of stakeholders and require multiple touchpoints across a systemic theme. The new functionality allows systems engagements to be logged distinctly from direct engagements and shared across teams on an opt-in basis, enabling a consolidated view of activity and progress against a given systemic topic.
- **Completion of a major ESG and sustainability data review and Request for Information (RFI).** The team finalised a comprehensive RFI as part of our broader evaluation of ESG and sustainability data solutions. We assessed providers in detail across areas such as data coverage and methodology, timeliness and quality controls, transparency, integration considerations, and how emerging AI-enabled approaches could enhance data capture, monitoring and stewardship workflows. This process resulted in the onboarding of GIST as a new data provider to enhance our data toolkit.



Disclosure C: Policies

Our stewardship policies and how we review them

We regularly review and update our policies to ensure they support effective stewardship and remain aligned with evolving regulatory expectations, industry best practices, and the needs of our clients. Policies are reviewed annually by their responsible teams, with any material changes requiring approval from ExCo and the Board. Where no changes arise from the annual review, Stewardship policies must be re-approved by the Board every three years.

Policies such as our Stewardship Policy, Proxy Voting Policy, Sustainability Risks Policy, Remuneration Policy, and Conflicts of Interest Policy are reviewed and updated as needed to reflect regulatory changes, emerging risks, and best practices. Reviews are conducted by the respective teams who own each policy, and approved by senior governance committees and the Board, where applicable.

By maintaining a robust and responsive policy review process, we ensure our stewardship approach remains effective, accountable, and aligned with the evolving investment landscape. There have been no material changes to our policies following a review during 2025.

Stewardship assurance and rationale for our approach

To ensure that our stewardship practices remain effective, transparent, and aligned with best practices, we rely on internal assurance provided through a co-source arrangement.. This function operates independently, reporting to the Group Audit and Risk Committee, and provides our Board and senior management with a comprehensive, objective assurance service, based on the highest level of independence and objectivity.

By maintaining a robust and responsive policy review process, we ensure our stewardship approach remains effective, accountable, and aligned with the evolving investment landscape."

Disclosure D: Conflicts of interest

Organisational approach

Managing conflicts of interest, including those related to engagement and voting, is critical to JOHCM's culture, integrity and reputation. We operate within a conflicts management framework that enshrines the core fiduciary values of honesty, fairness and professionalism. These underpin our relationship with our clients and reflect the trust that our clients place in us in our role as investment manager and adviser. Our framework is designed to ensure transparency and accountability, aligning with the regulatory requirements of the diverse markets in which we operate.

Our conflicts management framework

We maintain a Conflicts of Interest Policy which is appropriate to our size and organisation and to the nature, scale and complexity of our business. This policy was last reviewed and updated in January 2025 and a summary of the policy can be accessed here.

The overview below sets out the ways in which conflicts are managed. The key elements of our conflicts management framework are set out as follows:

1. **Identification and escalation:** Conflicts are identified through governance structures, staff obligations, training and monitoring. Employees are required to escalate conflicts promptly, including immediate reporting to Compliance where relevant (e.g. inside information or personal interests).

2. **Structural and governance controls:** Conflicts are managed through formal governance arrangements, including board oversight, independent non-executive directors, separation of control functions, and, where necessary, directors recusing themselves from decision-making to ensure impartiality.

3. **Policies, procedures and arm's-length arrangements:** We implement appropriate procedures and measures to prevent or manage both apparent and actual conflicts of interest. Clear policies and arm's-length contracts are used to manage conflicts arising from group relationships, remuneration structures, personal dealing, gifts and entertainment, inducements and outside business interests.

4. **Monitoring and review:** We monitor the effectiveness of our conflicts management arrangements on an ongoing basis. This includes post-trade reviews, performance dispersion analysis and order-handling monitoring, with issues tracked and remediated where identified.

5. **Reporting to senior management:** Conflicts of interest are reported to senior management and governing bodies, and where necessary approval is sought from those bodies with respect to managing a particular conflict of interest.

6. **Disclosure to clients as a last resort:** Disclosure alone is not relied upon to manage conflicts. Disclosure to clients is used only as a last resort, where established arrangements are not sufficient to ensure with reasonable confidence that the risks of damage to client interests will be prevented. If a client does not consent, JOHCM will resign the mandate.

7. **Remediation and client protection:** Where conflicts or errors result in client detriment, procedures ensure correction, compensation for losses and strengthening of controls to prevent recurrence.

JOHCM ensures that all staff receive periodic training on the identification, prevention, management and monitoring of conflicts of interest. Conflicts management is further reinforced by all staff, including the investment teams, by being subject to a Personal Account Dealing Policy which sets out the procedures in place to prevent conflicts related to personal investments. Additionally, all staff are subject to a Code of Ethics, a Gifts and Entertainment Policy and procedures designed to manage conflicts around outside business interests and political contributions.

Examples of conflicts

Cross-team holdings
Engaging with investee companies is a natural extension of JOHCM's active approach to investment management and proxy voting is an important engagement tool. JOHCM understands the importance of carrying out its responsibilities under the proxy voting arrangements set out in our Proxy Voting Policy and takes reasonable steps to ensure, and demonstrate, that those steps resulted in a decision to vote the proxies in the best interests of the client. However, given JOHCM's decentralisedstructure, it is possible that investment teams holding securities in the same entity may vote their proxies differently to each other as part of their interpretation of the best interests of clients according to their investment objectives. No conflicts of this nature were reported during 2025.

> **"Engaging with investee companies is a natural extension of JOHCM's active approach to investment management and proxy voting is an important engagement tool."**

Holding shares in companies with which we have a material business relationship
Another example of a potential conflict is where JOHCM is required to vote on a matter related to an issuer for which JOHCM has other interests, for example a client relationship. In these circumstances, JOHCM will defer to the recommendation of our proxy voting and research provider, Institutional Shareholder Services Inc. (ISS). There were no flags by the investment teams that a potential conflict of this nature had been identified during 2025.

Investee companies – corporate activity
Conflicts may arise where the firm is invested for our clients in companies that are on both sides of the same corporate transaction, e.g., a takeover or merger. Our Conflicts Register sets out the measures in place to manage this risk, specifically, the firm's market conduct procedures. It is recognised that while this risk cannot be eliminated, given the relative infrequency with which these types of transaction are entered into and the size of the issuers involved, our positions are unlikely to be the sole influence on the outcome of any transaction. There have been no conflicts of this nature that have been identified during 2025.



Disclosure E: Client dialogue

Transparent communications

We are committed to maintaining transparency and strong client relationships, ensuring that clients remain well-informed and engaged in the stewardship and investment activities affecting their assets. To achieve this, we provide regular and comprehensive reporting, including:

- Detailed monthly and quarterly reports for both funds and segregated accounts, outlining key stewardship activities and investment outcomes
- Statutory annual and interim fund reports
- Proxy voting records, which are published on our website
- Annual TCFD entity and product reports as well as SFDR and SDR reports for some funds

Additional information on engagement and stewardship activities is available upon request. We regularly assess the effectiveness of our engagement and communication methods to ensure they meet client needs. Client feedback plays a key role in refining our approach. Where feedback highlights areas for improvement, we will adjust our reporting and engagement practices to enhance clarity and relevance.

"Our approach is designed to facilitate open, two-way dialogue, to ensure that client preferences, objectives, expectations and concerns are correctly reflected in our investment and stewardship approach."

How we incorporate clients' views and needs

We actively seek and incorporate client feedback to ensure we are aligned with their evolving needs and priorities. We collect clients' views through multiple channels, including direct interactions with investment teams, quarterly update meetings, and regular webinars. Additionally, our dedicated client servicing team plays a vital role in gathering feedback.

Our approach is designed to facilitate open, two-way dialogue, to ensure that client preferences, objectives, expectations and concerns are correctly reflected in our investment and stewardship approach. In this way, any client feedback is shared with both the appropriate investment teams and the SI team to ensure that our stewardship approach is continually refined to align with clients' evolving needs.

We continually assess and evaluate our methods to understand our clients through ongoing dialogue, review meetings, and considering client sustainability preferences in RFPs to identify stewardship priorities and trends.

We recognise the importance of stewardship to many of our clients, especially UK pension funds that rely on our stewardship activities as part of meeting their obligations in this area. Ultimately, we consider client views by ensuring client preferences are reflected in our stewardship approach. Direct contact is made between investment teams and clients when differences in preferences are identified, and our investment teams may adapt their stewardship approach and investment strategies to align with clients' sustainability-oriented characteristics and values. The firm offers a full stewardship service or a partnership approach, depending on whether clients wish to manage shareholder voting processes themselves or appoint a third-party agent.

How feedback has led to change in our stewardship approach

Client and stakeholder feedback has directly shaped how we deliver and evidence our stewardship. In practice, feedback has led to enhancements in our engagement and proxy voting tracking, enabling us to produce bespoke reports tailored to differing client requirements based on whether they prefer to review engagement activities vs engagement objectives and alignment to how they classify ESG themes internally.

Our boutique structure allows investment teams to gather client feedback directly and can inform which stewardship themes they emphasise (and how we frame them), so that engagement activity and reporting better reflect what clients consider most decision-useful and material.

Overall, feedback has been used to make our stewardship approach more transparent, measurable and tailored to client needs, while maintaining consistency with our core stewardship philosophy.



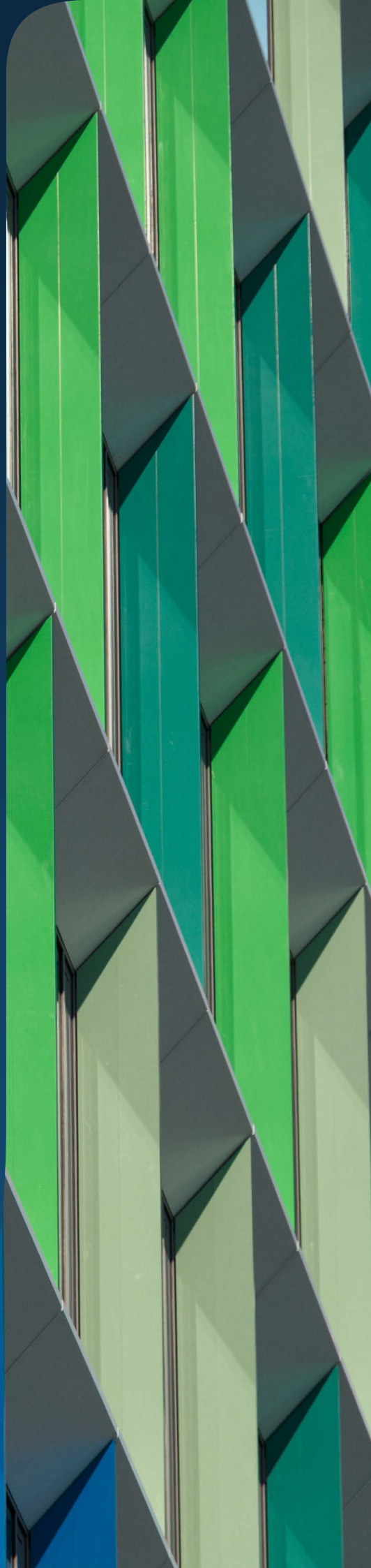
Climate change presents clients with a complex and uncertain outlook for generating future investment returns whilst attempting to meet publicly stated decarbonisation targets."

Climate Transition Strategy

In 2024, JOHCM launched a climate transition strategy, a solution inspired by conversations with our institutional clients. In 2025, JOHCM seeded the strategy with £1.2m to build a live track record and support client adoption.

Climate change presents clients with a complex and uncertain outlook for generating future investment returns whilst attempting to meet publicly stated decarbonisation targets. The JOHCM climate transition strategy aims to meet the growing need for solutions that can help clients navigate this uncertainty by generating attractive investment returns whilst demonstrating progress towards low-carbon commitments. The strategy integrates and is enhanced by the data insights provided by our proprietary GHG emissions forecasting model, Horizon. It complements the investment process by offering in-depth analysis and predictive capabilities that help inform investment decisions and engagements.

Part 2: Activities and Outcomes Report



Principle 1: Integration of stewardship and investment

Issues we have prioritised for investment assessment

We integrate stewardship and investment decision-making to support the delivery of long-term sustainable value for our clients and beneficiaries. Each of our investment teams operate with a distinct investment philosophy and process. The stewardship issues prioritised therefore vary by fund, asset class and geography.

Many of our funds promote Environment and/or Social (E/S) characteristics throughout the investment lifecycle from initial assessment and asset allocation to ongoing monitoring and exit decisions, and some of our funds explicitly consider and measure sustainability factors as key performance indicators (KPIs). These themes include taking action on climate change, reducing carbon emissions and other greenhouse gases, and promoting positive environmental and social outcomes, including social cohesion and the protection of vulnerable communities. Examples of actions taken by certain funds in alignment with their promoted E/S characteristics are detailed in Table 1 and 2.

Our proprietary sustainability data platform, Affinity, provides investment teams with company-specific sustainability data and controversy alerts. This supports informed investment decisions across all stages of the investment process.

At a systemic level, we also focus on major global risks that could impact investment outcomes. In 2023, JOHCM established the Systemic Risk Forum (SRF) to discuss major systemic risks arising in the world. These insights inform investment teams' understanding of material long-term risks and opportunities, supporting stewardship priorities.

Table 1: E/S characteristics promotes

Fund	E/S characteristic promoted
JOHCM Global Opportunities	Assessed harmfulness across four categories: climate change and GHG emissions, environment and ecosystems, vulnerable communities, and harmful products.
JOHCM UK Dynamic	Promoted action on climate change and the reduction of GHG emissions.
JOHCM Asia ex Japan	Promoted action on climate change, reduction of GHG emissions, and the fostering of social cohesion.
JOHCM Continental European	Promoted action of climate change and reduction of GHG emissions.
JOHCM Global Select	Promoted improvements in reducing GHGs and the fostering of social cohesion.
JOHCM UK Growth	Promoted action on climate change, the reduction of GHG emissions, and the fostering of social cohesion.

Regnan has two strategies that deliver innovative sustainable thematic investment solutions which navigate clients through complex and interconnected systems that are constantly evolving. Taking a resilient systems approach makes the Regnan strategies well placed to identify companies that are positioned to deliver long-term out-performance.

The strategy approaches are based on the three pillars of thematic research, constructive corporate engagement, and collaborative advocacy. These pillars deepen the knowledge of investee companies, support sustainable shareholder returns, and encourage the adoption of best practice to support a more sustainable financial system.

Table 2: Regnan fund's sustainability themes

Regnan Fund	Sustainability Theme
Regnan Sustainable Water and Waste Strategy	The Regnan Sustainable Water and Waste Strategy invests in companies addressing global water and waste-related challenges, guided by an ESG-integrated process with insights from Regnan's proprietary ratings and engagement framework. **Sustainability focus:** Aims to invest in sustainable companies that offer solutions within the water and waste management value chains, leveraging Regnan's Sustainable Value Assessment (SVA) for company analysis and selection. **Portfolio characteristics:** Manages a high-conviction, diversified portfolio with over 70% invested in companies demonstrating alignment with the two sustainability themes, to ensure water and waste activities are the main exposures of the portfolio. Portfolio construction balances water and waste investments typically at a 60/40 split and uses the MSCI ACWI as a benchmark.
Regnan Global Mobility and Logistics Strategy	The Regnan Global Mobility and Logistics Fund strategy aims to foster sustainability and innovation within the mobility and logistics sectors, with a commitment to both environmental and social objectives. **Sustainability focus:** investments in companies within the mobility and logistics sectors that promote or are transitioning towards sustainable practices. This includes decarbonisation, electrification, and innovations that enhance efficiency and safety in transportation and logistics operations. **Portfolio characteristics:** an actively managed, high-conviction, portfolio adhering to sustainability criteria and exclusionary policies, without a designated reference benchmark.

Stewardship in investment processes

The following case study illustrates how stewardship activities directly informed an investment decision within the JOHCM UK Dynamic Fund. The investment team's engagement with Associated British Foods (ABF) was driven by fundamental concerns about capital allocation and strategic direction, and the outcomes of that engagement. This example demonstrates how engagement findings are integrated into the investment process, shaping the team's assessment of long-term value creation potential and ultimately influencing portfolio construction.

Case study:

UK Dynamic Fund – ABF

Issue(s):
ABF is a diversified, family-influenced conglomerate with exposure to food, ingredients, retail (Primark), and agriculture. The investment team identified long-standing structural concerns within the Bread and Sugar divisions, which are believed to be the principal drivers of ABF's persistent conglomerate discount. Whilst the strengths of ABF's portfolio are recognised, particularly Primark and certain global brands, the broader topic of engagement centred on capital allocation discipline, strategic focus, and the urgency of corrective action across underperforming businesses.

Objective(s):
The investment team's objective was to encourage the company to address structural weaknesses in the Bread and Sugar divisions, which the team viewed as the primary sources of the conglomerate discount. The team also sought to challenge Primark's long-term strategic direction, particularly around regional store ambition and real space potential, and to promote more decisive capital allocation across the group to unlock shareholder value.

Activity:
Engagement commenced in April 2024 with meetings held with the CEO and CFO, as well as a follow-up with Investor Relations. In these meetings, the investment team pushed for the Sugar business to be fully separated or disposed of, though initial interactions suggested this was unlikely. The team noted, however, that a partial offset might be achieved through re-allocation of the Illovo business into the Grocery division, as the characteristics largely support it. The company was receptive to this line of thinking. In addition, the investment team challenged the Primark division to detail a regional store ambition, and to focus attention on the real space potential of Primark over the long-term. This was well received from the company, and the team hoped to see more detail on this front in due course.

Outcome:
Despite constructive initial dialogue, no evidence emerged of sufficient urgency or willingness to address the structural weaknesses in the Bread and Sugar businesses within an acceptable timeframe. Whilst the investment team continued to view Primark as a high-quality, underappreciated asset, alongside attractive global brands such as Twinings and Ovaltine, these positives were outweighed by unresolved issues elsewhere in the group. The team concluded that the lack of decisive corrective action represented an unresolvable impediment to the investment case. As a result, the position in ABF was fully exited in September 2025, with capital redeployed to opportunities with clearer pathways to value creation.



Principle 2: Market-wide and systemic risks

We take a proactive approach to identifying and responding to market-wide and systemic risks that could affect the long-term value of our clients' investments and the stability of the financial system. Our approach operates at multiple levels: through the identification and monitoring of systemic risks via our dedicated Systemic Risk Forum, through fund-level stewardship activities that address climate and other market-wide risks, and through collaborative engagement with regulators, standard-setters, and industry bodies to promote well-functioning markets.

"Systemic risk discussions are directly integrated into quarterly portfolio reviews, enabling investment teams to consider macro-level threats alongside company-specific analysis."

Systemic Risk Forum

The Systemic Risk Forum (SRF) brings together senior investment professionals and the investment risk team. It meets quarterly and operates with a structured methodology that assesses identified risks on a probability and market impact basis, using a low/medium/high framework. Risks with the greatest combined probability and impact are escalated for quantitative analysis and integration into portfolio stress tests. Where risks extend beyond portfolio investment risks into business risks, they are communicated to JOHCML's Executive Committee.

The SRF's mandate covers both short-term risks (those with the potential to cause financial market dislocation within the next 12 to 24 months) and longer-term structural risks that are reviewed annually. The forum has established process enhancements including quarterly long-term risk reviews, an immediate escalation protocol for risks identified between meetings, and the direct integration of systemic risk discussions into quarterly portfolio reviews. A systemic risk monitoring dashboard tracks key indicators including swap versus Treasury spreads, currency volatility, equity volatility, credit spreads, and NV spreads.

How systemic risk insights inform stewardship and investment

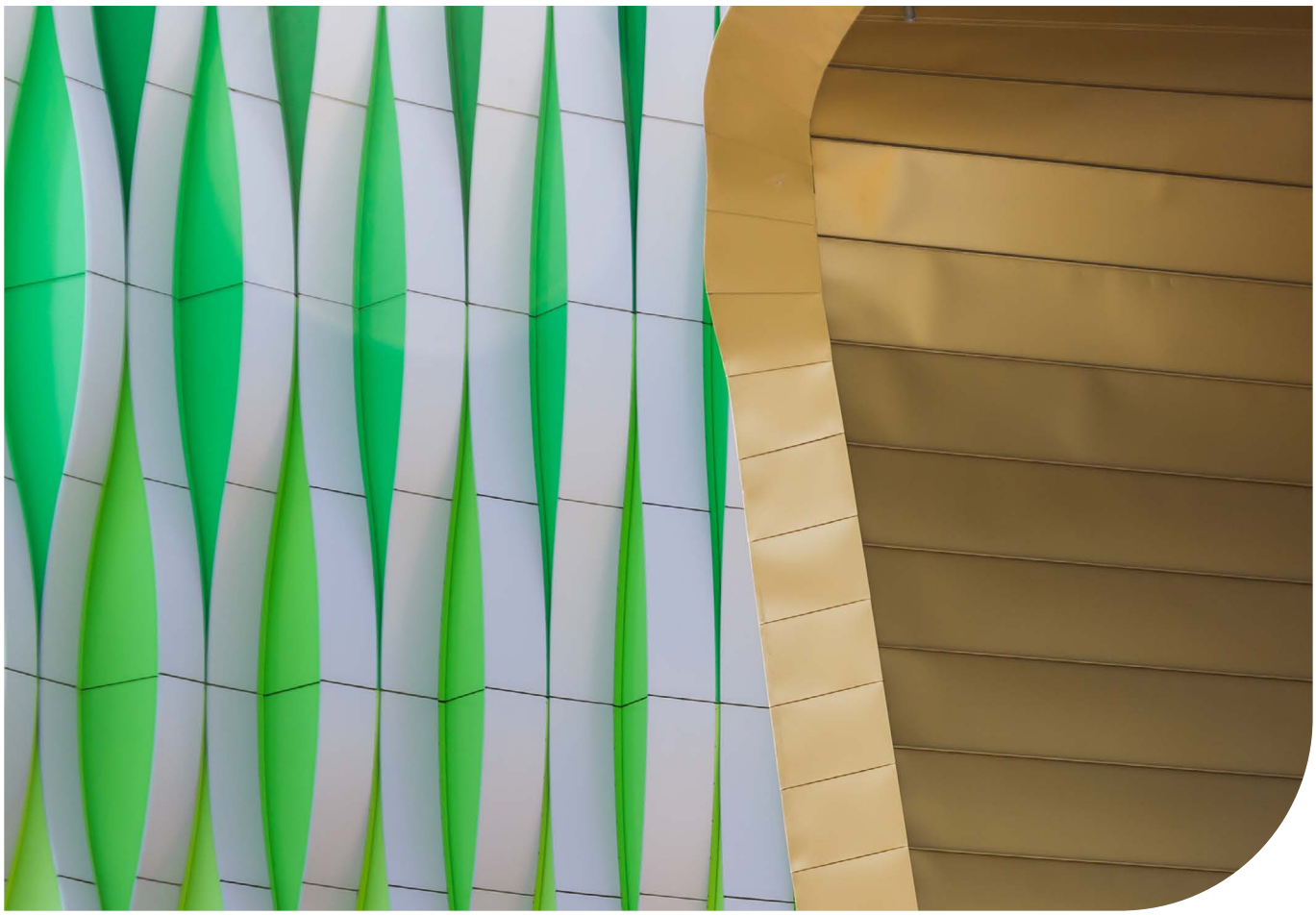
The SRF's outputs are integrated into stewardship and investment processes in several ways. Systemic risk discussions are directly integrated into quarterly portfolio reviews, enabling investment teams to consider macro-level threats alongside company-specific analysis. The risk team develops quantitative stress tests based on the forum's highest-priority risks, including scenarios for USD swap line weaponisation and explicit financial sector shocks. These insights can inform the priorities of our fund-level stewardship activities and our engagement with regulators and standard-setters, reinforcing the connection between our systemic risk analysis and our broader stewardship activities described below.

Aligning our investment with low-carbon transition

Our purpose on climate is to help clients to meet their specific climate-related objectives alongside the provision of investment returns to meet their savings and retirement goals. We believe that climate change poses financial risks to both individual companies and portfolios. Each investment strategy integrates climate-related considerations in a way that reflects its specific requirements and the preferences of its clients, allowing them to make choices best aligned with their objectives.

Table 3: Funds efforts to reduce risk of climate change

Funds' efforts to reduce risk of climate change	
JOHCM UK Dynamic Fund	• Engages with companies to with an objective to encourage reduce GHG emissions. • Promotes alignment with Science-Based Targets and TCFD recommendations.
JOHCM Global Opportunities Fund	• Practices shareholder responsibility to promote positive corporate climate behaviour. • Employs a proprietary Sustainability Score for engagement and investment decisions. • Focuses on sectors like regulated utilities for their potential in reducing carbon emissions.
Regnan Sustainable Water and Waste Fund	• Uses Regnan's Sustainable Value Assessment (SVA) framework for evaluating climate risks and opportunities. • Prioritises engagements with companies that have high exposure to transition risks related to climate change.



Working with stakeholders to promote well-functioning markets and participation in industry initiatives

We work with various stakeholders and participate in relevant industry initiatives to promote well-functioning financial markets. Further, we have published research papers and thought pieces under our resilient systems brand, Regnan.

Table 4: JOHCM participation in industry groups and committees

Organisation	Industry Group/ Committee	Regnan Participation
United Nations Principles for Responsible Investment (UN PRI)	Spring Advisory Committee	Regnan is on the Advisory Committee of the UN PRI collaborative stewardship initiative Spring. As a part of Spring, we are leading engagement in two companies and collaborating investors in two other companies.
UN PRI	Circular Economy Reference Group	Regnan is a participating member of the Group, which supports investor capacity to address circular economy issues across relevant value chains (with a continued focus on plastics and an intention to expand to other relevant value chains over time). It provides a forum for investors to share developments on circular economy, learn from experts, and exchange tools and experiences.
RENEW	How businesses affect nature resilience	RENEW is a five-year partnership program aimed at developing solutions to one of humankind's major environmental challenges: the renewal of biodiversity. JOHCM is sponsoring a PhD student as part of this initiative.
UN PRI	Nature Reference Group	Regnan is a participating member of the Nature Reference Group, which facilitates discussions on investment practices, tools, disclosure frameworks, and initiatives relating to nature.
Responsible Investment Association Australasia (RIAA)	Aotearoa Collaborative Working Group	The Aotearoa Collaborative Working Group is an initiative by the Responsible Investment Association Australasia (RIAA), providing a platform for Aotearoa New Zealand members of RIAA to actively participate and collaborate on critical responsible investment and sustainability issues. Regnan is a Working Group member.
Share Action	Pesticides Working Group	Regnan is a participating member of the Pesticides Working Group, a collaborative engagement initiative coordinated by the responsible investment charity, ShareAction. This working group is part of ShareAction's biodiversity initiatives, with a specific focus on agrochemicals.
RIAA	First Nations Peoples' Rights Working Group	RIAA's First Nations Peoples' Rights Working Group is an initiative that supports members in fulfilling their stewardship responsibilities concerning First Nations peoples' rights in their business operations and investment portfolios. Regnan is a working group member.

Table 4: *continued*

Organisation	Industry Group/ Committee	Regnan Participation
IGCC (Investor Group on Climate Change)	Non-Executive Director	The IGCC supports capacity building for Australian investors through briefings, knowledge sharing, and masterclasses on climate-related active stewardship challenges and engagement. Regnan is a board member.
Mining 2030	Investor Supporter	Mining2030 is an investor-led initiative to define a shared vision for a socially and environmentally responsible mining sector by 2030 and clarify the role of finance in achieving it.

Table 5: JOHCM industry initiatives and memberships

Initiative	About	Participation
UN PRI	The UN PRI works to support the understanding of the investment implications of ESG factors and its members efforts to incorporate these factors into investment and ownership decision making.	We became a signatory in 2011 and complete their annual assessment, receiving four stars (from a total of five stars) on the listed equity module. The UN PRI offers opportunities for collaborative engagement for members on key ESG issues and helps align our investment with globally recognised principles.
The Investment Association (IA)	The IA is the trade body representing the UK's investment management industry. Its purpose is to support and advocate for asset managers, ensuring they operate in a well-regulated, competitive, and investor-friendly environment. The IA works with policymakers, regulators, and industry stakeholders to promote best practices, market stability, and responsible investment.	Active participant since 2005, contributing to industry discussions and shaping ESG policies for the UK investment management sector.
The Investor Forum	The UK Investor Forum brings together institutional investors to facilitate collective engagement with UK-listed companies. The Investor Forum's mission is to enhance long-term, sustainable value by improving stewardship and collective engagement between investors and company boards.	Members since 2021, we participate in collaborative engagement with UK-listed companies on material ESG issues which are facilitated by the Forum.

Table 5: *continued*

Initiative	About	Participation
Inclusion in Finance (previously the Diversity Project)	Initiative to promote diversity in all its forms across the UK asset management sector. It us a cross-company initiative championing a more inclusive culture within the savings and investment industry.	We are involved in this initiative to support better market practice. This initiative involves systems-level engagement with regulators and policy makers on the evolving norms that shape the broader economy and is aligned with our commitment to foster and enhance diversity.
10,000 Interns Foundation	10,000 Interns Foundation is a UK-based initiative that aims to provide paid internship opportunities for Black students and graduates across various industries. The program seeks to improve diversity and representation by offering meaningful work experience, networking opportunities, and mentorship.	As a member, JOHCM has committed to offering a paid internship to a Black student or graduate. We also provide training, mentorship, and career support.
Investment 20/20	A sector-led talent service for the investment management industry, providing a platform for our industry to reach and develop capable young people from more diverse backgrounds.	We are a supporter of this initiative to help develop young, skilled professionals, equipped to navigate the complexities of the global market.

University of Exeter Partnership

Our partnership with the University of Exeter represents a collaboration aimed at advancing research and education in systemic risk, sustainability, and the interconnections between nature and economic systems. Formalised in 2022, this partnership integrates the latest global systems risks related to climate change and sustainability into business strategies across various industries. Researchers from the University of Exeter's Business School and Global Systems Institute work closely with our industry experts, the Sustainable Investment team, and our resilient systems investing arm, Regnan.

Horizon: GHG Emissions Forecasting
The collaboration led to the development of our proprietary GHG emissions forecasting tool, Horizon. The tool has since been integrated into our reporting functions and risk dashboards in Affinity. Alongside this, we submitted a research publication to a high-impact journal, which is currently under review. The paper 'Horizon UK Corporate Emissions Report', assesses companies' emissions reduction ambitions against published reduction pathways provided by the Network for Greening the Financial Sector (NGFS), taking steps to address the multitude of challenges inherent in the data along the way. This is available to read here on our website.

We also worked with the University of Exeter to write the report, 'An audit of corporate decarbonisation ambition against low carbon futures', published by the Scientific Reports and available to read here. This paper audits corporate decarbonisation ambitions by examining GHG emissions disclosures and reduction targets from thousands of companies, then benchmarking them against global low-carbon scenarios. The paper concludes that corporate reporting has reached sufficient scale to supplement global emissions monitoring, but stress the urgent need for standardised reporting frameworks, greater regulatory oversight, expanded coverage of private markets, and stronger long-term commitments from high-emitting industries.

PhD Research: Business and Biodiversity
Regnan continues to sponsor and supervise a PhD student at the university as part of RENEW, a Natural Environment Research Council (NERC) funded project. In 2025, JOHCM and the University of Exeter's PhD student, Will Bugg, continued the research into how businesses can improve their approach to global ecosystems under the lens of the global climate and biodiversity crises. The mixed-methods research began to take shape with four distinct pieces of work: two qualitative studies grounded in empirical business interviews and two quantitative chapters leveraging global satellite data to explore the impact of key variables on ecosystem vegetation resilience.

The qualitative strand uses semi-structured interviews with sustainability managers from national and global corporates to explore how businesses can apply the concept of socio-ecological resilience to enhance their approach to natural systems. The first paper draws on organisational sensemaking theory to understand how businesses conceptualise the complexity of biodiversity, identifying key areas where they struggle to take action on biodiversity impacts and recognise the associated risks. Building on these findings, the second piece of work sets out a Socio-Ecological Resilience Canvas, a framework designed to help individuals within businesses employ resilient strategies to improve the relationship between their organisation and the natural world. The purpose of this research is to provide actionable steps that help businesses struggling to integrate biodiversity agendas into their strategies to communicate and improve their approaches.

In contrast, the quantitative strand analyses geospatial satellite data to advance scientific understanding of the impacts of climate and biodiversity variables on global vegetation resilience. These two chapters assess global trends in the effects of climate variables (rainfall, temperature, and dry season length) and diversity and land cover variables (tree cover percentage, species richness, and plant species richness) on vegetation resilience across different biomes. These analyses aim to identify key drivers of global ecosystem resilience, including hotspots of high resilience and areas most influenced by climate, land cover, and biodiversity. This work is intended to inform future research into specific anthropogenic and business impacts on ecosystems.

Looking forward to 2026, Will plans to complete his research, aiming to produce four pieces of work that contribute to business understanding of their interactions with biodiversity.

Policy Advocacy: UK Transition Plan Requirements

JOHCM submitted a detailed response to the UK Government's consultation on climate-related transition plan requirements, demonstrating our commitment to active stewardship and advocacy. Our submission advocated for a framework that balances ambition with practicality, recognising that credible transition planning delivers multiple benefits beyond risk management. The process of developing a plan fosters organisational learning, uncovers hidden vulnerabilities, and promotes adaptive strategies. When companies disclose their transition plans transparently, they send powerful signals across their value chains, enabling suppliers, customers, and financiers to make complementary investments and accelerating the spread of best practices. Holistic planning that accounts for interdependencies also improves system-wide resilience and the feasibility of delivery.

Key Policy Recommendations
Our submission included three main areas of detailed recommendations designed to create a proportionate, internationally competitive, and effective regime:

1. **"Comply-or-Explain" Approach with Safeguards:** We conditionally supported a "comply-or-explain" model rather than mandating universal transition plans, to avoid imposing unnecessary costs where climate transition is not yet material. However, we emphasised that rigorous safeguards are essential to prevent this becoming a loophole. Explanations for non-disclosure must detail the materiality determination process and time horizons used, be formally approved at board level, and be subject to time-bound review (e.g., annually) to ensure responsiveness to evolving risks.

2. **"Best Efforts" Implementation Mandate:** We argued against strict liability for plan delivery, which could stifle ambition by incentivising conservative targets. Instead, we advocated for a "best efforts, explain-and-update" approach that requires companies to make all reasonable efforts to implement their plans whilst promptly disclosing and justifying any material deviations. This balances accountability with the strategic flexibility needed to navigate dynamic policy and technology landscapes and can be complemented by advisory "say on climate" votes to enhance investor voice.

3. **International Alignment:** To protect UK competitiveness and reduce reporting burdens, we strongly urged alignment with international standards including the ISSB's IFRS S2 and the EU's ESRS. The goal is a "report once, use many times" system with authoritative guidance mapping connections between regimes, providing investors with consistent, comparable data.

Areas for Strengthening the Framework
Our submission highlighted areas where the proposed framework requires strengthening:

- **Corporate Lobbying and Influence:** A plan's credibility is undermined if lobbying activities contradict stated climate goals. We called for mandatory disclosure of direct and third-party lobbying positions with board oversight, particularly where company revenues are tied to emissions-intensive activities. Transparent evidence must rebut the presumption that such companies may seek to delay climate action.
- **Physical Risk and Adaptation:** We recommended that adaptation to physical climate risks be a core pillar of any transition plan, with mandatory disclosure requirements including: rigorous scenario analysis testing resilience against both 2°C and 4°C warming pathways to understand non-linear risks and tipping points; clear links between analysis and concrete actions such as capital allocation and asset hardening; and assessment of value chain interdependencies beyond direct operations.

This advocacy work exemplifies how we seek to influence the "enabling environment"– the market rules, regulations, and policies that shape how all companies behave—to address systemic risks, internalise externalities, and provide clear signals to market participants that support the transition to a more resilient economy.

Case study:

JOHCM Global Select and Regnan Sustainable Water and Waste: Companhia de Saneamento Basico do Estado de Sao Paulo (SABESP)

Issue(s):
SABESP is a holding shared across both JOHCM Global Select and Regnan Sustainable Water and Waste. The RAIC engaged with them on behalf of both strategies as part of a collaborative engagement initiative. SABESP, Brazil's largest sanitation company, operates in a region highly exposed to worsening physical climate risks, particularly droughts, which pose a material threat to water supply and operational resilience. Whilst the company has implemented various adaptation initiatives, it was unclear whether SABESP systematically maps its operational footprint to identify areas most vulnerable to physical climate impacts. In addition, disclosure on its climate and nature risk management approach appeared limited, particularly in relation to alignment with emerging regulatory frameworks such as TCFD and TNFD.

Objective(s):
The investment team's objective was to encourage SABESP to prioritise adaptation and resilience measures in light of Brazil's exposure to physical climate risks, whilst recognising the interconnectedness of adaptation and mitigation. A key objective was to promote a more systematic, systems-based approach to identifying and managing climate-related risks across operations. The investment team also aimed to improve the company's alignment with TCFD and TNFD frameworks.

Activity:
In December 2024, during an initial meeting with SABESP, the investment team emphasised that adaptation to worsening physical impacts of climate change is likely more material for water utilities than mitigation risks. The team commended SABESP's efforts to construct redundancy systems, particularly given Brazil's exposure to droughts, and queried whether the company systematically maps operational vulnerabilities. SABESP did not confirm that such mapping was being undertaken but instead highlighted adaptation projects, including the conservation of 49,000 hectares of forest reserve around water reservoirs to support water purification. The investment team encouraged continued resilience efforts, citing international best practice examples such as peatland restoration by United Utilities in the UK, which improved water clarity, and engagement with farmers to better manage chemical runoff affecting water quality.

In March 2025, the investment team assessed progress and noted continued investment in redundancy infrastructure, including upgrades completed in 2023 to the Cantareira System's

substation, transformers and electric panels at the Santa Inês Pumping Station to enhance treatment capacity and water transfer across systems. The team reiterated the importance of strengthened disclosure. A further review in November 2025 found no explicit evidence of enhanced TCFD- or TNFD-aligned disclosure in SABESP's 2025 reporting, and the investment team plans to follow up.

Outcome:
SABESP demonstrated tangible operational resilience improvements through redundancy projects and infrastructure upgrades. Notably, despite the 2021/2022 drought period experiencing rainfall levels similar to the severe 2014/2015 droughts, water supply in metropolitan São Paulo was maintained at 20% above demand, reflecting the benefits of resilience investments. The company also promotes water conservation through rebates and penalties linked to consumption levels. However, improvements in systematic climate risk mapping and enhanced climate- and nature-related disclosure were not evident at the latest review, and engagement on these issues remains ongoing.

Site Visit Insights: SABESP (Brazil)
A site visit to SABESP's ETE Parque Novo Mundo treatment facility in São Paulo, in November 2025, reinforced our conviction in the company's alignment with long-term structural trends in water security and urban sanitation. Key takeaways from the visit include:

- **Technology for Resilience:** The facility is deploying the "Nereda" aerobic granular sludge system, which reduces energy consumption by up to 50% and requires 75% less land than conventional plants. This investment enhances efficiency in a land-scarce megacity while improving water quality via advanced nutrient removal.

- **System-Level Impact:** The expansion is a cornerstone of the Integra Tietê program, a state-led initiative to revitalise the heavily polluted Tietê River. By increasing tertiary treatment capacity, the project directly reduces pollutant loads, supporting aquatic ecosystem restoration and public health outcomes beyond the plant's boundaries.

- **Social Inclusion & Universalisation:** Following privatisation, SABESP is investing over R$70 billion to achieve universal water and sewage coverage by 2029. Crucially, this includes formalising connections in favelas, which acts as a gateway for residents to access broader social services and financial inclusion, embedding social equity into the utility's growth strategy.



Our approach to escalation

Our investment teams may escalate engagement efforts when initial engagement does not lead to desired outcomes or to take a position on issues we believe to have a serious impact. Our case studies on proxy voting under Principle 4 portrays what an escalation may look like. Each investment team has a different investment approach, resulting in different escalation approaches for funds, assets, and geographies. This flexibility allows them to tailor their strategies to be most effective in achieving sustainable shareholder value. Nonetheless, each team is underpinned by the same set of principles. Potential escalation activities may include:

- Escalating meetings to the Board
- Writing letters to explain our expectations as investors
- Voting against or abstaining from management's resolution, or supporting shareholder resolutions
- Collaborating with other shareholders to increase pressure for change
- As a last resort, divestment where engagement has failed and the investment team considers the issue to present a financially material risk

Promoting Resilient Systems case studies and approach through Regnan

Our approach
Regnan's Stewardship for Resilient Systems embeds systems and resilience thinking into the design and execution of research, engagement and advocacy to achieve meaningful outcomes for clients and beneficiaries. It extends beyond asset-specific analysis to understand interdependencies, externalities, and systematic/systemic risks across time horizons, recognising that financial markets are deeply intertwined with real-world systems.

We direct stewardship efforts to augment systems resilience – enhancing the capacity of socio-ecological-economic systems to adapt to disturbances and remain within critical thresholds that sustain healthy functioning systems – supporting more predictable operating environments and investment outcomes.

We are currently undertaking work on two priority stewardship streams – biocultural resilience and critical minerals – each applying the systems resilience framework to address material environmental, social and governance risks and opportunities.

How we deliver resilient systems stewardship
We use research, engagement and advocacy as integrated tools to address issues in ways that augment system-wide resilience and deliver meaningful real-world outcomes for clients, beneficiaries, issuers, the broader economy and society.

Direct corporate engagement
We engage portfolio issuers using comprehensive sustainability assessments that prioritise issues demonstrably material to financial performance or with significant systematic impacts, considering both immediate implications and longer-horizon effects, and measuring success through robust evidence of change and clear alignment between objectives and company actions.

Value-chain and systems engagement
We extend engagement beyond direct holdings to relevant value-chain and system actors, mapping interdependencies to identify critical vulnerabilities and focus resources where investor influence can be most effectively leveraged, including outside the immediate portfolio sphere.

Collaborative engagement
We collaborate with diverse investors to pool expertise, share resources, reduce duplication, deepen understanding, and amplify influence through collective reputation, size and institutional expertise.

Voting and shareholder resolutions
We evaluate voting decisions for their potential to enhance organisational resilience, integrating sustainability insights and weighing anticipated benefits against unintended consequences, while supporting issuers to interpret feedback and understand investor priorities.

Advocacy
We advocate for enabling-environment improvements that augment systems resilience, recognising that policies shape market dynamics and issuer behaviour by restricting or enabling activities, internalising externalities, and providing directional signals aligned with broader objectives.

We contribute through regulatory consultations and voluntary standards design, publish thought leadership, sponsor academic research (including doctoral studies on integrating ecosystem resilience into impact analysis), and work to identify and address policy capture that undermines systemic resilience and the integrity of public institutions.

Figure 1: Biocultural resilience: Regnan's systems stewardship map

Core Approach: Systems Resilience

Beyond Asset-Specific Analysis
Regnan embeds systems thinking to understand interdependencies and systematic and systemic risks across time horizons, recognising that markets are Deeply intertwined with real-world socio-ecological systems.

Augmenting Systems Capacity
The goal is to enhance the capacity of systems to adapt to disturbances and remain within critical thresholds that sustain healthy, functioning environments and societies.

Priority Stewardship Streams
The framework is currently applied to two strategic streams: Biocultural Resilience and Resilient Critical Minerals.

Issuer and Value Chain Engagement

Mapping Value Chain Interdependencies
By identifying critical vulnerabilities in the system, resources are focused on companies whose behaviours materially affect system resilience, even if they sit outside the immediate portfolio.

Taking a Systems Approach to Engagement
In addition to engaging on company-specific issues, we seek to pursue objectives that contribute to overall systems resilience.

Strategic Collaboration & Advocacy

Collaborative Engagement
Leveraging collective expertise and reputation through initiatives such as UNPRI Spring and Mining2030 to tackle Complex challenges that individual Investors cannot solve alone.

Shaping the Enabling Environment
Advocacy through regulatory consultations and standard-setting ensures that market signals align with systemic sustainability and internalise environmental and social costs.

Countering Policy Capture
Working to identify and address instances where private interests distort public policy, which undermine the integrity of markets and long-term value creation.

Key Constituents: Biocultural Resilience

Leading Global Issuers
Key engaged entities include Rio Tinto, South32, Glencore (Mining); Waste Management, Republic Services (Waste); Severn Trent, United Utilities, Sabesp (Water); and Toyota Motor Corporation.

Collaborative Initiatives
Strategic partnerships include the UN PRI Spring Initiative and the ShareAction Pesticides Working Group.

Standard Setters & Regulators
Influence is directed toward the Taskforce on Nature-related Financial Disclosures (TNFD), ICMM,and the UK Water Services Regulation Authority (Ofwat).

Academic & Thought Leadership
Strengthening evidence-based stewardship through partnerships with Exeter University and sponsoring doctoral research on integrating ecosystem resilience into impact analysis.

Key Constituents: Critical Minerals

Leading Global Issuers
Key engaged entities include Rio Tinto, South32, Glencore, Ivanhoe Mines, Lynas Rare Earths, Barrick Mining Corp (miners); Denso Corp, BYD Co & Hindalco Industries (value chain)

Collaborative Initiatives
Strategic partnerships include Mining2030 and UNPRI Spring Initiative (for mining companies only)

Standard Setters & Regulators
Influence is directed toward ICMM and via Mining2030 consultations.

Academic & Thought Leadership
Strengthening evidence-based stewardship through our own research for dissemination with clients.

Stewardship Stream: Biocultural resilience

Biocultural resilience reframes "biodiversity/nature" stewardship by recognising that nature and society/culture are interrelated, and that resilience depends on diversity, adaptability and self-organisation that maintain functional integrity in complex systems, responding to persistent conservation shortcomings including ecological equilibrium assumptions, separation of people from nature, exclusion of traditional knowledge, and inequality-exacerbating approaches.

Why this stream matters
Accelerating biodiversity loss and ecosystem deterioration threatens the stability of economic, environmental, social and political systems underpinning long-term returns, whilst existing finance frameworks often underweight systems interdependencies, feedback loops, and socio-political dimensions, leading to sub-optimal interventions. A biocultural resilience lens improves investors' ability to manage systematic and systemic risks and maximise long-term value in "common" systems on which beneficiaries' interests depend.

Stewardship principles we apply
We anchor this stream in six guiding principles:

- Operationalise complex adaptive systems thinking
- Enhance response diversity and functional redundancy
- Understand and manage connectivity
- Continuously monitor, learn and respond
- Recognise landscapes are shaped by long-standing interactions with people
- Actively consider socio-cultural systems including traditional knowledge and the role of local communities as stewards

The approach integrates insights from systems and resilience science and political ecology, explicitly considering power dynamics, contested "nature" narratives, and equity to make interventions more robust and enduring.

How we execute stewardship
We aim to prioritise economy-wide outcomes and collaboration, using both issuer engagement and policy advocacy because many barriers are systemic and require enabling regulation and market design. In engagement, we expect companies to identify and manage interdependencies in their value chains and operating landscapes, consider dependencies and impacts on biocultural systems, and participate constructively in public policy discussions. In advocacy, we support policy and market reforms that strengthen the commons, improve incentives, and address externalities that may become financially material as system degradation feeds back into portfolios.

What "good outcomes" look like
We seek evidence that companies and policymakers are shifting from narrow, technical "nature" management toward approaches strengthening resilience drivers—diversity/redundancy, fit-for-purpose connectivity, adaptive monitoring and learning, and credible inclusion of local and Indigenous knowledge systems—whilst treating legitimacy and fairness as effectiveness conditions, because exclusion can undermine intervention durability and increase conflict, delay and operational volatility.

Stewardship stream: Critical minerals

Our stewardship programme aims to promote a resilient critical minerals system that addresses vulnerabilities and ensures a long-term, stable supply to support a sustainable, just climate transition and real economic resilience.

Why this stream matters
Economic growth, clean energy, electric vehicles, and defence depend on critical minerals, but supply disruptions, geopolitical tensions, and resource depletion threaten the stability of systems underpinning long-term returns. A disconnect exists between short-term investment horizons and the increasing time from discovery to mine operation (17.8 years), concealing long-term weaknesses compounded by required output growth and geopolitical sensitivity.

Stewardship principles we apply
We anchor this stream in six guiding principles:

1. Mine and process sufficient primary critical minerals to meet growing global demand
2. Identify and mitigate environmental and social risks along the value chain to support supply growth
3. Integrate circular economy principles to reduce primary production growth and associated damage
4. Create a supportive regulatory environment balancing sustainability with sufficient output

5. Embed a global collaborative approach to boost production, trade and access

6. Create specialised financial, trading and educational systems to support diversification and long-term supply growth

How we execute stewardship
Critical minerals present systemic challenges requiring coordinated action across producers, manufacturers, financial institutions, policymakers, regulators, and research bodies. We use engagement and advocacy to push companies to map value chain dependencies and vulnerabilities, build resilience against supply disruptions, and contribute meaningfully to policy debates.

What "good outcomes" look like
Good outcomes involve entities adjusting approaches to reflect best practice principles, such as embedding social and environmental considerations, increasing recycling efficacy through collaboration, mitigating political risks via insurance and guarantees, or addressing skills shortages through education-corporate partnerships.

Advocacy case study: Ofwat

Biocultural Resilience

Issue(s):
Ofwat plays a critical role in ensuring the water sector not only delivers essential services but also acts as a steward for healthy ecosystems, which are foundational to the sector's long-term resilience. However, the regulator faces a complex balancing act: it must drive water companies to adapt to climate change and population growth while simultaneously addressing a crisis of public confidence caused by river pollution.

To progress the regulatory framework to best serve these varied requirements, Ofwat launched two key consultations: feedback on strategic priorities set out in the Forward Programme 2025-2026, and feedback on new Rules on Remuneration and Governance to restore trust by linking executive pay to performance.

Activity:
Regnan responded to both consultations to advocate for a regulatory approach grounded in stewardship for resilient systems.

Forward Programme 2025-2026: We advocated for Ofwat to facilitate a transdisciplinary approach to river pollution, arguing that restoring healthy ecosystems requires coordinating stakeholders beyond just water utilities, such as farmers and urban planners. We also called for "prudent regulatory flexibility" to accelerate the adoption of nature-based solutions (like reedbeds) that support ecological health.

Rules on Remuneration and Governance (please see full recommendation submission here): We supported measures to empower consumers and link governance to conduct, agreeing that consumers need clear avenues for redress. We noted the possibility of unintended consequences, such as companies circumventing bonus bans, and potential human capital management risks arising from the increased scrutiny and potentially lower remuneration of management positions. We recommended Ofwat take an active educational role to demonstrate how the regulatory framework prioritises consumer interests, helping to rebuild the social licence necessary for long-term investment in ecosystem health.

Outcome:
Our dual submissions reinforced our perspective that Ofwat's mandate to protect consumers and the environment are interconnected. By positioning collaborative, system-wide action and innovation flexibility as essential for solving pollution and restoring ecosystems, we aimed to broaden the regulator's focus. Simultaneously, by backing stronger consumer-centric governance rules yet highlighting potential unintended consequences, we sought to support improved industry reputation, a necessary condition for the sector to secure the mandate and capital required to deliver genuine, long-term environmental resilience.



Advocacy case study: Taskforce on Nature-related Financial Disclosures (TNFD)

Biocultural Resilience

Issue(s):
The water utilities sector is a critical service provider yet is inherently reliant on healthy ecosystems for catchment management, water quality, and resilience against climate shocks. In 2024, the TNFD was developing sector-specific guidance to help companies and investors assess and disclose these nature-related dependencies, impacts, risks, and opportunities. We viewed that it was critical to ensure a broader biocultural resilience, systems perspective within the guidance.

Activity:
Regnan engaged directly with the TNFD initiative prior to the release of its water utilities sector guidance. We advocated for a more holistic, systems-based approach, specifically encouraging the inclusion of diversity, connectivity, and adaptability as core resilience principles.
We advocated for the guidance to explicitly recognise socio-economic factors, highlighting that local communities often act as the primary stewards of the landscapes water utilities depend upon. Furthermore, we urged the Taskforce to account for interdependencies between systems – connecting ecological health with political and economic realities – and argued that responsible political lobbying (consistent with investor expectations) should be a key governance indicator.

We formalised these points in a follow-up letter detailing specific recommendations for metrics to be used in the guidance, that lent on our experience in assessing and engaging with water utility companies.

Outcome:
Our engagement aimed to serve as an input to broaden the scope of the TNFD's sector guidance beyond purely hydrological or ecological metrics. By formally submitting recommendations on metrics and lobbying, we positioned "systems resilience" and "responsible advocacy" as necessary components of nature-related disclosure. Draft guidance that was released, was aligned with our views including on the role of stakeholders such as indigenous peoples, local communities and other affected stakeholders in relation to the water sector, and metrics such as pollution, CSOs and water leaks.



Advocacy case study: UNPRI policy briefing

Biocultural Resilience and Critical Minerals

Issue(s):
China and Southeast Asia face critical sustainability challenges as they rapidly expand electric vehicle (EV) production and infrastructure. The region's transition to a low-carbon economy presents material risks across multiple dimensions: climate transition, water security, labour rights, and human rights within the EV value chain.

In China and Indonesia specifically, nickel mining and EV manufacturing operations are concentrated in regions experiencing acute water stress and population pressures, such as Sulawesi and Java. Without comprehensive policy frameworks that account for interdependencies between environmental, social, and economic systems, these risks could undermine both investment returns and sustainable development outcomes.

The necessity for holistic planning extends beyond individual company operations to encompass impacts on local communities, workforce stability, supply chain partners, and coordination with industry peers to overcome shared barriers. Investors require clear policy signals and supportive regulatory environments to scale capital allocation toward sustainable transition activities in these markets.

Activity:
Regnan was invited to provide expert input into a UNPRI policy briefing titled "Catalysing Policy Reform to Enable Investor Support for an Economy-Wide Transition in China and Southeast Asia". This engagement formed part of Regnan's advocacy work to support a sustainable, economy-wide transition across the region.

During interviews with PRI, Regnan emphasised several key priorities: Water security and system-wide resilience: Regnan highlighted water security as a material risk, particularly in regions where critical minerals for EVs are sourced. The assessment framework considers both water availability and intensity, analysing the likelihood and consequence of water-related disruptions. Regnan advocated for companies to integrate water security analysis into strategic planning, including site selection and capital allocation decisions.

Regnan urged investors and companies to scrutinise rising water conflicts with local communities in the EV value chain, especially in Sulawesi and Java, Indonesia, where nickel mining operations face water security challenges exacerbated by untreated household and industrial wastewater. As EV investments drive economic change, they intensify competition and complexity around water resources.

Climate planning expectations: Regnan presented expectations on climate plans using the Credible, Ambitious, Real and Influence (CARI) model for evaluating a company's climate plan. Enhanced human rights and supply chain management: Regnan advocated for transparent disclosure of supply chain practices, including labour practices and human rights management.

Recommendations included that companies systematically identify and categorise suppliers according to varying levels of ESG risk and materiality to business operations. Furthermore, Regnan recommended extending due diligence beyond tier 1 suppliers, enhancing traceability back to origin, implementing external audits in high-risk regions, and broadening whistleblowing programmes to encompass all stakeholders.

Outcome:
Regnan's insights and recommendations were incorporated into the UNPRI policy briefing, contributing to the development of policy frameworks that support investor engagement in China and Southeast Asia's transition. The recommendations provided practical guidance for investors on:

- Integrating water security analysis into investment decisions and company engagement strategies
- Evaluating climate transition plans using comprehensive criteria that account for real-world impacts
- Implementing robust human rights due diligence across complex supply chains

This work supports the broader objective of creating enabling policy environments that align commercial incentives with sustainable development outcomes, helping to unlock private capital for an economy-wide transition in these critical markets.

Value chain case study: Denso Corporation

Critical minerals

Issue(s):
As a major tier-one automotive supplier, Denso Corporation's operations are deeply integrated into the critical minerals system, exposing it to heightened geopolitical, reputational, and supply chain risks associated with materials like tin, gold, tungsten, and cobalt. We assessed the company could elevate their strategic management of the critical minerals, enhance their ethical conduct practices, and integrate "climate-aware" supplier diversification.

Activity:
In our engagement meeting with the company, we strongly encouraged the adoption of a dedicated critical mineral procurement strategy that explicitly addresses geopolitical instability. We pressed management to implement "climate-aware" supply chain mapping, ensuring that physical risks (like floods or droughts) are systematically identified and mitigated through diversification.

Additionally, we recommended strengthening ethical conduct frameworks by investigating and forming a strategy to address the disclosed fall in percentage of employees that "put the code of conduct into action", whilst publicly disclosing the third-party whistleblowing channel and consequence management outcomes.

Outcome:
Management confirmed that critical mineral risks are managed through vendor diversification and real-time monitoring of global regulations (e.g., EU/US supply chain laws), though they acknowledged our push for a more explicit, standalone strategy.

The company confirmed it maintains contingency frameworks to shift procurement rapidly during climate events and uses IoT to monitor climate risks at its own sites, and acknowledged our needs to integrate a climate-aware approach to diversification.

Finally, the company confirmed they are due to investigate the reported drop in employees that action the code-of-conduct, and acknowledged our request for heightened disclosures.



Advocacy case study: Mining2030

Critical minerals

Issue(s):
Currently, there is a lack of consensus about the role finance has in realising a vision of a socially and environmentally responsible mining sector.

Activity:
Regnan responded to Mining2030's consultation on the initiative's proposed principles for investor expectations. Mining2030 is a collaborative investor-led initiative that seeks to strengthen the mining sector's long-term sustainability and social licence to operate by aligning industry practices with investor expectations and broader societal demands by 2030. We became an Investor Supporter in 2025.

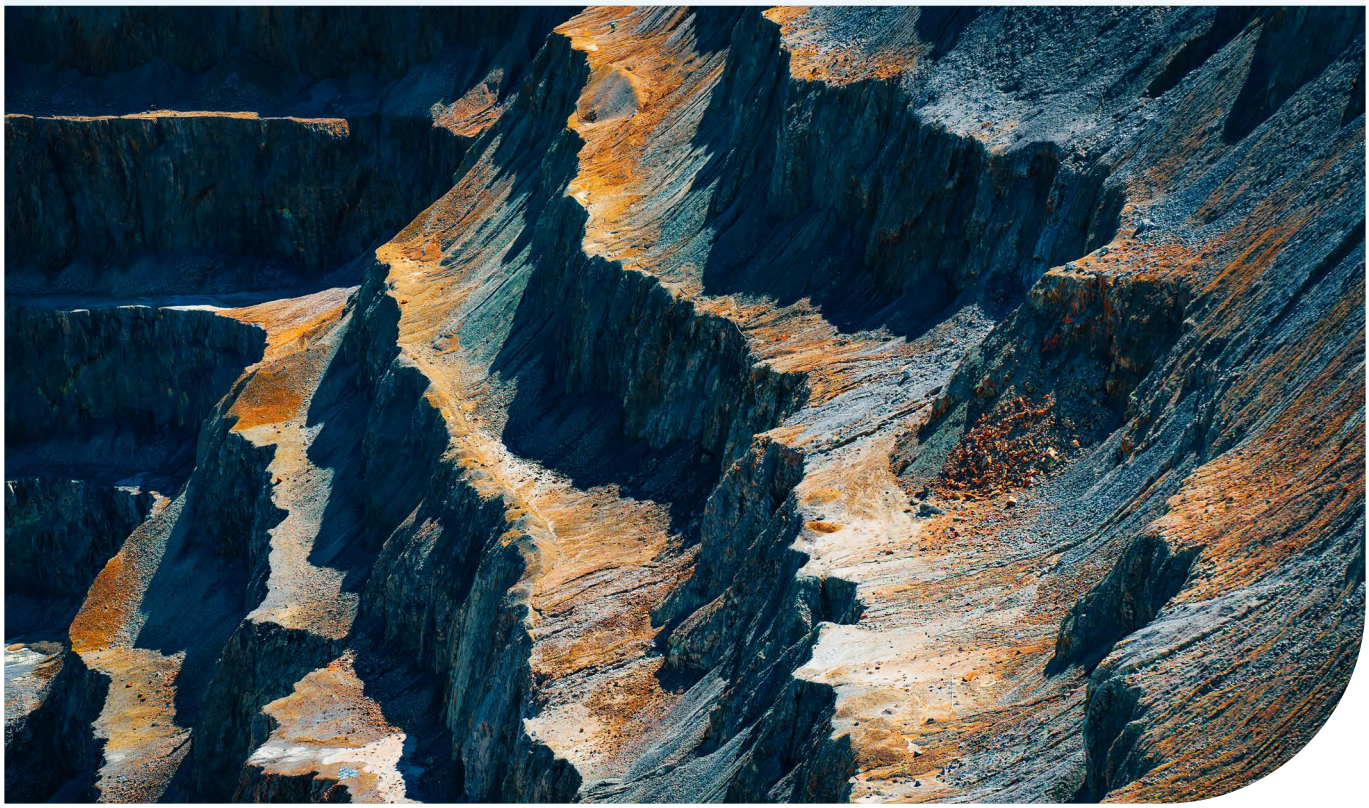
Company principles: Our submission recommended that companies disclose the main blockages and challenges they faced in transitioning to more sustainable operations, as this transparency enabled collaboration and better governance. We also stressed the need to manage sustainability risks holistically by identifying interlinkages and feedback loops, supported by effective human capital strategies and cross-team accountability.

On lobbying and public policy, we supported expectations that companies assess trade association positions against their own commitments, address material misalignment through engagement and actions, and disclose outcomes. We also proposed a dedicated remediation principle with a predefined corrective-action standard when breaches or incidents occurred.

Assessing progress and thematic issues:
Our submission cautioned against narrow indicators that might drive "target chasing"; we preferred overarching goals aligned to the principles, with companies adopting fit-for-purpose targets and metrics where helpful, supported by peer best-practice examples.

For thematic issues, we recommended a complementary appendix of real-life case studies plus tiered best/mid/minimum practices that could evolve over time, and we emphasised mapping interlinkages (for example via a systems map) to strengthen risk identification. Finally, we argued standards should explicitly require periodic evolution as evidence and expectations developed.

Outcome:
The Secretariat confirmed that they "integrated many of [our] suggestions [into the final draft of the expectations] and are considering others". We will respond to further consultations from Mining2030 on an ongoing basis.



Company case study: Severn Trent

Biocultural Resilience

Issue(s):
Water utilities like Severn Trent are intrinsically dependent on healthy ecosystems to deliver clean water and resilience against climate shocks. However, the relevance of biocultural resilience to overall system stability and company financial performance is often underestimated. This fragmentation risks overlooking critical interdependencies: how habitat degradation can directly threaten water supply, or how social and economic factors (like farming practices) drive ecosystem health.

Without a unified "biocultural resilience" framework – one that connects ecological health, community stewardship, and business continuity – investors struggle to assess whether a company's long-term strategy is truly robust against future systemic shocks.

Action:
Regnan engaged closely with Severn Trent to encourage a shift from simple biodiversity targets to a holistic systems perspective, advocating for an approach that embodies the characteristics of biocultural resilience. Through a series of meetings and follow-up correspondence, we encouraged the company to:

Adopt a systems view: Integrate biodiversity with economic and social factors, rather than assessing it in isolation. We shared our own research on biocultural resilience to guide this shift.

Enhance disclosures: We requested clearer articulation of habitat types, "healthy state" baselines, and drivers of degradation within their catchments. We specifically recommended using common resilience frameworks (like the "5 Rs") to make disclosures comparable for investors. Scenario planning: We challenged the company to include biodiversity in their resilience scenarios (not just water flows), citing the Murray-Darling ecosystem flows as a best-practice example of modelling ecological thresholds.

Link targets to strategy: We pressed for short-term biodiversity targets to be explicitly linked to the company's 25-year resilience vision, enabling investors to monitor genuine progress toward system stability.

Outcome:
The engagement yielded positive strategic alignment and openness to evolving reporting practices.

Severn Trent confirmed that biodiversity is integrated into their "adaptive pathways" for the next 25 years and acknowledged the value of the systems perspective we proposed. The company admitted that measuring "biodiversity units" is an area of development and shared plans to significantly expand their internal ecology team to support this transition. Management responded positively to our suggestion of using standardised resilience frameworks to enhance assessments and agreed that linking sub-targets to the broader resilience vision would be valuable for their post-PR24 process.



Direct company case study: Ivanhoe Mines

Critical minerals

Issue(s):
Ivanhoe Mines's production of copper, zinc, PGMs and nickel supports the critical mineral system. We view that there are opportunities for the company to further refine its transition scenarios, strengthen its assessment of physical impacts of climate change risks to critical third-party infrastructure and improve the granularity of ethical conduct and whistleblowing disclosures.

Action:
We engaged with the company in a direct engagement. During the meeting, Regnan encouraged the development of more sophisticated climate transition scenarios, specifically breaking down opportunity capture on a commodity-by-commodity basis to account for variables like secondary supply growth and regulatory support.

We also pressed for the formalisation of physical risk assessments, urging the company to move beyond ad-hoc resilience measures and explicitly strategise for vulnerabilities in critical infrastructure outside its direct control. Additionally, we recommended enhancing the transparency of ethical conduct reporting by disclosing granular data on incident report types, substantiation rates, and consequence management outcomes.

Outcome:
The company confirmed it is actively working with an external partner to model transition scenarios, starting with copper supply and circular economy dynamics. It also acknowledged the gap in assessing external infrastructure risks and committed to scoping these assessments for next year. They also provided immediate assurance on operational resilience, providing examples of strategies. Finally, the company agreed to consider disclosing granular data on substantiated grievances and resolution outcomes in its next sustainability report, alongside planned enhancements to human rights reporting.



Escalation of market-wide and systemic risk concerns

Where our analysis of systemic risks identifies issues that cannot be adequately addressed through our own stewardship activities alone, we may escalate our concerns through a number of channels. These include engaging directly with regulators and policymakers through consultation responses, collaborating with other investors and industry bodies to amplify collective influence; and, where appropriate, escalating risks identified by the SRF to JOHCML's Executive Committee where they extend beyond portfolio-level investment risks into broader business or market integrity concerns.

During 2025, we did not identify any systemic risk issue that required formal escalation beyond the channels described above. The risks monitored by the SRF were managed through our established processes of quarterly portfolio integration, stress testing, and ongoing engagement with regulators and industry bodies. We will continue to assess whether escalation is warranted as the risk landscape evolves.

Principle 3: Engagement with issuers

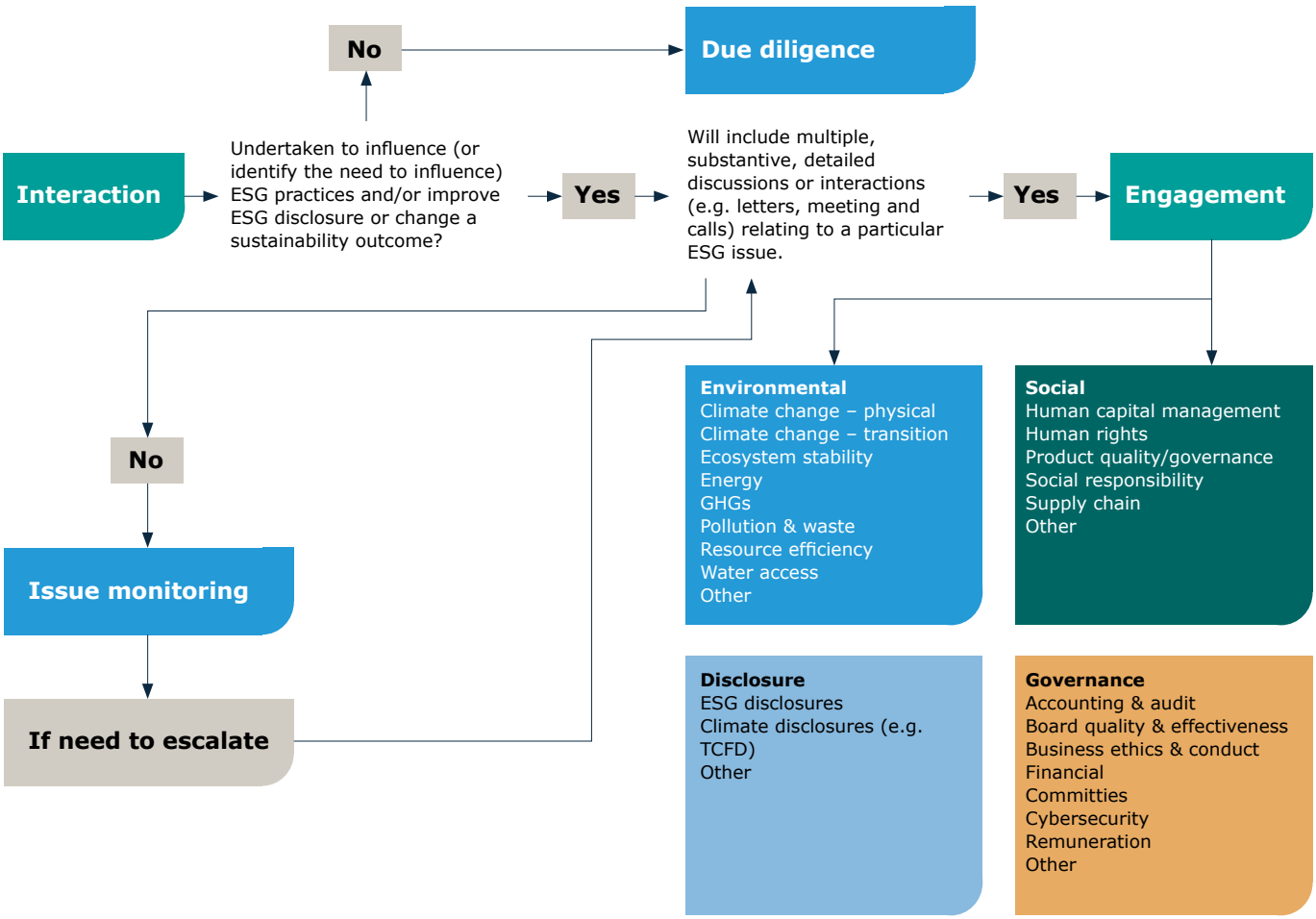
Our methods of engagement

Investment teams will select and prioritise engagements differently based on the specific characteristics and objectives of each strategy. Examples include prioritising engagements where we have identified areas of concern, where the size of our shareholding affords us greater influence, or where engagement on a particular topic is expected to deliver the most value for our investors. As responsible stewards of our clients' investments, our engagements with companies seek to encourage improvement in environmental and social outcomes, and how associated risks are governed to deliver resilient, long-term shareholder returns.

When engaging with companies, our investment teams tailor their approach based on the specific risks involved, the improvements a company has shown so far, and their judgment of an appropriate response. Teams recognise that this may differ between companies, even those within the same sector. Our approach recognises both the business case and the complexities involved in changing business operations. Given that our investment horizon is long-term, our interactions with the companies we invest in span several years and involve setting and achieving evolving goals.

As responsible investors, we take the recording and reporting of our engagements seriously. Our standardised definition of engagement aligns with that outlined by the UN Principles for Responsible Investing.

Figure 2: Engagement decision flow chart



How we select and prioritise engagements

Investment teams will select and prioritise engagements differently based on the specific characteristics and objectives of each strategy. Examples include prioritising engagements where we have identified areas of concern, where the size of our shareholding affords us greater influence, or where engagement on a particular topic is expected to deliver the most value for our investors. As responsible stewards of our clients' investments, our engagements with companies seek to encourage improvement in environmental and social outcomes, and how associated risks are governed to deliver resilient, long-term shareholder returns.

How we develop well-informed and precise engagement objectives

Well-informed and precise engagement objectives are set and formed by each investment team, depending upon what objective they believe best serves the interests of their clients. Objectives are tailored to each individual investee company that a team has chosen to engage with and may be informed by performance in comparison to peers.

Outcomes of ongoing and recent engagement

A total of 435 engagement objectives were open during 2025 across 189 different companies, of which 65.1% are ongoing and 34.9% were closed in the year. Investment teams are also monitoring 23 issues for discussion, which have the potential to become engagement topics if the portfolio managers decide investee companies need to improve on the specific topic and assign them an engagement objective.

Engagements occurred across different funds, geographies, and engagement topics. For example, our environmental engagements have included those on topics such as climate change, greenhouse gas emissions, ecosystem stability, pollution and waste, resource efficiency, and water access; our governance engagements have included those on remuneration, board quality and effectiveness, financial, business ethics and conduct, and cyber security; our social engagements include those on human capital management, human rights, social responsibility, and supply chain; and our disclosure engagements on ESG disclosures and climate disclosures.



Our engagements in numbers

Table 6: Overview of engagements objectives

Overview of engagement objectives	Count
Number of engagement objectives	435
Number of companies with engagement objectives	189
Number of engagement activities	68

Table 7: Status of engagement objectives

Status of engagement objectives	%
Open	65.10
Closed	34.95

Table 8: Engagement objectives by ESG category

ESG Category	%
Environmental	40
Governance	25
Social	23
Disclosure	13

ESG engagement objectives by sub-category

Table 9: Environmental

Environmental Objectives	Count
Climate change / transition	45
Climate change / physical	40
Greenhouse gas emissions	24
Ecosystem stability	21
Pollution and waste	15
Other environmental	11
Resource efficiency	6
Climate change / transition	5
Water access	2
Total	**169**

Table 10: Social

Social Objectives	Count
Human capital management	48
Other social	22
Social responsibility	13
Human rights	8
Product quality / governance	3
Supply chain	3
Total	**97**

Table 11: Governance

Governance Objectives	Count
Remuneration	30
Board quality & effectiveness	27
Financial	19
Business ethics & conduct	18
Other governance	12
Cyber security	1
Total	**107**

Table 12: Disclosure

Disclosure Objectives	Count
ESG disclosures	48
Climate disclosures (TCFD)	6
Total	**54**

JOHCM Global Opportunities: Heidelberg Materials AG

Issue(s):
Heidelberg Materials AG is one of the world's largest integrated manufacturers of building materials and solutions. The company operates in a hard-to-abate, high-emitting sector where achieving net zero is heavily dependent on emerging technologies and supportive policy frameworks, including carbon capture and storage (CCS/CCUS). Whilst the company has established a long-term 2050 net zero ambition and near-term 2030 emissions intensity reduction targets, the absence of a clear interim milestone between 2030 and 2050 creates a significant gap. This approximately twenty-year period without defined checkpoints limits transparency, weakens accountability, and makes it difficult for investors to assess progress and the credibility of the company's transition strategy over time. The Regnan Centre engaged with them on behalf of JOHCM Global Opportunities.

Objective(s):
The investment team's objective was to strengthen conviction in the credibility of Heidelberg Materials' long-term net zero ambition by encouraging the company to establish interim targets or milestones between 2030 and 2050. By promoting more granular progress tracking, the team aimed to enhance accountability, improve transparency, and support investors in assessing the robustness of the company's transition plan, particularly given the sector's reliance on emerging technologies and evolving policy frameworks.

Activity:
In an initial meeting in August 2025, Regnan pressed Heidelberg Materials on its interim target-setting approach, highlighting that the gap between the 2030 targets and the 2050 net zero commitment reduces transparency and weakens accountability. Although the company acknowledged growing stakeholder demand for interim targets, it expressed reluctance to establish them, citing regulatory uncertainty and technology development timelines as barriers to making reliable intermediate commitments. Regnan emphasised that interim accountability is a legitimate investor expectation and that targets can be designed to accommodate uncertainty. The company's Investor Relations team committed to advocate internally for enhanced target-setting approaches, recognising capital market expectations for more detailed progress tracking. The discussion also identified potential building blocks for interim milestones, including sustainability-linked bond targets for 2026 and annual CO^2 reduction guidance. Following the meeting, Regnan sent a follow-up letter in November 2025 encouraging the company to consider an adaptive, range-based target framework, incorporating best- and worst-case pathways reflecting plausible external conditions whilst remaining anchored to the overarching 2050 net zero ambition. The engagement further contributed to the publication of Regnan's white paper, "Decarbonising the foundations: exploring opportunities for decarbonisation in the cement sector," (available here)which supports investor dialogue on credible transition pathways.

Outcome:
The company responded constructively to the engagement and acknowledged increasing investor expectations for interim targets and improved disclosure. Whilst interim milestones have not yet been formally adopted, the dialogue strengthened internal awareness of capital market demands and identified practical mechanisms that could support enhanced target-setting over time. The investment team will continue to engage with Heidelberg Materials, monitor climate-related reporting, and assess progress toward more robust interim commitments and improved transparency.



Regnan Sustainable Water and Waste: Republic Services Group

Issue(s):
Republic Services is a leading integrated environmental services company operating across the United States waste management sector. The waste management industry presents a complex decarbonisation challenge; while accounting for approximately 3.3% of global greenhouse gas emissions, it provides essential services with significant multiplier effects on public health and resource conservation. The majority of emissions (approximately 90%) arise from landfill methane, while collection operations contribute 6–8% through fleet vehicles. Regnan's research identified that investor engagement with waste management companies offers the most effective approach to accelerating real-world emissions reductions. In the United States, Renewable Identification Number (RIN) prices have successfully transformed methane from a compliance liability into a valuable renewable energy asset, catalysing capital investment in gas capture infrastructure.

However, reliance on policy mechanisms requires robust strategic planning. The Regnan Water and Waste team's stewardship approach prioritises evidence-led scrutiny of internal climate transition plans over exclusive reliance on external validation frameworks, ensuring that decarbonisation strategies possess the resilience to endure beyond political cycles. To assess the sophistication of a corporate climate plan, the team utilises four core criteria: that plans are Credible (comprehensive coverage of material issues with clear disclosure of assumptions), Ambitious (clear targets that integrate climate considerations into incentive structures), Real (supported by tangible evidence of resourcing, capital expenditure, and board oversight), and demonstrate Influence (ensuring corporate political engagement does not delay decarbonisation).

Objective(s):
The investment team's engagement aimed to achieve three core objectives over a three-year period. First, to encourage the development of evidence-based climate transition plans supported by comprehensive interim targets, moving beyond exclusive reliance on external validation frameworks such as the SBTi to focus on tangible resourcing and capital expenditure. Second, to urge the adoption of science-based, credible, and robust methodologies to measure avoided emissions, enabling the company to demonstrate how its activities create value for customers and articulate the sustainability credentials of the waste sector to the wider market. Third, to verify that the company's renewable natural gas decarbonisation strategy and joint ventures possess the longevity to navigate shifting administration priorities and regulatory landscapes.

Activity:
The investment team has sustained a continuous dialogue with Republic Services through a series of letters and meetings spanning 2022 to 2025. This commenced with a formal letter in July 2022 regarding avoided emissions, followed by meetings in June and November of that year to discuss renewable natural gas strategies and initial climate planning. The engagement deepened in September 2023 with examinations of policy resilience, leading to strategic discussions in November 2024 where the team articulated its framework for evaluating credible climate plans over static targets. Most recently, in November 2025, the team met with management to review decarbonisation progress and the credibility of new avoided emissions disclosures.

Outcome:
Progress has been observed across all three engagement objectives. On climate transition planning, Republic Services has demonstrated strong operational performance, achieving a 20% emissions reduction against its 2017 baseline – exceeding its interim 2025 goal of 10% and positioning the company well ahead of its 2030 target of 35%. During the November 2025 engagement, management highlighted the rigidity of certain external frameworks regarding target revalidation, noting the challenge of aligning sectoral constraints. The investment team reiterated that sophisticated investors prioritise credible, realistic transition plans over third-party certification, clarifying that external validation is not a prerequisite where comprehensive disclosure and demonstrated progress exist; management acknowledged alignment with this approach.

On avoided emissions disclosure, the team commended Republic Services for its progress on avoided emissions analysis. Management sought guidance on best practices given the absence of specific frameworks, and the team clarified that independent measurement and verification –

rather than adherence to a single framework – is the critical factor for establishing credibility. Both parties aligned on the strategic narrative that excluding large emitters from portfolios undermines society's ability to solve waste challenges, and that robust disclosure helps articulate the value of the sector. On renewable natural gas development, the team verified in earlier stages of the engagement that the company's RNG business model – specifically its joint venture with Archaea Energy – was resilient to policy volatility. Management confirmed that contracts were structured to manage volatility across voluntary and transportation markets, with investments underwritten using conservative assumptions to ensure stability across varying regulatory scenarios.



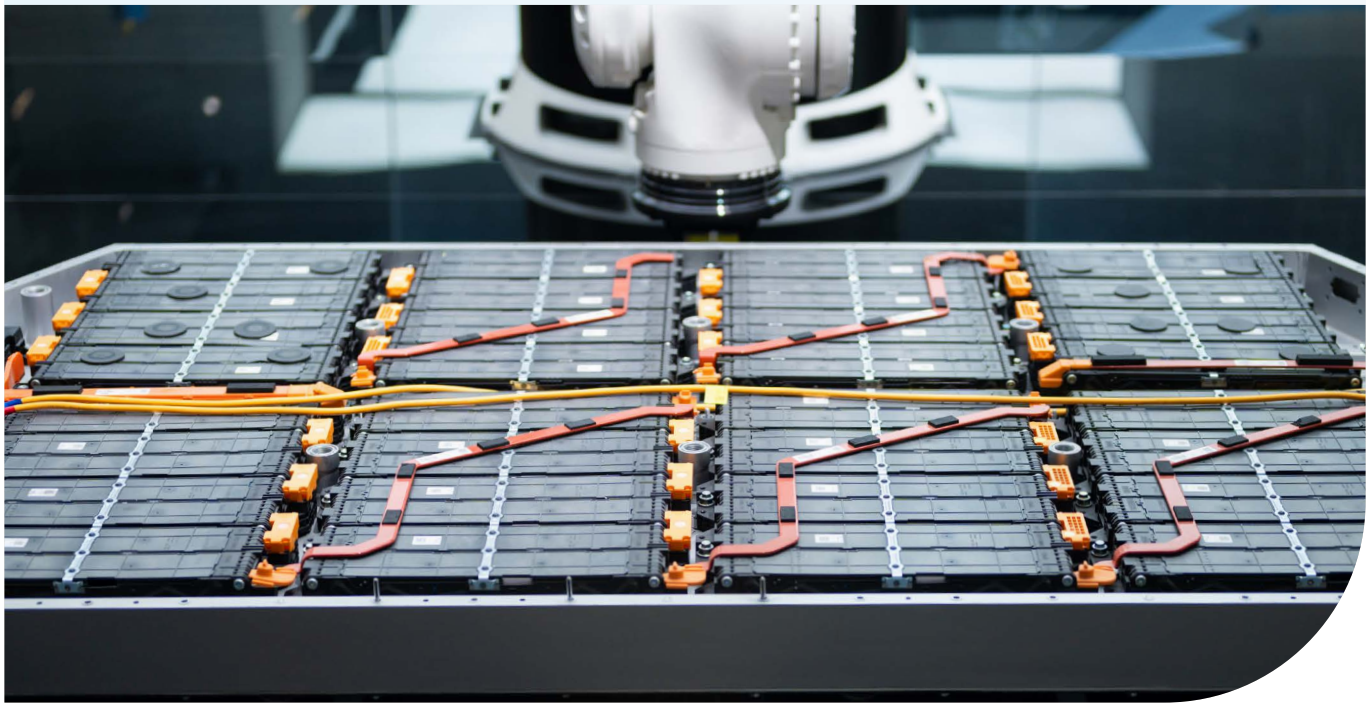
Regnan Global Mobility Logistics: Denso Corporation

Issue(s):
Denso Corporation is a Japanese manufacturer of automotive components and one of the largest global tier 1 automotive suppliers, with key exposures to themes such as electrification and mobility. The automotive supply chain faces a convergence of material sustainability risks: the transition to electrification is intensifying dependence on critical minerals, the physical impacts of climate change pose growing threats to complex global supply networks, and the sector has historically been subject to ethical conduct controversies, including antitrust cases in which Denso has been involved. The investment team engaged with Denso for the first time in Q4 2025 to assess the company's preparedness across these interconnected risks. This engagement was conducted both on behalf of the fund and as part of Regnan's ongoing critical minerals engagement programme, which seeks to bolster the resilience of the critical minerals system by engaging companies along the value chain.

Objective(s):
The investment team's engagement aimed to achieve three core objectives. First, to strengthen ethical conduct processes by encouraging a multi-strategy approach encompassing a strong conduct culture, a robust code of conduct policy, an anonymous and third-party whistleblowing service with clear and disclosed consequence management, and a strong tone from management. Second, to encourage the integration of critical-mineral-specific considerations into strategy, policy, and management – including mapping critical minerals against product lines and revenue dependence, explicit consideration with regards to R&D and the development of new technologies, and specific executive and board-level oversight given the fast-changing nature of the risk. Third, to urge the integration of climate-aware supplier diversification, specifically by extending climate scenario analysis to the supplier level and critical interdependencies such as infrastructure, factoring in location-specific exposure and integrating these assessments into contingency planning.

Activity:
The investment team's engagement activities comprised one meeting and one letter reiterating the team's views and desired outcomes. The meeting was held with multiple members of Denso's investor relations team and covered all three engagement objectives. The company expressed appreciation for the perspectives shared during the meeting and highlighted ongoing work to address the questions raised.

Outcome:
As this engagement was initiated in Q4 2025, it remains at an early stage. The company's constructive reception of the investment team's perspectives provides a foundation for continued dialogue. The investment team will monitor progress across all three objectives and re-engage with the company on an ongoing basis.



JOHCM Emerging Markets Opportunities: Petróleo Brasileiro S.A

Issue(s):
Petróleo Brasileiro is a Brazilian state-owned company who explores, produces and sells oil and natural gasses internationally. In 2025, the investment team engaged with Petróleo Brasileiro to discuss their carbon intensity target of 15 $kgCO^2e$ per barrel of oil, a measure of the greenhouse gas emissions generated from its upstream operations for each barrel of oil produced. This was to be achieved by 2025, with the same intensity level retained through 2030. Reported performance in 2023 and 2024 indicates the company has already achieved carbon intensity levels below this target. The investment team considered that this may limit the target's effectiveness as a driver of continued operational improvement and emissions reductions over the medium term.

Objective(s):
The investment team's objective was to encourage Petrobras to reassess and strengthen its carbon intensity target so that it better reflects progress to date and provides a clearer incentive for ongoing innovation and decarbonisation. The team engaged because credible, appropriately ambitious targets are an important component of effective transition planning, enabling investors to assess performance, accountability, and the resilience of the company's strategy over time.

Activity:
The investment team sent an engagement letter to Petrobras' Investor Relations team, setting out its expectations and requesting that the company review its target-setting approach in light of its recent performance.

Outcome:
Petrobras acknowledged the team's feedback and shared its perspective on the challenges of further reductions, citing factors such as increased production and the operational profile of older assets. The company noted that maintaining its current target is already demanding. The investment team will continue to monitor Petrobras' carbon intensity trajectory and broader transition progress, and will revisit the topic if performance trends and/or strategic developments indicate that a more ambitious target could be feasible and appropriate.



JOHCM UK Equity Income: TP ICAP Group plc

Issue(s):
TP ICAP Group is a leading liquidity and data solutions specialist. The investment team initiated engagement with TP ICAP due to concerns about the current ownership structure of the Group's data business, Parameta. The team's view was that Parameta's value and growth potential were not being fully realised within the wider Group structure.

Objective(s):
The investment team's objective was to encourage the Board to actively consider strategic options for Parameta, including a sale or partial sale, on the basis that Parameta appears constrained within the Group, in part due to broader challenges around credibility and profitability elsewhere in the business. This may limit the growth capital the Board is willing or able to allocate to Parameta, despite its strong market position. The investment team believes Parameta could accelerate growth and monetisation faster if supported by a larger data platform with broader distribution and funding capacity. Parameta is material both in absolute terms and relative to TP ICAP's overall market capitalisation. The team also indicated that, where valuation is attractive (particularly given valuations observed for comparable assets), a full sale should be considered, with proceeds used to return capital to shareholders.

Activity:
Engagement began in 2022, when the team wrote to the Chair setting out the rationale for exploring a sale of Parameta. Since then, the team has held multiple meetings and maintained ongoing dialogue with the Company, including discussions throughout 2025, where Parameta's strategic options remained a key focus.

Outcome:
In March 2025, TP ICAP announced it was exploring strategic options for Parameta. The options referenced most notably included a minority IPO/ listing, with TP ICAP retaining a majority stake. The engagement remains ongoing as the team continues to monitor developments and assess the implications for shareholders.



JOHCM UK Growth: Treatt plc

Issue(s):
Treatt provide natural extracts and cutting-edge solutions for the beverage, flavour, and fragrance industries. The investment team initiated engagement with Treatt plc after adding the company to the fund in May 2025. As a newly established shareholder, the investment team sought to understand the company's strategic direction, operating performance, governance framework, and alignment between leadership and shareholders. The emergence of takeover interest during the engagement period introduced additional complexity, raising questions around process, valuation, long-term strategy, and the protection of minority shareholder interests. These developments heightened the importance of governance robustness, strategic clarity, and leadership stability.

Objective(s):
The investment team's objectives were to assess Treatt's strategy and operating progress, encourage stronger governance and clearer execution priorities, and promote better alignment between leadership and shareholders. As takeover interest emerged, the investment team also aimed to understand the bid process and its implications for long-term investors, whilst supporting outcomes that protected minority shareholders and prioritised sustainable value creation.

Activity:
Engagement included an on-site visit and meetings with senior management, followed by dialogue with the board focused on strategy, leadership, and organisational effectiveness. During the takeover approach by Natara, the investment team engaged with Investec, Treatt's corporate broker, to understand the bid dynamics and provide feedback on the priorities long-term investors wanted to see reflected in any potential outcome. These priorities included establishing a firmer strategic direction, ensuring an effective organisational structure, refreshing governance where appropriate, and improving equity ownership to strengthen alignment between management and shareholders. The investment team subsequently re-engaged around the release of full-year results to assess operational constraints, leadership stability, and the company's planned next steps.

Outcome:
Natara's offer ultimately lapsed, whilst industry peer Dohler increased its ownership stake to a significant level. Over this period, Treatt implemented leadership and board changes, and Dohler entered into a shareholder agreement containing commitments designed to support arm's-length dealings and minority shareholder protections. Following further discussions after the full-year results, the investment team was encouraged by a stronger focus on operational realities and views Dohler as potentially supportive in its role as a long-term shareholder. Engagement remains ongoing, with future discussions expected to focus on the timeline for appointing permanent leadership, strengthening equity alignment, and maximising strategic value from the relationship with Dohler.



Principle 4: Rights and responsibilities

Our approach to voting

Investment teams have discretion to make voting decisions based on their analysis of proposals, their engagements with companies and/or any available third-party research. They can also seek the advice and counsel of the Sustainable Investments team or Regnan Insight and Advisory Centre.

Where the investment teams agree the proposals are in investors' best interests, they will vote in favour of them. When proposals do not reflect the best interests of stakeholders, the investment teams may choose to escalate these concerns to the senior independent director or company chairman. Our investment teams may also engage in discussions with other investors where appropriate and in compliance with market conduct rules.

Investment team voting decisions are communicated to our Operations team, where an authorised individual will submit the proxy vote using the ISS system.. Our voting records are held on ISS's secure system and accessible to investment teams via Affinity.

Voting forms an important part of the escalation process for our investment teams and examples of our reporting of these escalations are below.

JOHCM has adopted a Proxy Voting Policy which is regularly reviewed and maintained by relevant parties across the organisation to ensure that, when undertaking proxy voting in respect of the securities which it manages for its clients, JOHCM:

- Does so in the best interest of its clients, addressing any conflicts that may arise between its interests and those of its clients;
- Discloses to clients how they may obtain information from the firm about how the firm voted with respect to their securities; and
- Describes to clients its proxy voting policies and procedures and, upon request, furnishes further details of these policies and procedures to clients.

Our proxy voting policy can be reviewed on our website here.

Directed voting in segregated accounts
The same approach to voting is used for segregated account clients as for our funds. For accounts where we hold the authority to vote, managers will vote the same way on segregated accounts as they do on their 'master' pooled fund strategy. It is at the investment manager's discretion if they want to deviate from that and vote differently on a segregated account.

Significant votes
In analysing the votes cast by our investment managers and reporting these to our clients, we believe the focus should be on 'significant votes' as required by the Shareholder Rights Directive under UK law. Whilst the directive does not define 'significant', we define this as votes where:

1. Votes relating to any resolution proposed by shareholders; OR
2. Withheld votes; OR
3. Abstained votes; OR
4. Any votes where either ISS or the investment team has recommended voting AGAINST management.

Investment managers may also add any votes they deem significant. There were no cases of conflicts of interest related to voting.

Our voting records
Our voting records for 2025 are summarised as follows. We voted at 924 of 930 votable meetings and on 10572 of the 10711 Out of the 10579 unique votable proposals in the reporting period. A small number of meetings were not voted due to operational issues rather than any deliberate decision not to participate. In some cases, votes were submitted after the applicable cut-off and were therefore recorded as late votes. In Sweden, certain meetings could not be voted because a power of attorney (POA) was required under local market requirements and was not in place. In one instance in the UAE, the meeting was not set up on the sub-custodian side, meaning the event was not supported for voting, which can occasionally occur in markets where local attendance is commonly required. In another case, there was non-fulfilment of vote lodgement by the local agent, indicating an issue in the local voting process. These cases were uncommon and reflect administrative or market-specific constraints, rather than a lack of voting intent.

Table 13: Vote instruction

Vote Instruction	Votes (%)
Abstain	2.6
Against	8.2
For	88.8
Withhold	0.40.3

Table 14: Market

Region	Votes (%)
East Asia & Pacific	15.3
Europe & Central Asia	47.5
Other	1.5
South Asia	6.3
North America	12.6
Latin America & Caribbean	11.6
Middle East & North Africa	3.4
Sub-Saharan Africa	2.0

Table 15: Meeting type

Meeting Type	Votes (%)
Annual	85.2
Special	4.0
Extraordinary Shareholders	3.0
Annual/Special	6.1
Ordinary Shareholders	1.6
Court	0.1

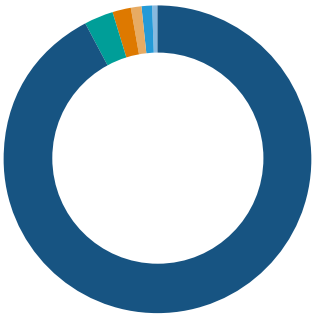
Our significant votes

Table 16: Vote instruction



Vote Instruction	Votes (%)
Against	63.3
Abstain	20.2
For	13.2
Withhold	3.3

Table 17: Category



Category	Votes (%)
Governance	92.5
Other	3.3
Social	1.9
Environmental	1.0
Environmental & Social	0.8
Governance & Social	0.3

Table 18: Voting alignment



Voting alignment	Votes (%)
Number of votes with policy recommendation	94.8
Number of votes against policy recommendation	5.1
Number of votes With Management	36.5
Number of votes Against Management	63.5

Examples of significant votes

The following examples illustrate how our investment teams exercise voting rights in practice, including cases where votes were cast as part of an escalation from ongoing engagement. For instance, our votes against the remuneration resolutions at Costain Group and Merck KGaA followed sustained dialogue with each company's board and management, where concerns raised through engagement were not sufficiently addressed and the investment teams concluded that a vote against management was necessary to reinforce their expectations. These examples demonstrate how voting serves not only as a standalone governance tool but as an integral part of our broader engagement and escalation approach, consistent with the process described under Principle 3.

JOHCM Global Emerging Markets Opportunities: Trip.com Group Ltd.

On 30 June 2025, the investment team voted against the proposed election of Rong Luo as a director of Trip.com Group Ltd. at the company's AGM. The investment team opposed the resolution, in line with the ISS recommendation, citing governance concerns. Specifically, the nominee was considered non-independent, and the board did not meet the minimum independence threshold, with fewer than one-third of directors deemed independent. Rong Luo has served as Executive Vice President of Baidu, overseeing its Mobile Ecosystem Group, since October 2024. Baidu is also a significant shareholder in Trip.com, holding 8.88% of the company's shares as of 20 January 2026, further raising independence concerns. Despite this opposition, the resolution was passed and Rong Luo was appointed as a director. The investment team will continue to monitor board independence and engage with the company where possible to encourage improvements in governance practices and board composition over time. The vote was categorised as being against management.

JOHCM Global Opportunities: Merck KGAA

On 25 April 2025, the investment team voted against the resolutions to approve the Remuneration Report and Remuneration Policy at Merck KGaA's AGM. The investment team had initiated engagement with the company in September 2024, advocating for the inclusion of a return on capital employed (ROCE) metric within executive remuneration, ideally as part of the long-term incentive (LTI) framework. Throughout 2025, the team held multiple meetings with senior management and the Chair to discuss this objective. However, the proposed Remuneration Policy and Remuneration Report did not reflect the enhancements sought through this engagement. Consequently, the investment team voted against the resolutions. Despite this opposition, the proposals were approved in line with management's recommendation. The investment team will continue to engage with the company on this matter. The vote was categorised as being against both management and the policy recommendation.

JOHCM Global Select: Cboe Global Markets Inc.

On 6 May 2025, the investment team voted in favour of a shareholder proposal at Cboe Global Markets Inc.'s AGM requesting the company report on its political contributions. The investment team voted in line with the ISS policy recommendation to support the proposal. The rationale for the vote was that Cboe does not provide sufficient information regarding its political contribution activities, nor does it adequately disclose the financial support it may provide to trade associations that could be used for indirect political contributions. The vote was against management's recommendation, as management had recommended shareholders vote against the proposal. The investment team considers greater transparency on political spending to be important for shareholders in assessing potential reputational and governance risks. The team will continue to monitor the company's disclosure practices in this area. The vote was categorised as being against management.

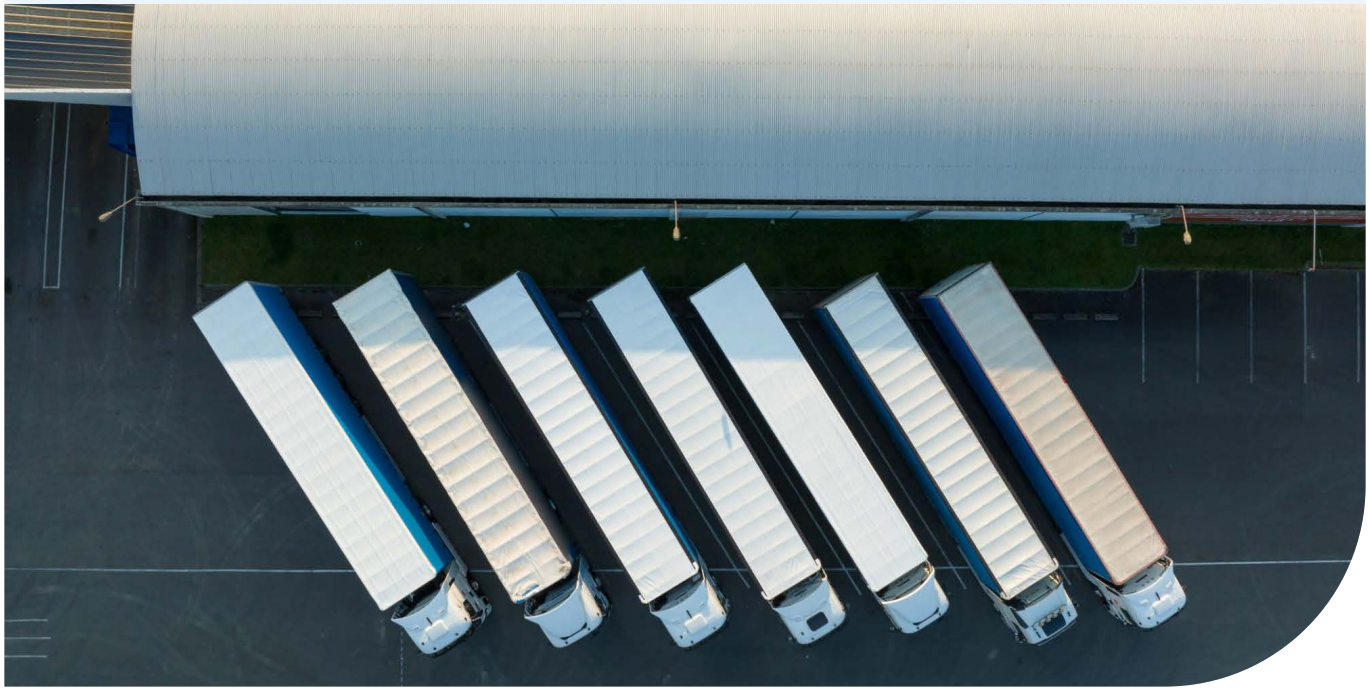
JOHCM UK Equity Income: Costain Group Plc
On 15 May 2025, the investment team voted against the resolution to approve the Remuneration Report at Costain Group PLC's AGM. Despite receiving a letter from the Chair of the Remuneration Committee providing further explanation of the remuneration approach, the investment team engaged with the Company to discuss concerns regarding the calibration of performance targets within the remuneration policy.

The investment team raised three principal issues. First, annual targets (profit/cash) and LTIP EPS targets appeared set from a low starting point relative to the level implied by internal planning assumptions and market expectations; in the team's view, the lower performance thresholds should be more demanding. Second, LTIP targets were not sufficiently aligned with the Company's stated margin ambition, including the 5% margin target established in 2022 as a medium-term objective. This misalignment was considered most evident in the outer years (including 2027), where consensus forecasts cited by the Company were approximately 4.1%, below the stated ambition. Third, the LTIP maximum (upper) hurdle was assessed as being broadly at, or close to, consensus expectations, rather than representing a clearly stretching outcome. The investment team considered that, even allowing for differing treatments within consensus (including items such as pension interest), the overall structure did not sufficiently reflect delivery of the margin ambition in later years.

The investment team considered the combined effect of these issues to be material, particularly given that similar concerns had been observed over multiple years. Following the discussion, the team did not gain sufficient confidence in either the policy design or its implementation and therefore voted against the remuneration policy at the AGM. Despite this opposition, the resolution was passed. The investment team has continued its dialogue with the Company following the vote. The Company indicated that proposals for the subsequent year would reflect elements of the feedback provided. In particular, the Company suggested that future targets would be more closely aligned with consensus forecasts, with a more stretching upper-end outcome. The vote was categorised as being against management and policy.

Regnan Global Mobility Logistics: FedEX Corporation

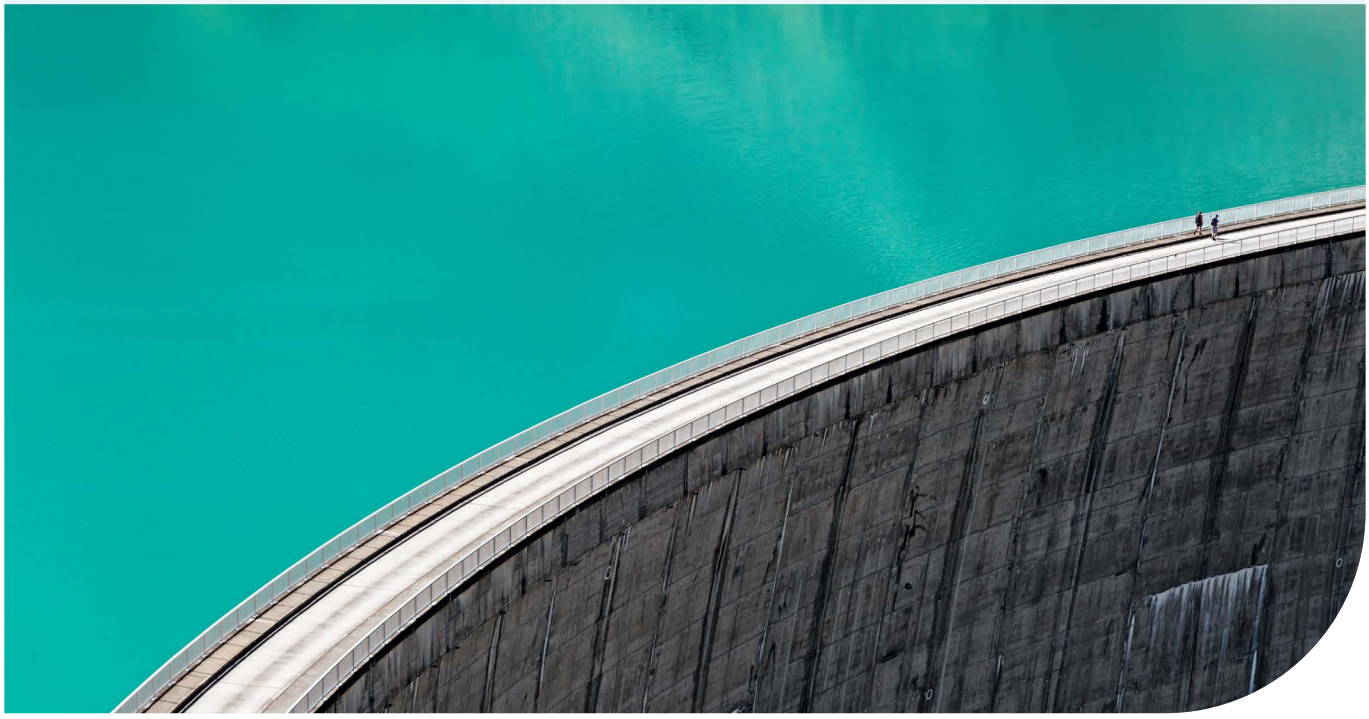
On 29 September 2025, the investment team voted on two key resolutions at FedEx Corporation's AGM: the advisory vote to ratify named executive officers' compensation, and the election of Director Paul S. Walsh. On the advisory vote on compensation, the investment team voted FOR the resolution, diverging from ISS's recommendation to vote against. ISS's concern centred on the quantum and accelerated payment of equity under the severance agreement for the Chief Technology Officer. The investment team assessed that, while the quantum appears high for a non-CEO role relative to severance arrangements among S&P 500 companies, it was not entirely indefensible. The team recognised that well-structured non-compete and non-solicit provisions are legitimate tools to protect enterprise value when appropriately tailored to role and risk. Given the increasingly critical importance of the CTO function in modern enterprises, the individual's long tenure with FedEx since 1997 (with a break between 2007 and 2011), and the competitive demand dynamics for a proven CTO of this calibre, the team concluded it was appropriate to support the board's position. The



resolution was passed. However, the investment team voted AGAINST the election of Director Paul S. Walsh, diverging from both management and ISS recommendations. As part of its assessment of the CTO's severance agreement, the team scrutinised the compensation committee and wider board structure. The team concluded that Mr Walsh, who holds the Chair position of the Compensation and Human Resources Committee, cannot be considered independent due to his 29-year tenure on the board. This lengthy tenure, in the team's view, compromises the independence and robustness of the Committee's oversight, which is particularly important when approving significant executive compensation arrangements. The investment team wished to signal its expectation that the company strengthen committee independence in line with minority shareholders' best interests. The resolution was passed. The votes were categorised as being against management.

Regnan Sustainable Water and Waste: Xylem Inc

On 13 May 2025, the investment team voted in favour of a shareholder proposal at Xylem Inc.'s AGM to reduce the ownership threshold required for shareholders to call a special meeting. The investment team voted against management's recommendation, which had urged shareholders to reject the proposal. Both ISS and the investment team believed a vote in favour was warranted, viewing a lower threshold as an important mechanism to further strengthen minority shareholder rights. Despite this support, the resolution did not pass. The vote was categorised as being against management.



Managing conflicts of interest

JOHCM recognises the importance of acting in clients' best interests when exercising proxy voting responsibilities. Where a conflict of interest arises in connection with proxy voting, JOHCM will take reasonable steps to ensure, and must be able to demonstrate that the decision to vote was made in the best interests of the client and the long-term value of their investment.

JOHCM's approach to conflicts management is set out in the firm's Conflicts of Interest Policy which can be found here.

Principle 6: Monitoring proxy advisors

Proxy advisors and monitoring

Institutional Shareholder Services Inc. (ISS) is our sole proxy voting and research service provider. This service provides us with granular reporting on our voting and hosts our publicly accessible voting disclosure capability on our website, available here.

Consistent with our multi-boutique structure, we do not subscribe to a centralised "house" approach to voting on certain issues. Investment teams have discretion to make voting decisions based on their analysis of proposals, their engagements with companies and/or any available third-party research and data.

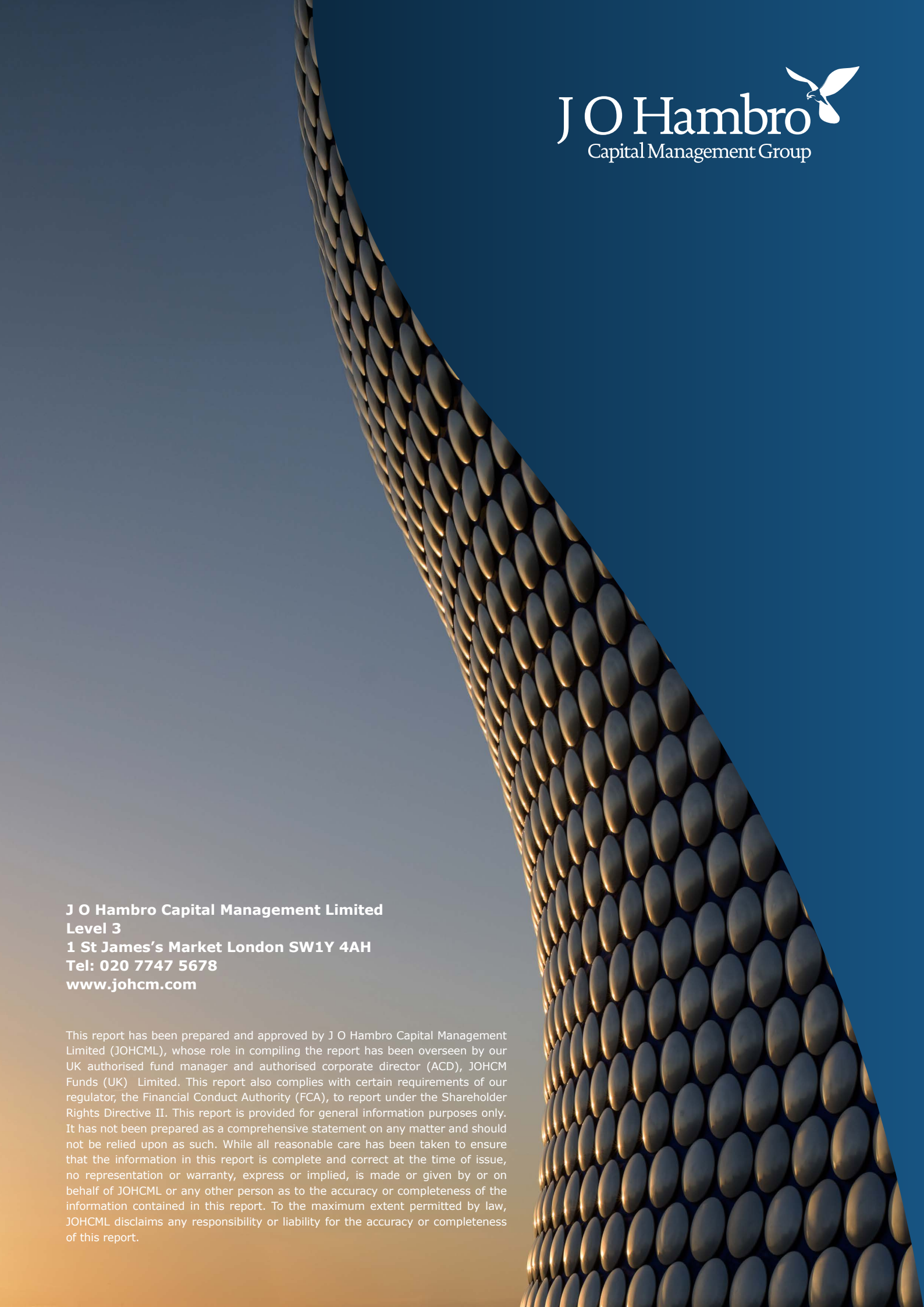
ISS serves as our proxy voting service provider, playing a key role in supporting our stewardship and governance responsibilities. Given the importance of proxy voting in representing the interests of our clients, we maintain oversight of ISS's services to ensure alignment with our fiduciary duties and stewardship commitments.

We periodically review ISS's services to monitor their adherence to our voting principles and maintain accuracy and quality. Where applicable, we compare ISS's recommendations with internal research and direct company engagement insights to evaluate consistency. From time to time, investment teams may also engage with ISS to discuss the rationale behind their recommendations and to provide feedback where necessary.

To ensure the services are continuously delivered to meet our needs, we participate in a collaborative partnership with our third-party data and service providers that is supported by a robust oversight process. This process starts with the establishment of service level agreements and key performance indicators that the service provider needs to adhere to. This ensures service providers receive clear and actionable criteria to support integration of stewardship and investment.

The monitoring of our service providers may include annual visits and quarterly calls or meetings to ensure that standards are being met and maintained. The frequency and type of assessment will depend on the type of service provider and its importance and materiality to our operations.

We recognise that proxy advisory firms may face potential conflicts of interest, for example where they provide consulting or corporate governance advisory services to the same companies on which they issue voting recommendations. As part of our oversight of ISS, we consider whether any such conflicts could affect the quality or independence of the research and recommendations we receive. ISS is required to maintain and disclose its conflicts of interest policy, and we review this as part of our due diligence. During 2025, we did not identify any conflicts of interest in our relationship with ISS that required escalation or remedial action. Importantly, our investment teams retain full discretion over voting decisions and do not automatically follow ISS recommendations, which provides an additional safeguard against any potential conflicts. The example below illustrates this independent approach, where the investment team diverged from ISS's recommendation based on its own assessment of the issues.



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This report has been prepared and approved by J O Hambro Capital Management Limited (JOHCML), whose role in compiling the report has been overseen by our UK authorised fund manager and authorised corporate director (ACD), JOHCM Funds (UK) Limited. This report also complies with certain requirements of our regulator, the Financial Conduct Authority (FCA), to report under the Shareholder Rights Directive II. This report is provided for general information purposes only. It has not been prepared as a comprehensive statement on any matter and should not be relied upon as such. While all reasonable care has been taken to ensure that the information in this report is complete and correct at the time of issue, no representation or warranty, express or implied, is made or given by or on behalf of JOHCML or any other person as to the accuracy or completeness of the information contained in this report. To the maximum extent permitted by law, JOHCML disclaims any responsibility or liability for the accuracy or completeness of this report.