



Sustainable Investment Activity Report 2025



Welcome to our annual Sustainable Investment Report

Covering our activities over the 12-month period to 31 December 2025

This document constitutes our disclosure under the UK Stewardship Code, and should be read in conjunction with our other disclosures, reports and policies, which are all published on our website at [edentreeim.com](https://www.edentreeim.com).

Spotlight: Reporting

We publish quarterly and annual reporting relating to our range of stewardship and sustainable investment work on our website.

We have a long history of publishing this information, and it has evolved over the years to ensure clients have the information they need.

Below are the [key reports](#) published over the period covered by this report:

- Quarterly SI Activity Reports
- Quarterly Corporate Governance Reports
- Annual SI Activity Report
- Climate Stewardship Report

This document has been approved by EdenTree's Executive Committee ('ExCo') and signed by our Chief Executive Officer ('CEO') who has provided a foreword on the next page.



Foreword

Andy Clark, Chief Executive Officer

I am pleased to introduce our annual Sustainable Investment report, covering our activity over 2025. This year's publication marks an important step forward for us, bringing together the content of our Sustainable Investment Activity Review and our Stewardship Report into a single publication, reflecting the integrated way in which these disciplines sit at the heart of our investment approach.

The past year has seen the global sustainable investment landscape continue to evolve in complex ways. Regulatory approaches across jurisdictions have increasingly diverged, as have expectations around transparency and accountability for companies and investors alike. At the same time, geopolitical tensions and artificial intelligence have shifted markets and society into deeper uncertainty. For long-term investors, however, the underlying drivers remain clear. It is our role to understand these dynamics, assess how organisations are positioned to respond to them and engage constructively to push for better practices.

In response, we used 2025 to further strengthen the way we assess companies through the introduction of the EdenTree Standard. This framework brings together over 38 years of experience in ethical and sustainable investing, and builds on it with a more focused and forward-looking assessment of what we believe constitutes a truly sustainable company. By providing greater clarity around the characteristics we expect from the organisations in which we invest, the EdenTree Standard helps guide our investment decisions and the outcomes we seek to achieve through stewardship.

As a testament to the credibility of our framework, we are proud to have secured Sustainable Disclosure Requirements (SDR) labels for several funds over the year, meaning all EdenTree funds now carry an SDR label. At the heart of this achievement lies the EdenTree Standard.

Alongside this milestone, we continued to drive progress against our stewardship ambitions. Over the period, this included intentional voting activity and active engagement with portfolio holdings across a range of issues, including climate transition, natural resource stewardship, human capital management and strong corporate governance. Collaboration has also remained an important part of our stewardship approach, particularly when addressing systemic issues. While the environment for collective action has become more challenging in some markets, we have continued to support collaborative initiatives and policy engagement aimed at raising standards and supporting meaningful progress.

Our long heritage in this space continues to resonate strongly with charities and other purpose-driven organisations whose missions align closely with our own. Over the year, we have partnered with a number of these organisations both directly and through our parent, the Benefact Group.

Combining our charity ownership with our dedicated sustainable investment approach positions us well to support such groups in aligning their investments with their wider values.

Looking ahead, our commitment remains clear. We will continue to invest with a long-term perspective, steward capital to protect value and remain steadfast in our belief that sustainable investment is fundamental to building stronger markets and a better tomorrow.

Andy Clark
CEO



2025 Highlights



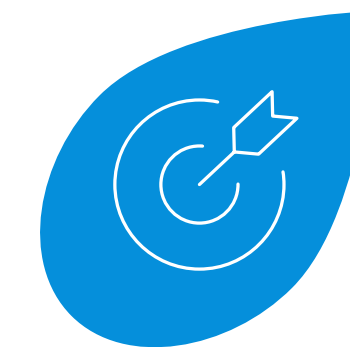
The only asset manager with an **SDR label across our entire fund range**



Retained signatory status to **FRC UK Stewardship Code**



134 company engagements conducted



100% of Funds are on track to achieve their 2035 decarbonisation targets



EdenTree **Global Sustainable Government Bond Fund** awarded **Investment Week's Best Sustainable Fund Launch** award.



Achieved **5* Rating** in all PRI modules



Voted on **4,945 resolutions** at 313 meetings



Voted on **67 shareholder** proposals



Won **Best Ethical Investment Provider** at the Moneyfacts Awards for the 17th successive year

“2025 was a year of meaningful change for EdenTree, and I’m proud of how decisively we strengthened our sustainable investment proposition while staying focused on long-term outcomes for clients. Securing approval to adopt SDR Labels across our entire product range is a landmark achievement, underlining the credibility of our approach and raising the bar for clear, comparable sustainability information.”



Charlie Thomas,
Chief Investment
Officer

About EdenTree

EdenTree is dedicated to sustainable and impact investing - it's all we do. We have a 35-year track record in this space, having launched our first ethical fund in March 1988.

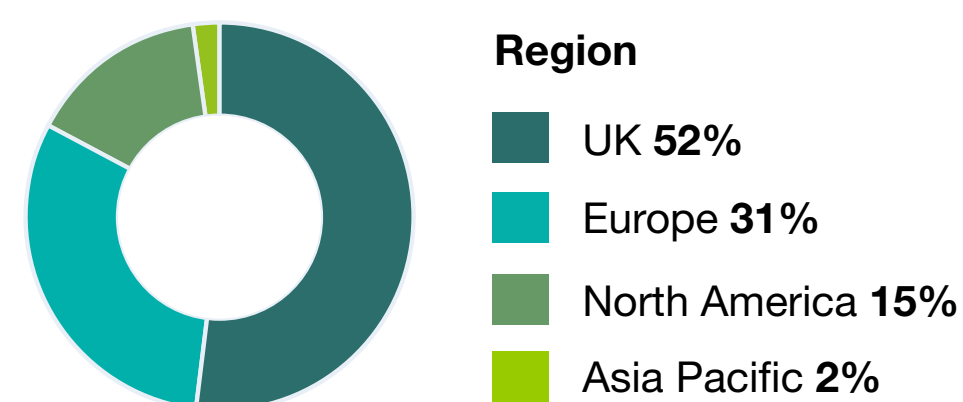
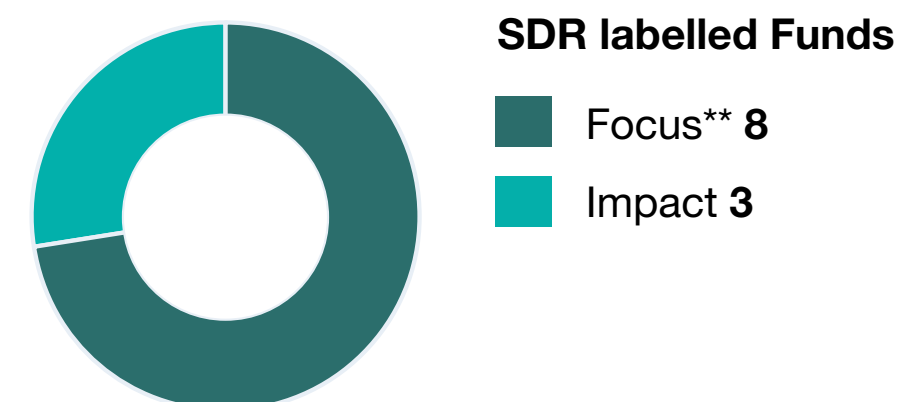
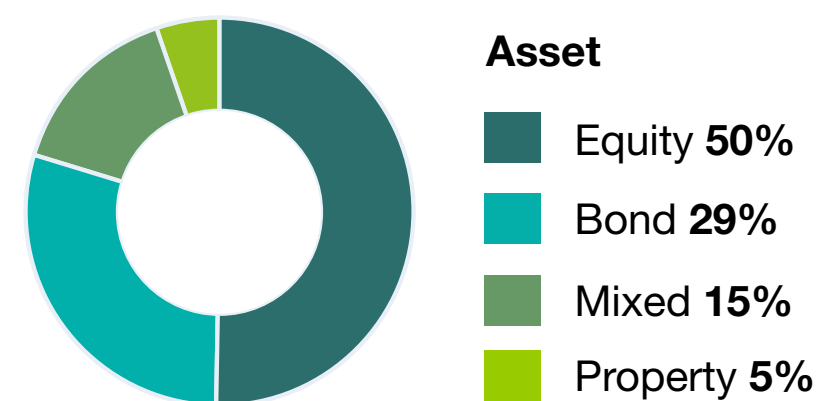
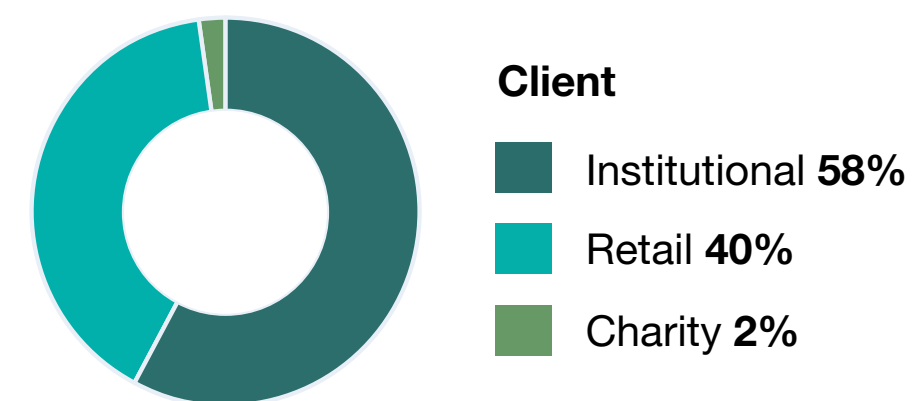
We exist to serve our clients who choose us as a sustainable investor of their capital. Across our range of sustainable and impact funds, we seek to invest in companies creating value for people, the planet and investors. We

believe consistent, long-term returns are more likely to be achieved by investing responsibly in sustainable businesses, and we integrate environmental, social and governance factors throughout our investment process.

We manage a range of strategies and mandates across the wholesale, advisor, charity and institutional markets, comprising general listed equities, fixed income instruments

and direct real estate. While each fund has its own philosophy and approach, all of our funds share sustainability as one of their core characteristics, and thus we consider all AUM to fall under sustainable investment. Our headline figures are below, and further information about our business, funds and more can be found on edentreeim.com.

£3.2billion total assets under management (AUM) as at 31 December 2025



*Figures may not sum due to rounding

**SDR Focus labels effective 17th February 2026

We are proud to have been awarded Sustainable Investment Fund Group of the Year (AUM under £50billion) at Investment Week's 2024 Sustainable Investment Awards. We are also delighted to have been awarded the Moneyfacts "Best Ethical Investment Provider" every year since 2009 – an award voted for by the advisor community and which underscores our commitment to sustainable investment.

EdenTree is proudly part of the Benefact Group, an international group of financial services businesses that gives all distributable profits to charities and good causes via the Group's ultimate parent, The Benefact Trust. EdenTree's distributable profits are given in the form of a dividend to Benefact Group, which in turn makes grants to our ultimate parent, the Benefact Trust. Benefact Group first set a target to donate £50m to our charitable parent by 2015, and having achieved that, achieved further stretching targets of donating £150m by 2022 and £250m in total by 2025.



Our Purpose

We transform the way people invest to build a better tomorrow

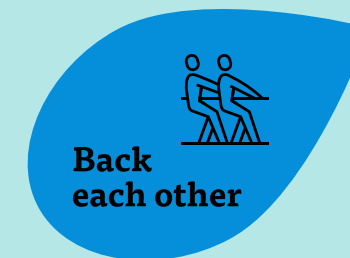
Our purpose

Our purpose – to transform the way people invest for a better tomorrow – underscores our dedication to sustainable investment and the positive impact we seek to achieve through our investment activities and our business.

We are proud of our clear purpose, culture and strong values, which focus on our business, our people, our environment, our community and our clients. Our Purpose & Values Statement can be viewed [here](#).

Our values are paramount to driving our purpose, they are the core components of our culture and are used every day to guide our decisions, actions and strategy.

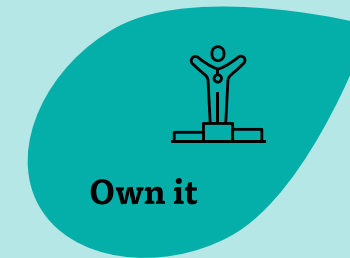
Our values



Back each other – We actively support our colleagues, trusting their intent and expertise.



Bold and brave – We think bigger and innovate how we work.



Own it – We each take responsibility for our part in EdenTree's growth.

Spotlight: Holding ourselves to higher standards

In addition to our activities as investors, we are acutely aware of the need to hold ourselves to the same high standards we expect of investee companies and to report on our own corporate responsibility initiatives. Our colleague-led Corporate Responsibility (CR) Committee has oversight of the key impacts that make up our own corporate impact, as well as oversight of the EdenTree Community Fund. Our Corporate Responsibility Report, which details how we measure our impact and approach to charity partnerships can be read on our website.

In January 2025, we restructured our CR Committee to strengthen our commitment to three strategic areas: People, Community and Environment. This new leadership model features two Co-Chairs and a Vice-Chair, ensuring dynamic and effective governance. Two ExCo members also act as sponsors for our work, supporting our CR Committee and championing local initiatives to drive progress.

EdenTree is proud to be one of the first 50 signatories of the ACT Standard of Corporate Culture for Investment Companies, a new framework launched to create cultural change and enable professional fund buyers to drive a movement towards more diverse, equitable and inclusive firms. For more information on the global standard, see [Investors Act](#).



EdenTree in the Community



Colleagues volunteered at **The Borough Food Cooperative's** fantastic initiative, which partners with local businesses to prevent food waste and provide sustainable, affordable shopping for the local community. The team stocked shelves, ran the till and enjoyed time with the patrons.



The opportunity to get outside and work alongside **Thames 21** was too tempting for some. Our team were put to work prepping an area on Chiswick Eyt for the planting of an oak tree, which will help preserve the integrity of the island against flooding through its strong root system.



Supporting **The Lord Mayor's Appeal**, we welcomed a group of students from We Can Be to our office to hear first-hand from colleagues about careers in asset management

At EdenTree, we feel that a responsible business like ours must champion diversity and proactively seek out a diverse range of thought, experience and background. By achieving this, we believe we can provide greater value-add to our clients and encourage new ways of thinking about the issues we seek to tackle in our stewardship efforts.

Spotlight: Our commitment to Diversity & Inclusion

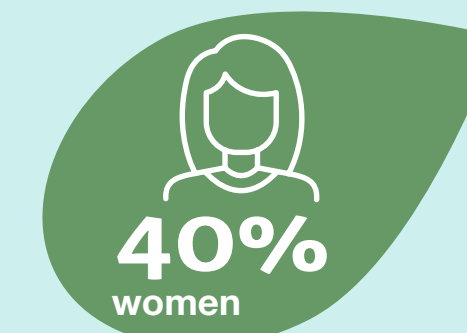
Our [Commitment to Diversity & Inclusion](#) outlines how we are working towards an EdenTree that is reflective of the communities we serve. The document also sets out our targets and ambitions. Our progress towards these are monitored at least annually, with 2025 numbers set out below.

We are also committed to setting ambitious targets to improve the ethnic and socio-economic diversity within EdenTree and are currently actively engaging in listening initiatives to gain a deeper understanding of the diverse demographics of the communities we serve. We aim to create a more inclusive environment that reflects the diversity of our communities and ensures that every voice is heard and valued.

By 2027, our ambitions are:



on our
Executive Committee
29%* ▶ 33%**



on our **Board**
33%* ▶ 33%**



in our
Investment Team
20%* ▶ 32%**



employed as
line managers
20%* ▶ 24%**



in the company
33%* ▶ 40%**



identifying as ethnic
minority on the Board
1* ▶ 1**

*31.12.23 **31.12.25

Our Sustainable Investment Approach

Our active sustainable investment process starts with individual ideas, which are debated and scrutinised by our fund managers and our sustainable investment analysts in accordance with the objective of each fund. While each fund has its own philosophy and approach, EdenTree's investment team shares four common beliefs:



We invest for a better tomorrow

We are active, long-term investors and focus solely on businesses making a positive contribution to people and the planet.

While cognisant of short-term market and economic cycles, our activities are primarily focused on investing in businesses and organisations offering products and services that are supporting positive, long-term structural change.



We invest in quality

Our combined investment and sustainability analysis typically tilts our investment focus toward quality, whether that be in traditional factors, such as financial and management strength, or the contribution underlying investments are making towards a sustainable tomorrow.



We invest at sustainable valuations

Our approach looks at the long-term value an investment can make for our clients and society more broadly. For us, risk is absolute and is not linked to a benchmark.

Our wider investment approach seeks to avoid the material loss of capital, which runs in parallel with our aim to invest in a way that helps to alleviate social and environmental degradation.



We engage for change

We maintain an active programme of engagement and voting to ensure businesses are acting responsibly and supporting a more sustainable economy.

Our engagement and voting approach assesses material risk factors and targets thematic areas where we can make a difference.

Our investment strategy is underpinned by the understanding that achieving key global social and environmental goals requires significant and targeted investment capital. Since launching our first dedicated screened equity fund in 1988, EdenTree has integrated sustainability risk into its investment philosophy and approach. Our experienced fund managers work collaboratively with our Sustainable Investment analysts to identify and support high-quality businesses contributing to positive, long-term structural change.

This depth of integration can be seen at all stages of the investment process, from idea generation, through analysis, decision, portfolio construction, and ultimately forming a central part of our ongoing monitoring and review.

Risk Management

Our investment approach is supported by a robust risk management framework. The EdenTree Board (comprising executives and independent non-executives) sets and approves the overall risk appetite within the business, whilst each fund is risk rated in accordance with regulatory requirements. Our 2025 Investment Funds [Assessment of Value Report](#) is available for our UCITS (Undertakings for the Collective Investment in Transferable Securities) products on the EdenTree website. The Report sets out in detail how we assess value, which for EdenTree encompasses our approach to values, sustainable investing and fund performance.

The Executive Committee (ExCo) has day-to-day operational oversight including breaches and systems risks. Increasingly, we are aware that fund risk is affected by long-term systemic issues, such as climate change, which pose an array of regulatory, economic and reputational risk. EdenTree seeks to mitigate and respond to these challenges in the same way we do traditional risk. Our spotlight on climate below outlines how our approach enables us to identify and respond to market-wide and systemic risks, from investment selection to responsible stewardship of the assets entrusted to us.

Integrating Sustainability: The EdenTree Standard

Following a thorough review of our framework for selecting assets over 2024, we developed “The EdenTree Standard” in 2025. The framework enables us to assess whether a company creates value for people, the planet and investors through its operations, products and services that benefit stakeholders. Companies that we deem to be damaging value are excluded from our investment universe. This enables us to build portfolios that are not only sound long-term

investment propositions, but which also generate positive outcomes for people and the planet.

Recognising that company performance exists on a spectrum, the Standard utilises a tiered rating system: the higher the rating, the more value a company is deemed to be creating.

Further information on the EdenTree Standard and our process for identifying and selecting sustainable companies, can be found in [here](#).

“The EdenTree Standard sets a high bar for investment that our clients associate with EdenTree’s approach to sustainable investment: credible, ambitious and evidence-based. The EdenTree Standard brings discipline and consistency to how we assess sustainability alongside fundamentals. It has enhanced the depth of our research and encouraged robust debate across the sustainable investment desk.”



Carlota Esguevillas
Head of SI

The EdenTree Standard in Practice



Case Study Enel SpA



About: Enel is an Italian multinational manufacturer and distributor of electricity. It is the world’s largest renewable energy company.

EdenTree Standard Rating: Maximising Value

Assessment Summary: Enel is highly sustainable, demonstrating sector leading practices that significantly outperform our minimum expectations. The company has robust frameworks to ensure no harm is done to people, planet or financial stakeholders, and implements numerous initiatives to maximise benefits and ensure positive outcomes for these groups.

Performance against material assessment topics:

Enel is assessed against 11 material topics. It receives an ‘outperforming’ flag against six topics, and an ‘exceeding’ flag against five topics.



Climate Transition



Climate Adaptation



Circular Economy



Water Management



Biodiversity



Human Rights



Decent Work



Community



Information Security



Oversight



Business Conduct

Impact with Integrity: Our Core Principles

The following principles inform our approach to public market impact investing for our impact funds:

Impact investing in public markets is inherently direct and active; the ability to divest when impact expectations are not met is as important as the ability to actively assess and participate in impact opportunities that come to market and, in some cases, seek to influence the pipeline of opportunities.

Impact investing requires patience and a collaborative, long-term approach to form constructive, influential relationships with underlying holdings; the low turnover of our funds typically reflects this. Collaborating with actors supporting similar goals strengthens the foundations of positive outcomes.

We believe combining asset allocation decisions with stewardship activities can drive enduring change, supporting real-world outcomes, innovation and market growth while limiting harms.

A finance-first approach to impact investing can attract a wider pool of potential investors, leading to long-term growth in capital available for positive real-world outcomes.



Spotlight: Identifying Market-Wide and Systemic Risks – Climate Change

Building on a long-standing commitment to climate action and eight years of carbon foot printing, we launched our Climate Change Strategy in 2023.

It is based on four pillars where we believe there is both a need for action and where we can make a difference. The four pillars – Decarbonise, Accelerate, Collaborate and Embody – each address a different part of the low carbon transition, targeting the areas where investors have the biggest role to play.

Under each of our four pillars we have defined ambitions and actions. The ambitions are a combination of quantitative and qualitative targets that define the change we would like to see and help us to focus our efforts in the areas of greatest importance. The actions list the steps we will take to realise our ambitions, drawing on the tools we have available to us as investors, such as stewardship and company selection.

We strive to be transparent with our stakeholders and therefore we disclose progress against our climate ambitions on an annual basis. For more information on our climate strategy and fund carbon footprinting, read our [Climate Stewardship Report](#).

Decarbonise

Ambitions

We aim to decarbonise our funds and position them on a Paris-aligned trajectory. We have set a 2025 and a 2035 target for each of our funds.



Accelerate

Ambitions

We aim to increase the amount of capital being directed towards climate mitigation and adaptation solutions.



Collaborate

Ambitions

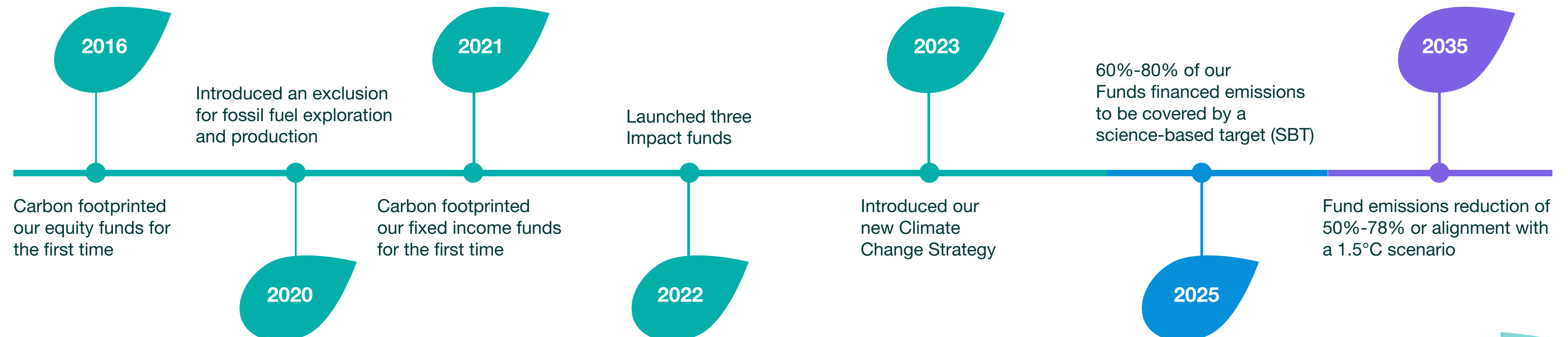
We aim to promote progressive climate action by collaborating with other investors to drive change at the corporate level and to encourage policymakers to set robust goals.



Embody

Ambitions

We aim to hold ourselves to the same standards we expect of investee companies. We aim to reduce our operational impact and promote awareness and action.



Our Governance

Investing sustainably is all we do and our governance structures are a cornerstone of this. All colleagues are motivated via annual strategic objectives to deliver for clients in a sustainable way. Our remuneration policy is available [here](#) and is designed to support a strategy of “Achieving More Together” so that we can attract, motivate and retain skilled

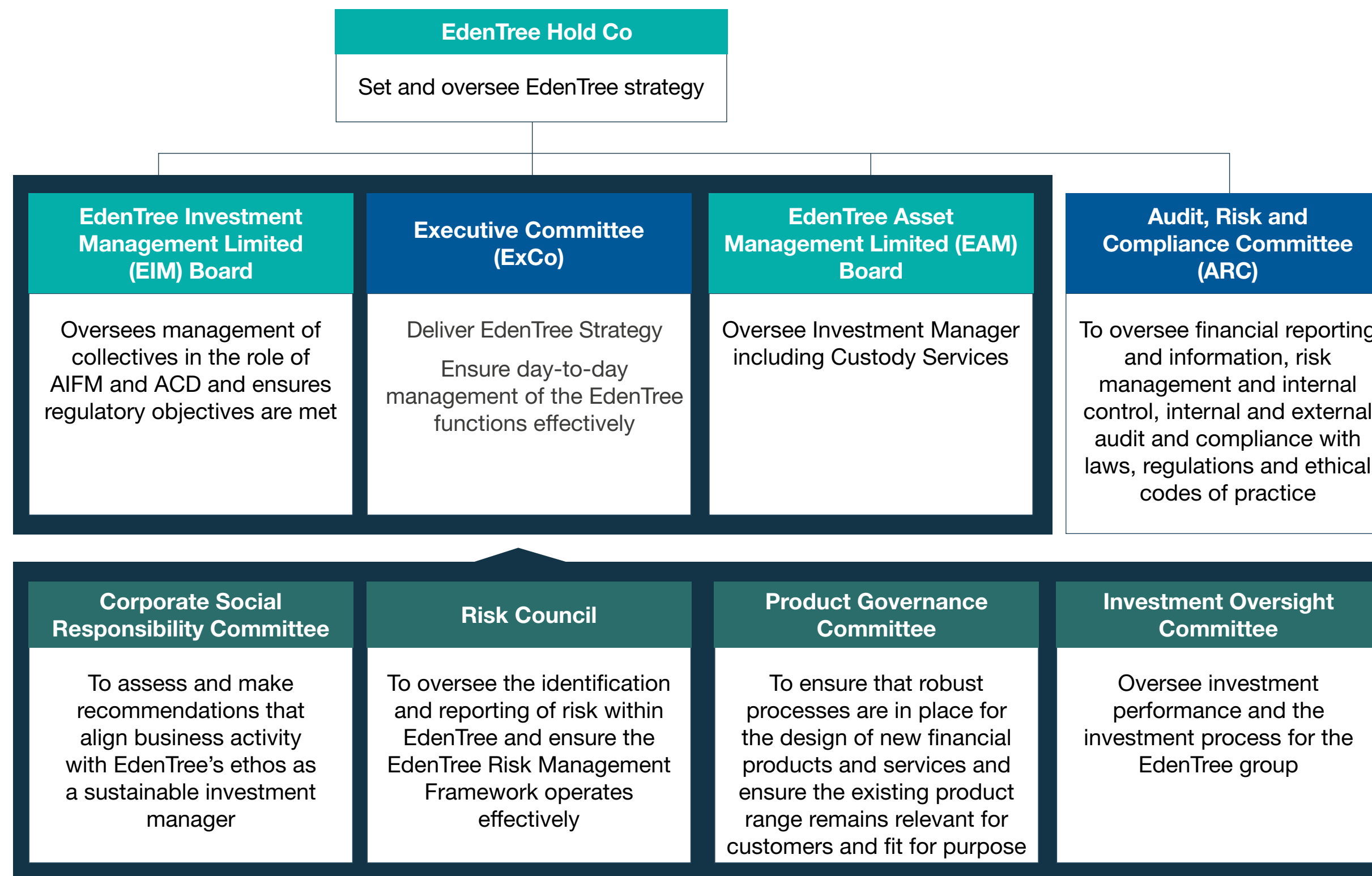
people aligned to our values, and which crucially encourages the right business behaviours. An appropriate mix of fixed and performance-related variable pay opportunity is offered, while ensuring that any incentive plans are responsibly designed and encourage high standards of professional conduct whilst not incentivising undue risk taking.

As a regulated business, EdenTree operates within a rigorous risk and governance environment, led by the EdenTree Board and the senior management Executive Committee. The Board has ultimate responsibility for risk oversight of EdenTree Investment Management.

The CEO and Executive Committee have responsibility for sustainable investment and stewardship in terms of governance structures and resources, and given it is integral to the business, the Board has ultimate oversight of our Stewardship activity. We view our governance structures to be robust, appropriate and arranged so as to deliver our strategic objectives which in turn support our strong focus.

Resources

Stewardship activity is predominantly undertaken by the sustainability team, in collaboration with the fund managers. Each member of the team is responsible for a key area of focus, and this specialism is leveraged in full throughout our stewardship work.



Our Sustainability Team



Carlota Esguevillas
Head of SI

Carlota leads the sustainability team, and has oversight of EdenTree’s sustainability and stewardship activities. She joined the firm in 2021, having previously worked for a leading sustainability consultancy advising global companies on their ESG strategies and disclosures. She holds a First-Class Honours BA in Geography from Oxford University, a master’s certificate with distinction in Business & Human Rights from Bergen University, and the Investment Management Certificate (IMC). She is also a member of the PA Future (formerly ESG Clarity) Committee, the IA’s Sustainability & Responsible Investment Committee, winner of Investment Week’s Rising Star Sustainable Investment Champion of the Year 2024 and highly commended Sustainable & ESG Woman of the Year at Investment Week’s Women in Investment Awards 2025.



Hayley Grafton
Senior SI Analyst

Hayley joined EdenTree in 2024 and leads the firm’s corporate governance approach and proxy voting activity. She is also responsible for EdenTree’s long-term engagement on financial inclusion in the UK. Hayley holds the Investment Management Certificate and is a student member of the Chartered Governance Institute UK & Ireland (CGIUKI), through which she is completing the Chartered Governance Qualifying Programme. Before joining EdenTree, she worked at Mercer as a Sustainable Investment Specialist, where she focused on the firm’s stewardship approach and activity across portfolio funds.



Ross Albany-Ward
SI Analyst

Ross joined EdenTree in 2025, and is a Sustainable Investment Analyst on the Sustainability Team. Working across the firm’s sustainability research and stewardship activities, he leads EdenTree’s work on climate, including carbon footprinting the funds. Prior to joining EdenTree, Ross worked in the Sustainable Investment team at CCLA, assessing companies and supporting stewardship activities. Ross has a First-Class Honours degree in Geography from Nottingham University, completing his dissertation on sustainable finance and corporate sustainability.



Cordelia Dower-Tylee
Senior SI Analyst

Cordelia joined EdenTree in 2022 and leads the firm’s engagement strategy, overseeing activity across the team’s priority themes. She holds the Investment Management Certificate, an MA in History from the University of Edinburgh, and a Certificate in Sustainable Finance from the University of Cambridge. She is also a member of the UKSIF Future Leaders Cohort and the PRI Nature Reference Group. Prior to joining EdenTree, Cordelia worked with the International Water Management Institute and in a green-focused corporate advisory firm.



Aaron Cox
Impact Strategist

Aaron joined EdenTree in June 2022 and is an Impact Strategist within the Sustainability Team. Prior to joining EdenTree, Aaron had roles at First State Investments (now First Sentier), Jupiter and Majedie as a writer and researcher with a focus on ESG and sustainable investing. He started his career as a derivatives broker in Sydney. Aaron has a BA in English from the University of New South Wales, Post Grad Certificate in Environmental Economics from SOAS and Certificate in Sustainable Investing from Harvard Business School. He is currently undertaking a post graduate research project at Birmingham University on computational linguistic methods to identify sustainability stretch goal tensions and the risk of greenwashing and corporate misbehaviour.

The EdenTree Sustainability Investment Advisory Panel

Another source of expertise is the EdenTree Sustainable Investment Advisory Panel, who provide independent oversight of our sustainable investment process and meet three times a year to provide advice on cases, issues and ethical dilemmas.

We view the Panel as providing external independent oversight of our process and activity. Panel Members are appointed for their expertise for an initial term of three years, renewable for a maximum of two further terms of three years (nine years in total). The Chair provides an annual statement to the EdenTree Board.

The members of the Advisory Panel are shown below. They bring a range of expertise and experience to support the implementation of our sustainable investment approach and our stewardship work across topics including climate change, human rights and sustainable investment regulation. Further information on the expertise of our Advisory Panel is available [here](#).



Will Oulton
EdenTree Panel
Chair



Sue Round
Chair, EdenTree
Investment
Management



Paul Simpson
OBE
Strategic Advisor



Julian Parrott
Client Member,
Ethical Futures



Mike Barry
Former Director
of Sustainable
Business



Verity Mitchell
Former Director of
Utilities Research



Annette Fergusson
Director, Threefold

Training that Supports Sustainable Investment and Stewardship

We invest in our people through continuous professional development (CPD), which includes relevant qualifications as well as general training and development. Regulatory training is mandatory, comprising modules such as whistleblowing, money laundering, financial crime, information security and treating customers fairly.

We actively foster a supportive and encouraging training and development environment where all employees are encouraged to gain relevant industry qualifications and to develop their industry knowledge, skills and expertise.

Within the Sustainability Team, each member 'leads' on a thematic strand and an area of expertise, ultimately providing a dedicated, specialist source of knowledge for other teams internally as well as clients and other external stakeholders. Teams are also encouraged to pursue additional training on sustainability issues including by studying for relevant qualifications or certifications.

Members of the Sustainable Investment

Team are also expected to keep their professional knowledge up-to-date by participating in a broad range of industry events, conferences and webinars. Over the period, events attended include a number of Bank Issuer/Investor Forums, Impact Investing Institute Community Practice, FRC roundtable on the UK Stewardship Code and closed-door meetings on AMR.

Review and Assurance

As a regulated investment management company, EdenTree provides clear and transparent information on our funds and business activity. This includes all regulatory documentation as well as, for instance, Value for Money Assessments. Key documentation is reviewed by the Compliance Officer and their team, as well as the Executive Committee. Ultimate oversight is provided by the Board and specific committees of the Board.

Policies are reviewed periodically as part of a normal 'business-as-usual' cycle of policy documentation updates and reviews. These are updated to ensure they continue to be 'fit for purpose', are accurate, reflect the most up to date regulatory guidance

and are written in plain English. Policy updates are generally signed off by the Executive committee or the Board and are available on the EdenTree website.

We also publish a suite of operational policies that guide our sustainable investment process, which were fully refreshed and updated in the third quarter of 2025 as part of an annual review process. These documents are available on our website and are designed with our clients and their beneficiaries in mind. We aim for them to be readable, understandable and balanced to ensure audiences can appropriately assess our process.

Our Group Internal Audit function also plays a role in reviewing and certifying key internal controls, risk functions and other stewardship processes such as proxy voting.

Conflict of Interests

We have a published policy for managing actual and potential conflicts of interest. This policy sets out key areas where we may be subject to a conflict of interest in the provision of services to clients whilst carrying out regulated or ancillary activities. The policy covers those circumstances which either constitute or could give rise to a conflict of interest entailing a material risk of damage to the interest of one or more clients, including as these may pertain to stewardship work.

The conflicts of interest policy and the conflicts register are subject to periodic review at least annually by the EdenTree Board and the EdenTree Senior Management Executive Committee and are maintained by the EdenTree Compliance Officer.

The policy identifies the potential conflicts of interest relative to the business and describes the structures that have been put in place to limit the consequences of these actual or potential conflicts of interest. These structures make use of a separation of functions and restrictions on activities and are designed to ensure that relevant persons maintain an appropriate degree of independence. Our potential material conflicts of interest relate to actual and potential client relationships, specifically as the asset manager appointed by Benefact Group to manage its investment portfolios whilst also being the wholly owned investment business of Benefact Group.

We have identified one further Stewardship conflict of interest where an EdenTree or Benefact Group director is simultaneously a director of an investee company where we may wish to take voting action. Without exception, proxies are cast in a uniform way across all portfolios in accordance with our published Corporate Governance and Voting Policy. Voting as a delegated function is not open to clients, or directors to influence. We have not identified any actual conflicts of interest that require further reporting.

Our Stewardship Approach

As sustainable investors, we recognise our responsibility to all stakeholders, whether that be our colleagues, clients, industry, the wider markets or future generations to come. It is for that reason that stewardship is positioned as a central component of our investment approach.

Stewardship is an effective tool at all stages of the investment process, from idea generation, through analysis, decision, portfolio construction and ultimately forming a central part of our ongoing monitoring and review. The primary stewardship tools available to us as investors are engagement and voting.

We believe effective stewardship relies on consistency. Applying the same approach across all funds ensures our voice is clear and unified, rather than fragmented by employing different strategies that could result in conflicting objectives. This consistency strengthens our influence with

companies, enabling us to leverage the full expertise of our Sustainable Investment Team to promote long-term value creation and positive change for our clients.

Engagement

As active managers, engaging with investee companies is fundamental to understanding the risks and challenges they face from an environmental, social and governance perspective. We use engagement as a tool to assess how companies are considering and managing their ESG impacts, which feeds into our investment case. Engagement is also a core way in which we can leverage our influence as investors to drive real-world, positive change and contribute towards a more sustainable future.

Voting

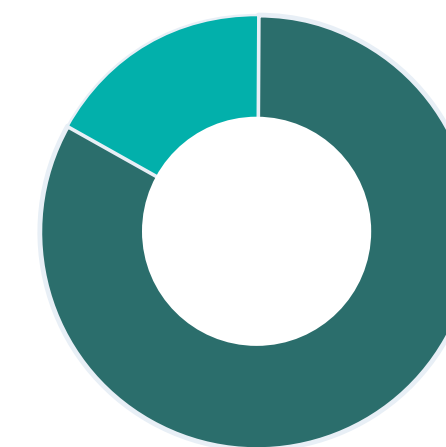
Proxy voting is a core responsibility of asset managers. We believe that shareholders have a vital role to play in encouraging high standards of corporate governance from the perspective of being long-term investors. We therefore seek to vote at all meetings in which we are eligible to. We will also seek to engage pro-actively with companies where either existing corporate governance arrangements or management proposals cause concern.

Stewardship Activity in 2025



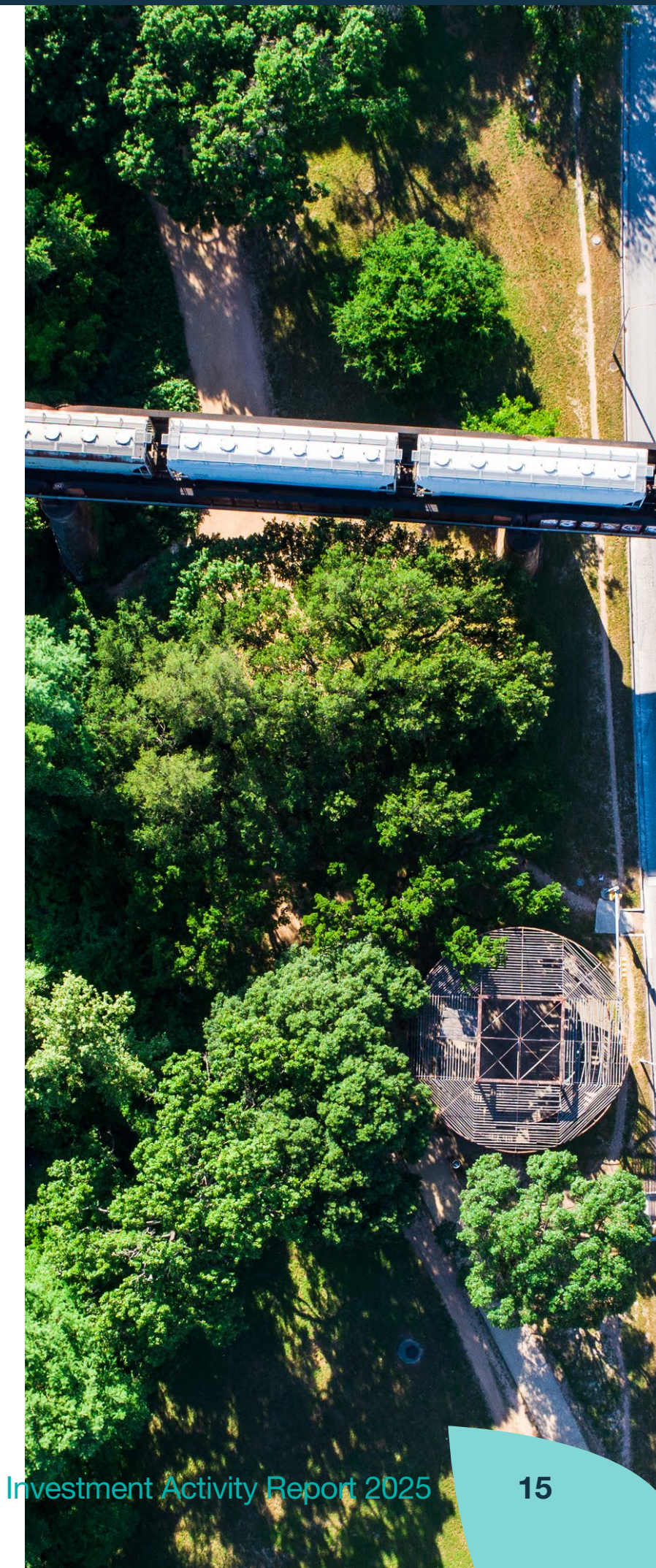
Engagements: 134

- Thematic **73%**
- Fact Finding **27%**



Proxy voting: 313 meetings

- Proposals voted in favour of management **83%**
- Proposals voted against management **17%**



Engaging for Change

Key highlights

Following the implementation of our proprietary engagement tracking and research database, we enhanced our reporting capabilities, enabling transparency around objectives, timelines, progress and outcomes.

We added Good Governance to our core thematic engagement priorities, which were: A Just Climate Transition, Water Stress, and Social and Financial Inclusion.

Collaboration between our fund managers and sustainability team continued to be an essential component of our engagement efforts.

Our approach to engagement

As active managers, engaging with investee companies is fundamental to understanding the risks and challenges they face. We use engagement as a tool to assess how companies are considering and managing sustainability topics, which feeds into our investment case. Engagement is also a core way in which we can leverage our influence as investors to drive real-world, positive change and contribute towards a more sustainable future.

In the past three decades of engaging with companies in our portfolios, it has proved a powerful way of improving investee companies' performance on a range of topics.

To achieve the best outcomes for our clients, we look to focus our time and attention on issues that are most material to our investments and where engagement can have the greatest impact on company behaviour. We seek to form constructive long-term relationships with the companies in which we invest across both equity and bond holdings, and engage as part of an active, ongoing monitoring programme. This dialogue is conducted in close collaboration with fund managers.

Further information on our engagement approach and priorities is shared in our statement "[Stewardship: A shared responsibility](#)". Summarised below are

key highlights of our 2025 engagement activity.

Most of our company engagement meetings are conducted on a one-to-one basis. However, we recognise that many of the issues we are tackling cannot be solved alone. We therefore seek to collaborate with other investors, non-governmental organisations, and investor collaborative initiatives and organisations, where partnering will help us exert greater influence.

“Engagement is integral to our sustainable investment approach. In 2025, as sustainability came under greater geopolitical pressure, we escalated targeted engagement, both directly and in collaboration with others to keep companies focused on ambitious, credible management of material sustainability risks and impacts.”



Cordelia Dower-Tylee
Senior SI Analyst

We categorise our engagement into two ‘types’:

- **Thematic:** Thematic priorities are those which we deem to be material to the long-term value of our investments, and where we view our engagement as being able to drive real-world, positive change. Effective engagement is time intensive, and focusing on these issues will allow us to concentrate our resources more effectively. Our priority areas are covered in further detail below and are underpinned by cross-cutting foundations such as business ethics, human rights and corporate governance.

<p>A Just Climate Transition</p> <p>Priority engagements:</p> <ul style="list-style-type: none"> • Decarbonisation of high emitters • Paris Alignment of Banks 	<p>Water Stress</p> <p>Priority engagements:</p> <ul style="list-style-type: none"> • Water stewardship of chemical companies • Water policy 
<p>Social and Financial Inclusion</p> <p>Priority engagements:</p> <ul style="list-style-type: none"> • Financial inclusion within the UK • Responsible use of technology 	<p>Good Governance</p> <p>Priority Engagements:</p> <ul style="list-style-type: none"> • Board composition • Oversight of material risk areas 

- **Fact-finding engagements:** We use fact-finding engagements to seek further information from current and potential holding companies and issuers. This type of engagement often supplements our thematic work and is most commonly used for three purposes: emerging controversies, voting-related issues and clarifications to support our sustainability assessment.

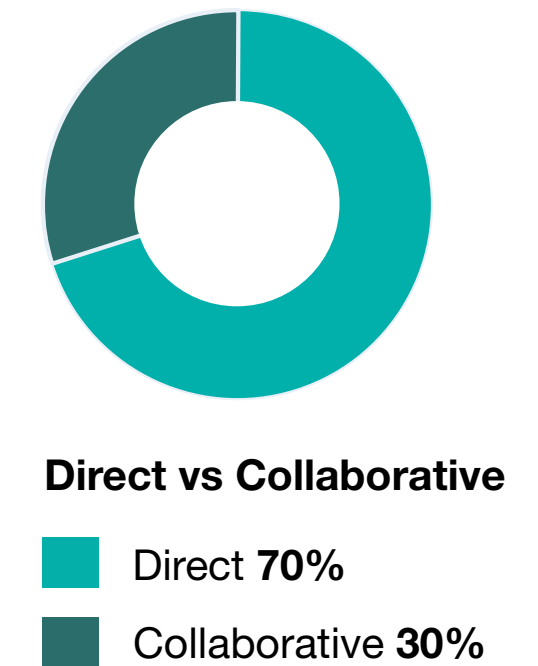
Measuring progress

In order to drive meaningful change, for each engagement we undertake we set a specific objective. This objective is time-bound and addresses a targeted topic, and we use the five milestones outlined below to track progress against our thematic engagement objectives. In doing so we seek to provide investors with transparency on progress against our objectives. However, we recognise that companies can make changes for a number of reasons and determining a direct relationship between our engagement and the outcome is rarely possible.

Milestone	Status
1. Company has not acknowledged the concern	
2. Company has acknowledged the concern	
3. Company has shared information on the concern	
4. Company has committed to address the concern	
5. Company has implemented a strategy to address the concern	

Engaging with our peers

As an active manager, many of our company engagement meetings are conducted on a one-to-one basis. However, given that many topics we engage on are systemic global issues, we recognise that many of the issues we engage on cannot be solved alone. Therefore, we seek to collaborate with other investors and organisations where partnering will help us exert greater influence. In 2025, we engaged both unilaterally and collaboratively across our core engagement themes; more detail on collaborative engagements can be found on page 41 of this report.



Spotlight: Impact engagement

As an impact investor in public markets, our core means for creating additional impact is by engagement with companies. Our investor contribution is where we seek to create ‘additionality’ - that is an increase in the assets’ activities beyond a BAU scenario by engaging with companies, encouraging an increase in the provision of solutions and reducing potential harms. Each engagement has a bespoke KPI that links back to the Fund’s impact goal. Our long-term approach means we can support investment companies through the economic cycle and can form engagement partnerships where we seek to positively enhance impact outcomes for the benefit of our clients and wider society.

Case Study: Pre-issuance impact engagement

Company: NatWest | Method: direct



Issue: For investors in labelled bonds, credibility relies heavily on whether issuers can evidence material, real-world outcomes, particularly for social bonds where concepts like “underserved” or “vulnerable” can be harder to define and measure. Our engagement with NatWest therefore sought to encourage clearer impact quality assessment, especially as the bank considers expanding beyond green issuance into more social thematic activity.

- **Objective:** To provide feedback on green, social and sustainability (GSS) labelled bonds and understand the bank’s approach.



Action: We participated in a pre-issuance investor dialogue with NatWest to provide feedback on the bank’s GSS+ issuance programme. NatWest’s programme has been anchored by Green Bonds under its

2024 framework, and the discussion focused on what investors would value if/when the bank increases its social bond issuance. We explored NatWest’s approach to allocating proceeds to SMEs in the context of a gender-focused social bond, and discussed the practical challenges in social impact verification.

Outcome: The call was constructive and improved our understanding of NatWest’s commitment to labelled issuance across both green and social themes. Our key takeaway from the dialogue was that NatWest has strong intent, but its approach to monitoring and evidencing social outcomes could be strengthened in some areas, such as the “quality” dimension of impact assessment, not just the “quantity.” EdenTree will therefore continue engagement to encourage clearer outcome indicators, stronger beneficiary verification where feasible and more decision-useful impact reporting as NatWest develops its future social bond plans.

“Our impact engagement seeks to strengthen additionality and deliver real world outcomes in support of the funds’ theory of change.”



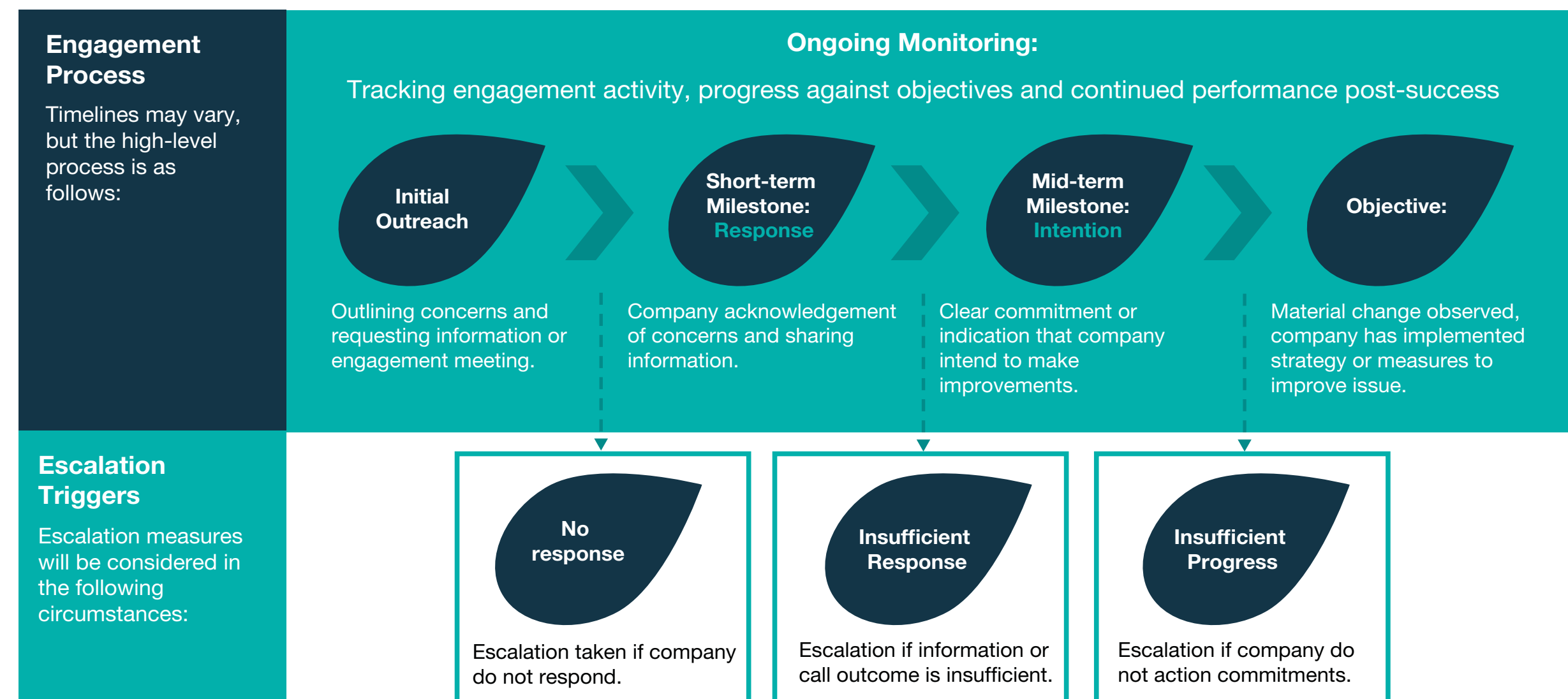
Aaron Cox
Impact Strategist

Engagement journey

We engage with company management in an open and constructive manner in order to understand the issues and to raise concerns. We recognise that the

topics on which we engage are complex and many progress over a long-time horizon. With this in mind, we retain flexibility in the engagement methods

we chose and our response to progress, or lack thereof. At a high-level, our engagement journey would generally take the form below.



Escalation

There is no one-size-fits-all escalation pathway that is suitable for all issuers, sectors or asset classes. However, where we have engaged repeatedly and seen no meaningful progress,

or where we have received an inadequate response, we may employ a combination of the steps outlined below to escalate our concerns:



Case study: Escalating engagement efforts

Issuer: Yara | Method: direct



Issue: As a chemical company manufacturing nitrogen fertiliser, Yara is one of our most carbon intensive holdings and has a significant environmental footprint through its sourcing, manufacturing and product use. We have been engaging with Yara on its climate targets, hazardous chemical management and approach to water stress for a number of years. However, when we reached out to schedule a new engagement call, Yara informed us that they would not take individual investor enquiries. Instead, they have introduced bi-annual group investor calls on ESG issues, where questions are submitted in advance.

Action: In response, we escalated our engagement. We continued dialogue through available investor channels and used these opportunities to reiterate our expectation that Yara should set credible, science-based targets and to request a clear update on whether, and when, it would re-engage with the Science Based Targets initiative (SBTi), noting that the company linked any decision to forthcoming sector guidance. Alongside direct engagement, we supported collaborative escalation by signing ShareAction's AGM statement calling on Yara

to be ambitious on climate change, aligning this with investor calls for strengthened Scope 3 target-setting. Finally, to underline the seriousness of our concerns, both about climate ambition and the weakening of shareholder engagement, we escalated at board level through our voting, opposing the re-election of the Chair of the Environmental and Social Committee.

Outcome: We viewed the move away from bilateral ESG engagement as a significant erosion of shareholder rights, reducing investors' ability to hold Yara to account on material non-financial risks and limiting our ability to assess progress and drive meaningful change. Our escalation ensured that these concerns were formally registered through both public collaborative channels (via the ShareAction AGM statement) and a targeted board accountability signal (our vote against the relevant committee chair). We will continue to monitor Yara's approach to science-based target-setting, noting that in 2025 the company indicated it had not ruled out setting an SBT in future but framed its next steps as dependent on the release of SBTi guidance.

A Just Climate Transition

2025 was a defining year for the global climate agenda, characterised by intensifying political headwinds from the US, the rapid adoption of energy-intensive artificial intelligence and a series of discouraging climate-policy setbacks. As sustainable investors, we recognise the important role we play in supporting the net zero transition, not only to improve outcomes for people and the planet, but also importantly, to safeguard long-term shareholder value.

In February, responding to the evolving political landscape, we redeclared our support for net zero and our commitment towards achieving the climate targets outlined in our Climate Change Strategy. Throughout the year, we also used our influence as active shareholders to strengthen our investee companies' emissions-reductions roadmaps and to advocate for more comprehensive climate disclosures, prioritising our heaviest emitters.

In 2025, 39% of our thematic engagements were on the Just Climate Transition with a focus on:

- **Heaviest Emitters via our Climate Stewardship Plan.** 2025 was the third year of engagements under our proprietary Climate Stewardship Plan. The plan contains the companies which are responsible for the majority of EdenTree's scope 1&2 financed emissions, recognising that successful decarbonisation of these high emitting companies will have the biggest impact on both our own portfolio decarbonisation and real-world emissions reductions. On a company-by-company basis, the Plan tracks performance against a series of 'best-practice indicators', allowing us to identify areas of improvement which are used to inform our engagement activity.
- **Banks' Climate Commitments and Fossil Fuel Financing.** Political headwinds in the US, such as Trump's withdrawal from the Paris Agreement, have prompted several

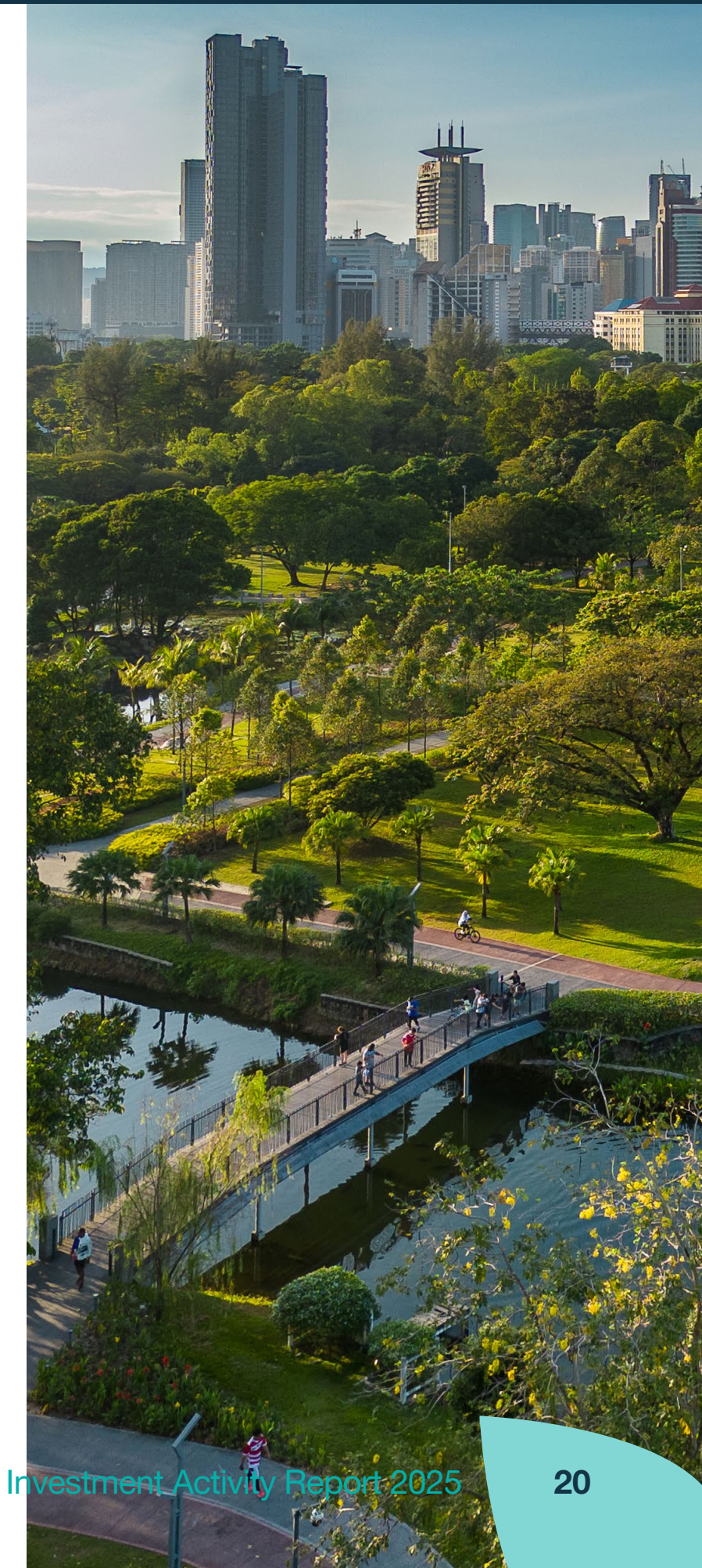
financiers to scale back their climate targets and reconsider their fossil fuel exclusion criteria. As a firm with a fossil fuel exclusion screen, our primary indirect exposure to fossil fuels come from our investment in banks. As such, an engagement priority for us is encouraging our banks' holdings to withdraw from financing projects that are misaligned with the goals of the Paris Agreement.

- **Policy Engagement.** We firmly believe that we cannot drive the low carbon transition alone. The level of change required to meet the goals of the Paris Agreement requires action from all stakeholders in society, in particular governments and policymakers. In 2025, we sought to engage with policymakers to develop climate-related frameworks and encourage ambitious climate policies.

“Despite a more challenging political backdrop, we continued to engage actively with our holdings in 2025. In a year when many companies and financiers scaled back their climate targets and ambition, we felt it necessary to engage purposefully with our investee companies to hold the line. From engaging banks on their fossil fuel financing policies to advocating for science-based targets and transition plans among our highest emitters, our stewardship is focused on supporting the transition to a lower carbon economy and reducing real-world emissions.”



Ross Albany-Ward
SI Analyst



Case study: Policy engagement

Authority: Prudential Regulation Authority | Method: collaborative



Issue: Climate change poses risks to financial stability, something made clear by the Financial Stability Board and member banks. In response, central banks are increasingly conducting climate stress tests, but bank-specific results are rarely shared with investors. We believe improved climate risk disclosures would benefit both investors and financial stability.

- **Objective:** To strengthen the PRA's management of capital adequacy in the face of climate change.



Action: In January 2024, along with 21 other investors, we signed a letter to the Prudential Regulation Authority (PRA), coordinated by

Sarasin & Partners. The letter sought the support of the PRA in delivering better climate disclosures. In particular, it sought improved disclosure around how material climate risks have been factored into banks' financial statements, auditor reports and capital adequacy reporting.

Outcome: In January 2025, the PRA responded to our ask, confirming its intention to focus on disclosures that help users understand the impact of climate risk on firms' exposure to credit risk. Since then, we have observed the issue of climate being considered in expected credit loss assumptions highlighted to regulated firms in annual CFO letters, cementing the achievements of the working group.

Case study: Climate stewardship plan

Company: Vattenfall | Method: direct



Issue: Vattenfall is a focus company within our Climate Stewardship Plan due to its material contribution to the financed emissions of our funds. As an electric utility, its decarbonisation trajectory is pivotal to meeting our portfolio-level climate objectives. Our core objectives for this engagement include the total phase-out of its fossil-fuel based generation assets and the expansion of its renewable energy generation assets.

- **Objective:** Credible time-bound plan to decrease fossil fuel capacity.



- **Objective:** Set an approved long-term net zero Science-Based Target.



Action: Following on from our last meeting with the company in November 2023, we re-engaged with Vattenfall to review progress against our engagement priorities. We discussed the timetable for exiting remaining fossil assets, how climate targets are embedded within strategy and capital allocation and the actions being taken to enable a resilient fossil-free system particularly through renewables growth.

Outcome: Vattenfall continues to demonstrate leading practice among companies within our Climate Stewardship Plan. It has now completed the phase-out of all coal assets and achieved full alignment of its targets with the Science Based Targets initiative, meeting both of our engagement objectives. The company remains committed to net zero by 2040, with remaining oil and gas assets expected to play an increasingly limited, peak-balancing role and to be phased out by that date.

Case study: Climate commitments & fossil fuel financing

Company: ING Groep | Method: IIGCC collaborative engagement



Issue: Reflecting our strong approach towards climate change, our primary exposure to fossil fuels is through our financials holdings. In acknowledgement of the role lending and underwriting play in influencing real-world emissions we have increased our engagement with the banking sector on fossil fuel financing. In 2025 we joined the IIGCC focus group for ING Groep. The bank is one of the stronger performers in the European banking sector but still has improvements to make in order to align with the goals of the Paris Agreement.

- **Objective:** Disclose facilitated emissions and increase the coverage of client transition assessments.



- **Objective:** Expand the exclusion of financing the oil and gas sector beyond pure-play.



Action: We met with ING to discuss its climate target framework, disclosure of financed and facilitated emissions and its process for assessing clients' transition plans, including escalation where progress is insufficient.

Outcome: ING Groep recently received validation for its SBT, reinforcing its leadership position. It has also committed to publish and set reduction targets for facilitated emissions, improving transparency and accountability. However, we encouraged further strengthening of client engagement, including clearer escalation tools and thresholds for continued financing. We also co-signed an investor letter calling on ING to disclose its methodology for assessing the materiality of climate risks in financial statements and to publish sensitivity analyses under more severe transition pathways. We will continue engagement in 2026 to monitor delivery and encourage enhanced ambition.

Case study: Climate stewardship plan

Company: Clean Harbors | Method: direct



Issue: Clean Harbors is another company captured by our Climate Stewardship Plan, due to its material contribution to the carbon emissions of some of our funds. Compared with peers, the company's climate risk management is less developed, with no formal climate targets, limited Scope 3 emissions disclosure and no published transition plan. Our engagement therefore aims to strengthen the company's approach to target-setting, disclosure and strategic planning to support long-term resilience.

- **Objective:** Set near-term climate target.



- **Objective:** Set a net zero target.



- **Objective:** Disclose Scope 3 emissions.



Action: Building on previous engagements, we met with the company again in 2025 to review progress and discuss next steps to enhance its climate risk management and climate-related disclosures. We also explored Clean Harbors' lifecycle assessment process and the potential to align executive remuneration to climate performance.

Outcome: We were encouraged to learn Clean Harbors has confirmed its intention to develop a Scope 3 greenhouse gas inventory during 2026 in order to establish a baseline for supply chain and other indirect emissions. The company also noted it is preparing for mandatory Scope 3 disclosure from 2027 under emerging Californian requirements. While a formal timeline for publication has not yet been confirmed, we view this as constructive progress against a key engagement objective, particularly in the context of a challenging policy environment in the US. We will follow up in 2026 to monitor delivery and encourage further ambition on targets and transition planning.

Water Stress

Billions of people around the world already face some form of water stress, and by 2030, demand for freshwater is set to exceed supply by 40%. The global economy depends heavily on water, and its growing scarcity may lead to lower production capacity, stranded assets and increased credit and insurance risk constituting 8-15% of global GDP at risk by 2050.

As investors become increasingly cognisant of nature-related risks, water remains an under-engaged and an undervalued risk by investors and companies alike. We have been engaging in the topic, looking to drive up standards on water quality and push for increased ambitions on water solutions. In 2025, 17% of our thematic engagements were on water stress.

In 2025, our water stress engagements focused on:

- **Water Stress and Hazardous Chemicals.** 2025 saw the second year of the thematic engagement with our chemical company holdings

on water and chemical stewardship. This engagement targets chemical manufacturing companies, aiming to increase ambition on water targets, disclosure and governance on water stewardship. In addition, on hazardous chemicals, we are calling for the phase out of persistent and hazardous chemicals, increased disclosure and increased R&D for safer alternatives.

- **Biodiversity Loss.** The prevention of biodiversity loss is crucial, over half the world's GDP is dependent on ecosystem services, and land use change is a key driver of water stress globally. We are engaging as part of the N100+ collaborative initiative, which focuses on increasing corporate ambition and action to reverse nature and biodiversity loss. The collaborative engagement calls on 100 high impact companies to align to six investor expectations.

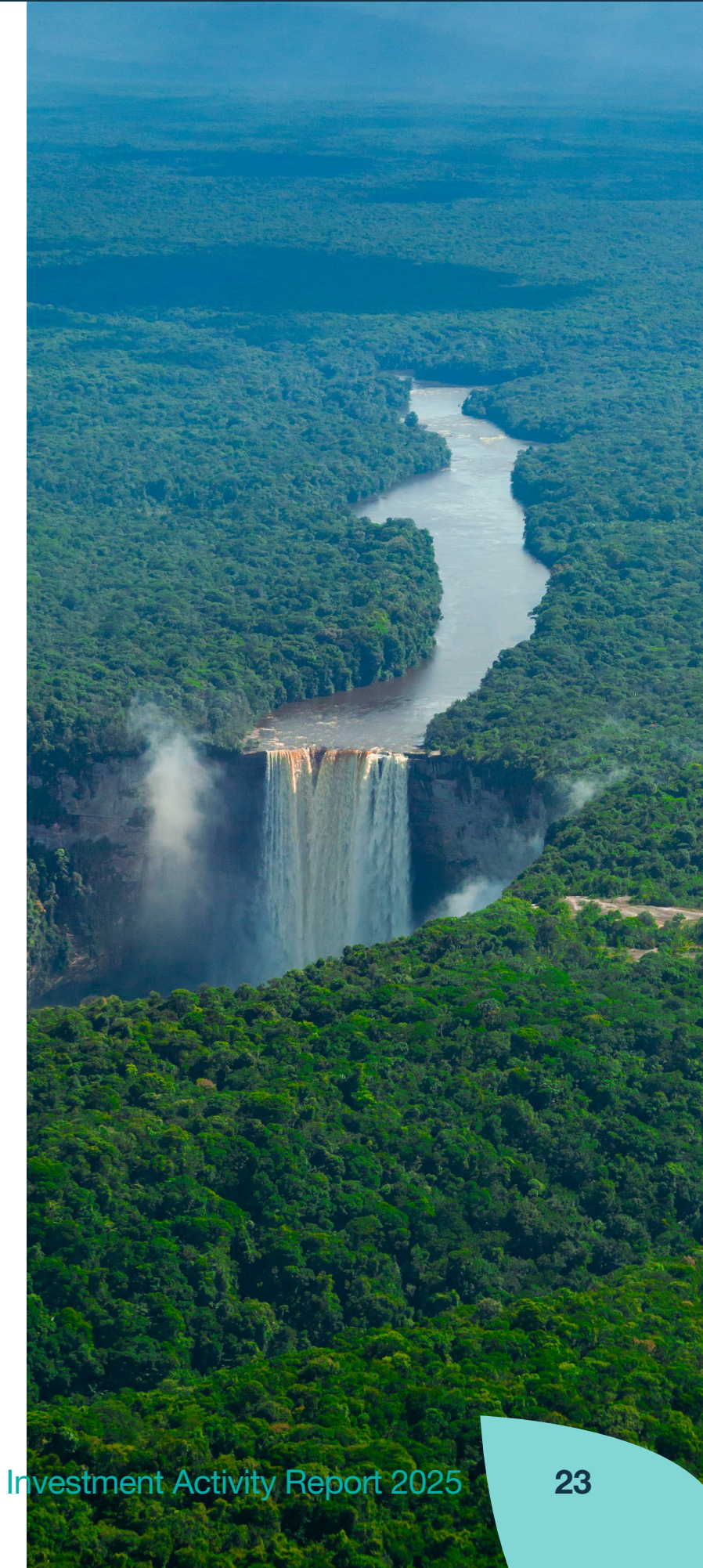
- **Technology Sector.** As digital connectivity is ever growing, so too is the demand for water to cool data centres and power the AI revolution. In addition, the manufacturing of semiconductors is incredibly water intensive, meaning the water footprint of the sector is vast. With this in mind, we are co-leading on one Valuing Water Finance Initiative engagement and have joined as supporting investors in another. In these engagements, we are seeking for both companies to align with six asks under the corporate expectations for valuing water.

- **Policy Engagement.** Collective action is required to achieve global water security; this cannot be realised without governments and policymakers being ambitious and recognising access to water as a fundamental human right. Therefore, in 2025 we engaged policy makers on plastic and microfibre pollution, deforestation, anti-microbial resistance and hazardous chemicals, pushing for enhanced policy protections across key areas which exacerbate water stress.

“Water stress brings together several of the structural risks shaping long-term investment outcomes, including climate change, resource scarcity and growing social pressures. We see it as an increasingly financially material issue, and one where sustained engagement can help drive the stronger governance and forward planning needed to protect long-term value.”



Lydia Norman
Associate Fund Manager



Case study: Water stress and hazardous chemicals

Company: Kemira | Method: direct

kemira

Issue: Water-related risks are increasingly material for the chemicals sector. Manufacturing processes can be water intensive, exposing companies to higher operating costs where water becomes scarcer or more expensive. Operations may also affect water quality through effluent discharges, and tighter regulation can raise compliance requirements and increase the risk of fines or operational disruption. Proactive water stewardship is therefore important to protect local water resources and strengthen long-term operational resilience.

- **Objective:** Set time bound site-specific water withdrawal targets.



- **Objective:** Introduce a water stewardship strategy.



Action: In our second engagement meeting, we followed up on the points raised in 2024, with a particular focus on target setting, governance and progress towards defining site specific water targets. We discussed how location-based targets can improve accountability and enable more meaningful measurement of performance, especially where risks vary materially by geography and production profile.

Outcome: Kemira demonstrated a clear maturity in its water strategy over the last 18 months. The company completed a double materiality assessment that identified water as a core risk, elevating water to a central pillar of its environmental strategy. Importantly, Kemira committed to set site-specific water targets that reflect local conditions, demonstrating clear progress towards our main engagement objective. Kemira also reported reductions in water consumption (down 7% since 2023) and continued expansion of its water-related solutions. We will continue engagement in 2026 to monitor implementation and encourage further ambition and disclosure.

Case study: UK water policy

Authority: UK Independent Water Commission

| Method: direct and collaborative



Issue: The UK water sector continues to face significant scrutiny over river pollution, wider environmental performance and rising customer bills. Stakeholders across the sector including regulators, investors, communities and civil society have increasingly called for fundamental reform to strengthen financial, structural and environmental resilience. The current regulatory framework is widely regarded as inadequate, with overlapping and sometimes conflicting objectives that have contributed to inconsistent performance and dwindling public trust. In response, the UK Government launched the Independent Water Commission in 2024 to recommend pathways for meaningful reform of the sector.

- **Objective:** Call on the Commission to create a new regulatory structure with non-competing aims and an ambitious environmental agenda.



- **Objective:** Feedback into the Independent Water Commission, sharing investor concerns on environmental and financial resilience.



Action: We submitted a response to the Commission's call for evidence, emphasising the need to enhance resilience, improve transparency and rebuild public confidence. We also engaged with the Investment Association (IA) on its submission, aligning on the importance of regulatory reform and the creation of a clearer regime with coherent, long-term objectives.

Outcome: Our submission reinforced the investment community's call for a strengthened regulatory model and highlighted that restoring trust is essential for long term sector stability. The Cunliffe Review subsequently recommended a more resilient, transparent and aligned system, including the appointment of a single holistic regulator responsible for both financial and environmental oversight, a reform we advocated for. We will continue to monitor developments and engage where appropriate to support meaningful improvements in the UK water sector.

Case study: Water stewardship in Big Tech

Company: Apple and Alphabet | Method: Valuing Water Finance Initiative (VWFI) collaborative engagement



Issue: The technology sector has a particularly high-water footprint, ranging from the water-intensive production of semiconductors to the cooling of data centres, making water stewardship a critical issue across the entire value chain. To address this topic, we co-lead the collaborative engagement with Alphabet and have joined the engagement group with Apple as part of the VWFI.

Alphabet

- **Objective:** Improve management of water, particularly relating to use in data centres and through supply chains.



Apple

- **Objective:** For the company to share more detail on the most water dependent sections of its supply chain and to act on water as a financial risk.



Action: In 2025, we joined the Valuing Water Finance Initiative collaborative engagement with Apple, supporting efforts to promote best practices in water stewardship. This was also our second year leading the Alphabet engagement. Both engagements are designed to encourage the companies to raise their ambition for water management by 2030, aligning with the Corporate Expectations for Valuing Water. These expectations outline actionable steps the companies can take to safeguard the water resources they rely on, thereby enhancing long-term resilience for the company and its shareholders.

Outcome: Engagement with major US technology companies remained difficult for investors of all sizes in 2025. Alphabet provided no meaningful updates despite some success last year prompting the coalition to plan escalation in 2026. The Apple collaborative group also plans to pursue alternative engagement avenues next year to strengthen access and responsiveness.

Case study: Microfibre pollution policy

Authority: DEFRA | Method: microfibre pollution collaborative engagement



Issue: Microfibre and microplastic pollution is an increasing driver of nature degradation, with significant implications for ecological health and long-term economic stability. Microplastics damage ecosystems, disrupt nutrient cycles and hinder species reproduction. The UN Environment Programme estimates that marine plastic pollution-imposed costs of between USD \$6 billion and \$19 billion in 2018, affecting tourism, fisheries, aquaculture and clean-up operations. If current trends continue, businesses could face up to USD \$100 billion annually by 2040 in waste management liabilities. These growing environmental and financial risks highlight the urgent need for coordinated systemic action to prevent plastic leakage into natural systems.

- **Objective:** Introduce legislation mandating the installation of microfibre filters in all new domestic and commercial washing machines.



Action: The investor coalition has identified domestic washing machines as a strategic intervention point. Synthetic textiles shed microfibrils during laundering, many of which pass through wastewater systems and enter the environment. Research funded by DEFRA and conducted by the University of Plymouth shows that fitting washing machines with microfibre filters can capture up to 78% of these particles before they reach wastewater treatment plants. On this basis, the coalition has written to the UK Government, via DEFRA, calling for legislation mandating microfibre filters in all new domestic and commercial washing machines. This aligns with the UK's commitments under the Kunming Montreal Global Biodiversity Framework and the forthcoming Global Plastics Treaty.

Outcome: A formal government response is pending, but this engagement marks a constructive step toward regulatory dialogue and stronger protections for nature and society.

Social and Financial Inclusion

Inequality in income and wealth has been increasing for the past 40 years. Inequality is a systemic risk: it undermines social cohesion, erodes trust in institutions and fuels unrest. When we reduce inequality, everyone – including the companies we invest in – are better off. EdenTree plays an active role in promoting inclusion including through our work on the responsible use of technology, modern slavery and financial resilience. In 2025, 29% of our thematic engagements were on Social and Financial Inclusion.

In 2025, our social and financial engagements focused on:

- **Responsible use of Technology.** Artificial Intelligence has the potential to bring significant positive developments. However, it also increases the risk of social harms, such as bias, discrimination and unsafe outcomes. If digital technology companies fail to adopt, implement and disclose robust governance policies and controls, backed by strong ethical principles,

they may face reputational risks as well as revenue losses, and society faces tremendous risk. As such, we have been engaging companies collaboratively with the World Benchmarking Alliance’s Digital CIC on Ethical AI, calling on companies to implement ethical AI principles, robust governance, oversight and implementation.

- **Modern Slavery.** Modern slavery is thought to affect more than 50 million people worldwide and, by its very nature, can be difficult to uncover. It includes the exploitation or enslavement of individuals in a variety of coercive or deceptive practices such as bonded and forced labour. Modern slavery has been a continuous focus of our engagement work for several years, and in 2025 we continued to support Votes Against Slavery (VAS) which focuses on adherence with the reporting requirements of the Modern Slavery Act 2015.

- **Financial Inclusion in the UK.** The strength of the UK’s financial system depends on whether individuals and communities can access and benefit from essential financial services. Yet, against the backdrop of increasing cost of living pressures and a housing crisis, the core pillars of inclusive finance are all under strain. With these tensions

in view, EdenTree commenced a long-term stewardship initiative on Financial Inclusion in the UK in early 2025, anchored in three core pillars: Accessibility, Affordability and Resilience. In our pilot phase of this initiative, we engaged with our building society holdings with a focus on accessibility, given their maintained physical presence.

“Financial inclusion remains a vital but often underexplored area of stewardship, particularly against the backdrop of continued cost-of-living pressures for many UK households. Our engagement with UK building societies seeks to encourage a stronger focus on accessibility, support and fair outcomes for customers, while recognising the important role these institutions can play in delivering both social value and long-term resilience.”



David Katimbo-Mugwanya
Head of Fixed Income



Case study: Responsible Artificial Intelligence

Company: Vodafone | Method: WBA Digital CIC on ethical AI collaborative engagement



Issue: As a telecommunications company, Vodafone uses artificial intelligence in operational systems and selected customer-facing functions. If not designed and governed appropriately, AI can reinforce bias and discrimination, compromise privacy, and produce opaque outcomes that are difficult to explain or remedy. Weak controls can therefore increase regulatory and legal exposure, disrupt operations and erode customer trust, negatively impacting society and, ultimately, long-term shareholder value.

- Objective: Publish an ethical AI policy and enhance disclosures.



- Objective: Conduct an explicit human rights impact assessment on AI.



Action: As co-leaders of the World Benchmarking Alliance's Collective Impact Coalition on Digital Inclusion, we engaged Vodafone on ethical AI governance and disclosure. After an initial discussion in 2024, we held a follow-up meeting in 2025 to assess progress against our objectives and understand how its approach has evolved.

Outcome: Vodafone shared that it has made significant efforts to build AI literacy and ethical awareness across the organisation, fostering a culture of responsible innovation. We welcomed its risk-classification approach, which tailors safeguards to specific use cases. We were particularly encouraged by Vodafone's risk classification mechanism, which goes beyond legal definitions of high-risk technologies to tailor safeguards to specific use cases. Vodafone acknowledged that external disclosures lag internal practice. However, a formal policy is progressing through internal approval, supporting our objective for clearer public reporting of AI governance and risk management.

Case study: Financial inclusion in the UK

Company: UK building societies | Method: direct



Issue: In 2025, EdenTree launched a focused engagement to understand how UK financial issuers are identifying and closing inclusion gaps and how this connects to long-term financial resilience and fair consumer outcomes. We began with UK Building Societies as a pilot for this engagement due to their unique member-owned model and strong presence in savings and mortgages, core channels through which inclusion outcomes are delivered, while offering a relatively comparable peer set for establishing baseline expectations and disclosures.

- **Objective:** Confirmation of positive contribution to financial inclusion and accessibility in UK.



- **Objective:** Confirm role in/support of the BSA's efforts around financial resilience and the Government's growth agenda.



Action: The pilot centred on structured dialogue and information requests with a focus on accessibility while also touching on

affordability and resilience. This approach is intended to be scalable, with learnings used to extend engagement to other UK financials over time. Alongside the pilot, we reviewed the Government's newly launched Financial Inclusion Strategy, which sets out six focus areas: digital inclusion and access to banking, savings, insurance, credit, problem debt and financial education.

Outcome: The pilot phase indicated that building societies often demonstrate a clear customer and community orientation, but disclosure and outcome measurement are uneven. For example, there was limited information available from the majority around how inclusion initiatives translate into measurable customer outcomes, and limited evidence around support for groups facing persistent barriers (e.g., accessibility needs, mental health-related vulnerability, or economic abuse). Going forward, we hope to refine a clear set of issuer expectations aligned to the Strategy's pillars, deepen dialogue with pilot participants to improve transparency and scale the engagement to a wider set of UK financial issuers (e.g., banks and specialist lenders), embedding insights into our ongoing credit analysis and stewardship priorities.

Case study: Human rights

Company: Enel SpA | Method: PRI Advance collaborative engagement



Issue: The climate crisis cannot be averted without rapid expansion of the renewable energy industry. Enel manages 60.9 GW of renewable energy capacity, making a key contribution to the climate transition. However, the company has been involved in several controversies related to lack of respect for indigenous and community rights in recent years.

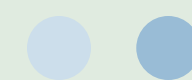
- **Objective:** Review due diligence on transitioning in assets in high-risk countries and develop a framework for responsible exit at the project level.



- **Objective:** Conduct an effectiveness review of grievance mechanisms at the project level.



- **Objective:** Develop a framework for political engagement where it concerns community rights.



Action: As part of the Principles for Responsible Investment (PRI) Advance Investor Initiative on human rights, we are co-leading the engagement with Enel. This dialogue has been ongoing for over a year, and we met with the company twice in 2025, primarily focused on assets in higher risk countries.

Outcome: We sought greater clarity on the human rights due diligence undertaken prior to entering challenging geographies, including stakeholder consultation processes, the use of Free, Prior and Informed Consent (FPIC), and the mitigation measures in place. We also explored the accessibility and effectiveness of project-level grievance mechanisms and Enel's approach to remediation. We welcomed the indication that Enel intends to publish a standalone human rights report in early 2026 and will continue engagement to encourage stronger transparency, remedy and responsible exit planning.

Case study: Human rights due diligence

Authority: UK Government | Method: collaborative



Issue: Human rights abuses in global supply chains, including forced labour and modern slavery, pose material risks for companies and investors. Weak due diligence can lead to legal and regulatory exposure, operational disruption, reputational damage and impaired long-term value. In this context, mandatory Human Rights Due Diligence (HRDD) is increasingly viewed as a mechanism to strengthen corporate accountability, improve risk management and support resilient, competitive business practices. We therefore support the introduction of mandatory HRDD legislation in the UK, aligned with international standards and emerging regulatory expectations.

- **Objective:** UK government to introduce mandatory human rights due diligence.



Action: In December 2025, we co-signed a collaborative investor letter coordinated by CCLA and Rathbones, alongside 25 investor organisations, calling on the UK Government to introduce mandatory HRDD. The letter emphasised the economic case for legislation and the benefits of due diligence for long-term competitiveness and value creation.

Outcome: The Government responded in 2026 that it is actively considering how to strengthen the UK's HRDD framework, including options for mandatory human rights and environmental due diligence. It noted extensive stakeholder engagement to date and committed to providing further updates as the review progresses, while acknowledging that significant reform will take time. We welcome this continued consideration and will remain engaged to encourage timely, credible legislation that improves supply chain resilience and protects long-term value.

Good Governance

Good governance is rooted in transparency, accountability and trust, which fosters a culture of integrity and financial stability. Companies without appropriate governance controls can exhibit poor management, a lack of oversight and in some cases business failure. Due to the structural, operational and cultural implications for organisations, governance-related engagements are generally long-term in nature, with AGMs serving as an opportunity to review progress annually.

In 2025, good governance underpinned all our engagement efforts given that the appropriate governance and oversight systems are required to support key decision makers to progress against our thematic priorities. In addition, in 2025, our specific engagements on Good Governance represented 15% of our thematic engagements. Our engagements on corporate governance and related developments over the year included:

- **AIM Governance.** The Alternative Investment Market (AIM) was established as a place where smaller companies could access capital, offering greater regulatory flexibility than the UK's main stock market. Whilst supportive of this flexibility, we believe that certain basic principles of good governance should apply to all companies. As such, we continued our ongoing engagement with our AIM-listed holdings with a view to raising standards, particularly around improved disclosures and better practices regarding board independence and director classifications.
- **Board Composition.** Board composition is a core focus of our action on corporate governance issues. In practice, we encourage companies to ensure their Boards have the capacity and relevant expertise to oversee key operational

risks, alongside robust governance frameworks. In 2025, two key examples of this were around appropriate IT and cybersecurity skills in sectors that handle sensitive data.

- **Oversight of Material Areas.** Good governance foundations are essential in effectively managing material sustainability risks and impacts beyond a company's immediate boundaries. In addition to encouraging Board-level oversight of these areas, our engagements also focus what accountability mechanisms in place and how a company is evidencing that sustainability oversight is embedded beyond structures. This includes establishing credible links between non-financial performance and executive remuneration, so that delivery against stated ambitions is matched by accountability at the most senior level.

“In 2025, governance remained a core focus of our stewardship work, particularly where focused on board accountability, misaligned pay structures or insufficient oversight of material sustainability risks. Through our voting activity, we sought to promote stronger governance practices and encourage greater alignment with long-term shareholder interests.”



Hayley Grafton
Senior SI Analyst

Case study: Oversight of material areas

Company: GCP Infrastructure | Method: direct



Issue: GCP Infrastructure consulted us after being advised that standalone ESG Committees may have a “shelf life,” with sustainability considerations increasingly expected to be embedded across all board committees. The company sought our views on whether it should move away from having a dedicated ESG Committee.

- **Objective:** Maintain Board-level oversight of sustainability, through retaining the company’s ESG sub-Committee.



Action: We advised that while non-financial risks often fall under the audit committee’s remit, a dedicated ESG Committee remains valuable. It provides clear accountability and helps ensure sustainability risks are meaningfully integrated into risk management. We also noted that audit committees may lack the time or expertise to lead on ESG strategy. Given the current political climate, we cautioned that removing the ESG Committee could be perceived as weakening oversight of sustainability risks.

Outcome: The Board welcomed our perspective and decided to retain its ESG Committee, a decision we support as it reinforces governance, accountability and continued focus on managing sustainability-related risks.

Case study: Rollback on strategic targets

Company: Lloyds Banking Group | Method: direct



Issue: Lloyds Banking Group made adjustments to its strategic climate and diversity objectives, which we deem to be less ambitious. Specifically, this included the removal of business travel from the operational emissions reduction target and the gender and ethnic representation objective was narrowed from senior roles to the executive level only.

- **Objective:** Ensure accountability mechanisms are in place following the bank’s decision to remove underlying elements of its sustainability targets or explore alternative options.



Actions: We engaged with Lloyds to gain further insight into the rationale behind the decision to remove key components of the targets. In addition, we looked to feedback

our views on why the changes to the bank’s sustainability targets signal a weaker level of ambition. We also wanted to encourage transparency around accountability to ensure robust governance of the bank’s targets; especially as a UK-based institution operating in an environment that remains supportive of strengthening diversity and inclusion.

Outcome: Lloyds emphasised that the amendments to its targets serve only to align older targets with the bank’s updated forecasts. Since setting its decarbonisation targets, the need for international travel has increased due to operations opening in new regions. Lloyds further noted that amendments to its diversity targets increased the bank’s ambition but focused it at the executive level. Despite these amendments, Lloyds remains a leader on a range of sectoral issues, and we will continue to monitor its position and governance going forward.

Case study: Executive remuneration

Company: Hollywood Bowl Group | Method: direct



Issue: We voted against Hollywood Bowl Group's 2024 Remuneration Report at the AGM due to concerns that payouts were achievable at relatively low levels of performance. Under the structure proposed, up to 30% of overall remuneration could vest for threshold performance, which we do not consider to be sufficiently stretching or aligned with shareholder expectations.

- **Objective:** Strengthen remuneration structures and practices.



Action: Following our vote against Hollywood Bowl Group's remuneration report, the company's management team reached out for us to consult on the 2025 remuneration

policy. We shared our concerns around the overreliance on absolute performance measures in the LTIP (Long-Term Incentive Plan), as well as the considerable vesting opportunity for threshold performance. Within our review of the 2025 policy, we were pleased to see the company had improved both aspects by reducing vesting and adding a relative performance measure.

Outcome: On the basis of these improvements, we supported the 2025 remuneration policy and pre-declared our voting intention to the company. The policy received 93% shareholder support, up from 83% support for the prior year's remuneration report, indicating stronger alignment between the revised pay framework and investor expectations.

Case study: UK Stewardship Code consultation

Authority: FRC | Method: direct



Issue: As a sustainable and impact investor, EdenTree views the UK Stewardship Code as influential in maintaining the UK's position as a credible, internationally recognised stewardship regime. The FRC's review and consultation was therefore an important opportunity to help ensure reforms reduced unnecessary reporting burden without lowering ambition or weakening the Code's focus on real-world outcomes

- **Objective:** Encourage the FRC to maintain the high bar set by the 2020 UK Stewardship Code in their review and subsequent updates to the Code.



Action: Throughout our involvement in the FRC's roundtables, and in our written response, we supported the direction of travel towards more streamlined reporting, but argued this should be balanced with maintaining the Code's high bar and the rigour that has helped improve stewardship practice over the last decade. We also urged the FRC to retain explicit reference to "the

economy, the environment and society" within the definition of stewardship, cautioning against diluting systemic considerations by moving them only into supporting text, and noted the value of harmonising terminology so stewardship is clearly framed as integral to fiduciary responsibility. Finally, we highlighted that if escalation and collaboration were no longer standalone principles, they should be more clearly embedded across the remaining principles.

Outcome: Following the consultation, the FRC published the updated 2026 UK Stewardship Code, which served as a significant overhaul and streamlining of the Code's principles and reporting requirements. Importantly, while the stewardship definition was revised, the FRC strengthened the accompanying explanatory wording in response to consultation feedback so that effective stewardship explicitly refers to investors taking account of long-term risks and opportunities "having regard to the economy, the environment and society," helping preserve the systemic framing EdenTree emphasised.

Fact-Finding

Engagement at Different Stages of the Investment Process

While our thematic priorities enable focus and alignment with our clients, we also remain adaptable to engage on an ad-hoc basis where needed. In some cases, for instance in the case of negative news flow, corporate announcements, emerging controversies or other issues identified in our ongoing monitoring of companies, we may need to take urgent action. Typical issues that may require reactive engagement include involvement in a controversial project, allegations of misconduct, product quality/safety issues or any other environmental, social or governance controversy. These usually prompt us to conduct a short engagement to seek information and the company's position or response, and determine the appropriate means of escalation.

Retaining the ability to promptly respond to emerging issues within our portfolio, and take the action necessary, as part of our engagement approach, has been an important factor in our integration of stewardship and the investment process.



Fact-finding breakdown

- Controversy Related **33%**
- Assessment Related **33%**
- ESG & Impact Monitoring **33%**



Case study: Engagement at the pre-investment due diligence stage

Company: Instituto de Crédito Oficial
Topic: Assessing issuer's impact approach



Issue: ICO are a state-owned bank and the financial agency of the Spanish State. As part of EdenTree's pre-investment due diligence, we may engage with prospective issuers to understand how sustainability considerations are governed, how labelled bond proceeds are managed and whether impact reporting is sufficiently decision-useful for bondholders. Given ICO's stated mission to support economic activities with social and environmental significance, and its established presence in green and social bond markets, we engaged with them as part of our due diligence to assess the robustness of its sustainable finance approach and the credibility of its impact reporting ahead of any investment decision.

Action: In our meeting, we discussed ICO's labelled bond programme, including its continued issuance of green and social bonds, and its intention to keep improving transparency and investor reporting. We also reviewed key guardrails underpinning its sustainable issuance, including the use-of-proceeds approach supported by external review and how eligible categories are

defined under its green and social frameworks. A specific area of questioning was how ICO manages impact visibility differences between (i) social bond proceeds often channelled via second-floor/intermediated lending and (ii) green bond proceeds more frequently associated with direct lending, which can affect data availability and outcome measurement.

Outcome: The engagement strengthened our understanding of ICO as a government-backed issuer with a clear public mission and a track record in the ESG bond market, underpinned by frameworks that have received external scrutiny. However, our discussion highlighted an important due-diligence consideration: impact assessment for social bond allocations can be harder to evidence where lending is intermediated and may require stronger monitoring and reporting to demonstrate that proceeds reach intended beneficiaries and deliver meaningful outcomes. Looking ahead, we will continue to monitor and engage of ICO's framework updates — particularly as ICO has updated its Social Bond Framework in line with the latest ICMA Social Bond Principles.

Case study: Engagement at the investment monitoring stage

Company: Nike | Topic: Labour management



Issue: Nike was identified for engagement due to recurring labour-related controversies and its longstanding exposure to supply-chain scrutiny. Our focus was on the strength of the company's governance, systems and controls for identifying, preventing and remediating human rights and labour risks across its operations and value chain.

Action: We met with Nike to discuss enhancements to its due diligence framework, including how it maps supplier risks, monitors working conditions, escalates issues and delivers remedy where breaches are identified. We also explored how oversight is embedded at senior management and board level.

Outcome: The engagement increased our confidence in Nike's approach to labour risk management and supply-chain oversight. We welcomed steps to improve supplier visibility and strengthen supplier relationships, which we view as important enablers of effective monitoring and remediation. We also discussed the company's current labour-related targets, which expire in FY25, and the importance of setting credible successor targets with clear timelines and accountability. Given the evolving US political and legislative environment, we will continue to monitor Nike's progress and expect ongoing transparency on performance, incidents and remediation outcomes.

Exercising Our Investor Rights

Key Highlights Over the Period

We implemented our refreshed [Corporate Governance and Voting Policy](#), effective 1st January 2025, which serves to provide transparency around our voting guidelines.

We continued to pre-declare voting intentions as a form of escalation, both directly and publicly, utilising the PRI's Resolution Database.

We worked closely with fund managers to inform our voting decisions, particularly on escalations and non-routine items such as M&A matters and shareholder proposals.

Our Approach to Exercising Voting Rights

Proxy voting is a core responsibility of asset managers. We believe that shareholders have a vital role to play in encouraging high standards of corporate governance from the perspective of being long-term investors. We therefore seek to vote at all meetings in which we are eligible to. We will also seek to engage pro-actively with companies where either existing corporate governance arrangements or management proposals cause concern.

Voting is conducted in accordance with our published Corporate Governance and Voting Policy (available on our website). We seek to vote at all meetings in all markets, except where they are share-blocked.

Against a backdrop of increasing tensions between shareholders, companies and regulators, we voted at 313 meetings across 24 markets over 2025, opposing management at 17% of voting opportunities. Over

this period, we voted across all areas of corporate governance, taking a thoughtful and considered view on each resolution. Issues we focused on particularly included remuneration, auditor re-appointment and shareholder proposals.

Our statement "[Stewardship: A shared responsibility](#)" provides further information on our voting approach and policies.

Key 2025 Voting Figures

2025 voting summary	
No. proposals eligible to vote on	4,945
Proposals voted on (%)	100%
Proposals supported (%)	83%
Proposals opposed (%)	16%
Proposals abstained (%)	1%
Proposals voted against management's recommendation (%)	17%
Proposals voted against Glass Lewis' recommendation (%)	14%
No. meetings voted at	313
No. meetings with at least one vote against management	252
No. markets voted in	24

Spotlight: Monitoring and holding to account our voting service

For voting execution, we use the services of a third-party proxy advisor, Glass Lewis. Their Viewpoint platform enables consistency in our voting by applying EdenTree's bespoke voting template to make recommendations. However, the EdenTree Sustainability Team are responsible for reviewing these recommendations and ultimately making a final decision based on our policies and in-house research, as well as any engagements with the relevant company. This process means our voting approach does not differ across funds – ensuring our voice is not diluted. Voting is monitored on a daily basis by the Sustainability Team in collaboration with the Operations team and Glass Lewis. As an additional layer of monitoring, Glass Lewis maintain quarterly KPIs that we discuss with them.

Responsibility to Our Clients

We do not stock-lend, believing this to be an inappropriate use of client assets as well as an unnecessary distraction from our core stewardship responsibilities. Stock lending requires a process of 'recall' so that we do not miss our entitlement to vote the stock. Given our Policy is to vote at all meetings in all markets, stock lending adds a layer of risk in terms of potentially missing ballots due to recall failure, in addition to its being, in our view, an inappropriate use of client assets.

A complete and transparent record of voting action taken is published quarterly in a single House Proxy Voting Report. This contains voting statistics for all markets, detail of action taken (oppose/abstain), meetings where all resolutions were supported, diversity records (in the UK) and where we have supported shareholder resolutions. Voting reports tailored to specific client mandates are provided as routine or on request.

Spotlight: Votes of interest over the period

While we do not publish a definitive list of significant votes across our portfolio, we are conscious of the expectations set out in the DWP (Department of Workplace Pensions) guidance regarding trustees setting their own definition for, and reporting on, significant votes as part of preparing their annual reporting. Therefore, we are able to support clients with their completion by providing information that is relevant to each scheme's holdings and aligned with the significant vote criteria as established by the trustees, rather than a generic list of votes.

Below are a selection of priority votes over the period, based on their link to our thematic priorities, fact-finding work and significance of the action taken.

Company issue

How we voted and next steps

A.O. Smith

Poor response to shareholder dissent

Although weaker corporate governance fundamentals are an inevitable factor in family-run and controlled companies, there are indications that A.O. Smith's poor governance is eroding the shareholder experience. At last year's annual meeting, the two sole directors serving on the nominating and governance committee were opposed by over 55% and 66% of votes cast, respectively. This was predominantly driven by shareholder concern regarding the company's multi-class share structure and director over-boarding. We believe that directors sit on a Board to represent the interests of shareholders, and following high levels of dissent, the Board has a responsibility to address shareholder concerns by consulting with them and taking corrective action.

In the absence of being able to vote on the re-election of the Chair, we reflected our ongoing governance concerns by not supporting the longest serving Independent Director elected by common stockholders.

- ✘ Withheld support for the re-election of the longest serving Independent Director
- ✘ Voted against the Chair of the Nomination Committee


Regarding the Board's lack of response to shareholder dissent, we believe the continuing service of highly opposed directors raises concerns about whether the nominating and governance committee is fulfilling its duty to shareholders. We will therefore look to withhold support for Directors serving on this Committee if no improvements are made.

Company issue

How we voted and next steps

Nike Shareholder rights

The company's multi-class share structure provides Class A stock holders the right to elect 75% of the board, despite the Class A common stock representing only around 20% of the company's outstanding common stock. We believe multi-class structures like these are not aligned with the best interest of shareholders and therefore support the one share, one vote standard, in which all voting rights are equal across shareholders. We also identified that one Director was opposed by approximately 40% of votes cast at last year's annual meeting, likely serving as a reflection of shareholder concern regarding the share class structure.

 Voted against the most senior Class B Director serving on the Governance Committee

Given our concerns around the unequal voting rights combined with the absence of a reasonable time-bound sunset provision, we will review the status of this matter ahead of the next AGM and will consider escalating our voting measures to include additional directors if required.


Company issue

How we voted and next steps


Sanofi Oversight of material areas



Cybersecurity is a material risk for pharmaceutical and healthcare companies due to the sensitive data they collect and store. This was demonstrated in 2024 when UnitedHealth Group experienced a cyberattack which exfiltrated data belonging to a third of Americans, and exposing them to significant litigation risk.

Sanofi has no cyber/IT experience on the Board, which we believe would strengthen oversight. Although the Board should look to introduce an experienced Director, the Board have partially addressed our concerns by implementing Director training sessions to support effective oversight. As such we chose to abstain the re-election of the one Director serving on the E&S Committee who was up for election.

 Abstained the re-election of Director serving on E&S Committee

In light of this growing risk area, we have raised our expectations for healthcare companies, looking for them to have board level oversight and expertise on cybersecurity and increasingly AI to manage and mitigate this risk.

Company issue	How we voted and next steps
<p>Alpha Group Board composition</p> <p>Last year, we escalated our voting measures at Alpha Group's AGM to vote against the Nomination Committee Chair due to the Company being one of the few remaining UK public companies with an all-male board. As part of their application for premium listing on LSE, the company appointed two new Directors to the board, which satisfied our concerns and lead to us supporting the Nomination Committee Chair this year.</p>	<p> Voted in favour of the Nomination Committee Chair.</p> <p>Although we commend the company for their efforts on board composition, we remained concerned with other areas of governance, including poor remuneration practices over the period and potential over boarding. As such, we voted against the remuneration report and Lead Director to signal our concerns.</p>

Company issue	How we voted and next steps
<p>Atkore Officer exculpation</p> <p>At Atkore's AGM, management sought shareholder approval to amend the company's certificate of incorporation to add a provision exculpating certain officers from personal liability for certain breaches of fiduciary duty.</p> <p>We categorically do not support exculpation and limiting the liability of Directors, as it essentially removes liability for an officer's breach of their duty of care. We therefore voted against the proposal and will continue to monitor the uptake of these proposal types at other meetings. We also voted against the Remuneration Report tabled, due to the incentive plan structure allowing for excessive pay opportunity and poor disclosures relating to performance measurement.</p>	<p> Voted against amendment to articles</p> <p> Voted against Remuneration Report</p> <p>We have increasingly seen proposals of this nature over the last couple of years, following recently enacted legislation in the state of Delaware that enables companies to limit or eliminate the personal liability of certain officers for monetary damages associated with breaches of the duty of care.</p>

Company issue	How we voted and next steps
<p>Alphabet Inc. Corporate governance failures</p> <p>Alphabet’s multi-class structure, whereby common shareholders carry less than half of the voting rights while bearing significantly more of the economic risk, has been destructive to the shareholder experience in recent years. After almost 20 years and no sunset-clause, we believe the benefits of this structure have long since expired. In relation to this, a shareholder proposal regarding the recapitalisation of Alphabet’s share structure has been repeatedly tabled at their AGM for the last 9 years, each time gaining more support than the previous year. The proposal has sought to equalise the voting rights afforded by shares by requesting that the Board take all practicable steps in its control to initiate and adopt a recapitalisation plan for all outstanding stock to have one vote per share. More broadly, Alphabet continues to demonstrate poor practice across some areas of corporate governance, most notably the misclassification of directors as ‘independent’ despite long tenures between 21 to 27 years, and the placement of these individuals on sub-committees which should be comprised fully of independent directors</p>	<ul style="list-style-type: none"> ✔ Supported shareholder proposal relating to recapitalisation ✘ Voted against directors serving on the Remuneration Committee for failure to implement SOP outcome <p>We publicly pre-declared our voting intentions through the PRI’s Shareholder Resolution Database. We also supported 7 of the 12 shareholder proposals tabled at the meeting, one of which (Recapitalisation) received c.80% support when removing the impact of the additional voting rights held by Class B shareholders.</p>

Company issue	How we voted and next steps
<p>Marvell technology Corporate governance failures</p> <p>Marvell Technology have a combined CEO / Chair position, whereby a single individual is responsible for both executive and board leadership. We believe the separation of the Board Chair and CEO role is an important tenet of effective corporate governance as it increases the board’s independence from management, and mitigates the risk of both agency conflict and potentially compromised decision-making procedures. There are indications of this in the company’s remuneration practices, which have been poor in recent years due to continued issues around misalignment between pay and performance. In 2024, the advisory vote on executive compensation only received 51% support from shareholders, signalling remuneration as a commonly shared concern between shareholders.</p>	<ul style="list-style-type: none"> ✔ Voted in favour of a shareholder proposal regarding the introduction of an Independent Chair ✘ Voted against Directors serving on the Remuneration Committee <p>Our concerns around remuneration, board independence and the lack of action in response to shareholder dissent, all support the argument that shareholder interests are not being considered or represented fairly. We intend to escalate our voting measures should we observe continued poor alignment and poor response to significant shareholder dissent.</p>

Working with Our Partners

Clients, Service Providers and Industry Initiatives

Clients

We serve a variety of institutional and retail clients, each with a long-term investment time reflecting their needs and preferences. As such, we endeavour to align with this horizon in our investment approach, whether that be through our own long-term holding focus in asset selection and portfolio construction, or through forming long-standing relationships with companies and issuers to enable constructive dialogues and adaptable stewardship efforts over time.

We recognise the importance of our relationship with our clients and engage with them on an ongoing basis. In addition to systemising our existing reporting to meet clients' needs and continuously developing our capabilities to support their own reporting requirements, we also actively seek client feedback on our approach and activities via our Client Distribution Team. While we do not offer bespoke stewardship services across our pooled funds, such as client-directed voting or engagement, we do consult with clients

where they have stewardship-related interest or queries relating to specific cases. We welcome such dialogues as they present an opportunity to reflect and consider different viewpoints.

Service providers

Across the business we employ systems, products and software to provide qualitative investment management services to our clients. This includes broker research, Bloomberg, dealing systems (Charles River) and custodian services. Within the Sustainability Team, a dedicated ESG service provider is taken (ISS-ESG) which provides raw data across the investment universe on company disclosure and performance. We do not use ratings; more we interpret and analyse the raw data from ISS-ESG together with company disclosures to inform our decision making. To strengthen our response to controversies, we use data provided by Sustainalytics (Morningstar). Our sustainability assessment framework,

The EdenTree Standard, is a human-oriented qualitative one in which Stewardship is deepened and enhanced by the understanding and knowledge of the Sustainable Investment Team.

We generally have three-year rolling contracts with our key providers with due diligence carried out towards the end of each three-year semester to assess whether they remain fit for purpose, or whether a full tender should be carried out. We would normally tender at least every 10 years to ensure the contract remains competitive as well as our 'testing the market'. As we are dedicated sustainable investors nearly all our activities are carried out in-house with no external parties used for engagement activities (save for collaborative engagement).



Partnerships

We are members or signatories to several industry partnerships involving the sustainable investment community. Ultimately, membership of organisations affords specific opportunity to work with like-minded global investors on material issues. The Sustainability Team oversee periodic review of our involvement in these industry partnerships and collaborative initiatives, particularly assessing effectiveness, progress made and alignment with our engagement priorities. Over the period, our partnerships included:

Collaborative engagement memberships

We seek to collaborate positively with like-minded investors wherever possible or as part of collaborative industry initiatives. Detailed below is a list of the initiatives we were involved in, and in what capacity, over the period. Further detail and updates on our involvement in these collaborations are shared in our quarterly reporting.

Signatory organisations

Organisation	Focus Area
Principles of Responsible Investment	Firm level commitment
UK Sustainable Investment and Finance Association	Firm level membership
Impact Investing Institute	Firm level membership
UK Stewardship Code FRC	Firm level commitment
Institutional Investor Group on Climate Change	Just Climate Transition
FAIRR Initiative	Just Climate Transition, Water Stress and Social and Financial Inclusion
Financing a Just Transition Alliance	Just Climate Transition
World Benchmarking Alliance	Just Climate Transition, Water Stress and Social and Financial Inclusion
Access to Nutrition Initiative	Social and Financial Inclusion
Access to Medicine Initiative	Social and Financial Inclusion

Collaborative engagement	Theme	Capacity
PRI Advance - Human Rights	Just Climate Transition	Leading role
IIGCC – Banks Working Group	Just Climate Transition	Leading role
Climate Action 100+	Just Climate Transition	Supporting role
Nature Action 100+	Water Stress	Supporting role
Investor Action Group on AMR	Water Stress	Supporting role
Valuing Water Finance Initiative	Water Stress	Leading role
Investor Initiative on Hazardous Chemicals	Water Stress	Supporting role
Microfibre Pollution Initiative	Water Stress	Supporting role
30% Club Investor Group	Social and Financial Inclusion	Supporting role
WBA – Digital Inclusion Group	Social and Financial Inclusion	Leading role
Good Work Coalition	Social and Financial Inclusion	Supporting role
Votes Against Slavery	Social and Financial Inclusion	Supporting role



Disclosures under SRD II

The Shareholder Rights Directive (SRD II) places certain disclosure obligations on us as asset managers. We declare that this Annual Review, together with our other public disclosures, constitutes our disclosure under SRDII as regards:

- Engagement Policy
- Corporate Governance Policies
- SI Activity Reports
- Proxy Voting Reports
- Stewardship Code

Disclosure of engagement policy

SRD II requires all institutional investors and asset managers to develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement into their investment strategy.

Annual disclosure of implementation

Institutional investors and asset managers have to annually disclose how they have implemented their policy, including how they have cast votes in general meetings of investee companies. Firms must give explanations of the most “significant” votes and may exclude “insignificant” votes from this disclosure.

Our engagement policy is generic to all clients, strategies and mandates and is based on priorities set each year and then executed. Engagement expectations (high-level) are set as part of each thematic strand of engagement. We do not believe all engagement has a linear outcome, although we track responses, progress of the engagement and any follow-up. Engagement is reported in detail in our quarterly SI Activity Reports and in this Annual Review. The engagement policy is published at [edentreeim.com](https://www.edentreeim.com) which sets out how we conduct, escalate and integrate engagement into investment strategy.

Our quarterly corporate governance voting reports serve as our disclosure under SRD II in terms of how votes are cast, significant votes and outcomes. We state as a matter of course every quarter the proxy advisors we use, and their function in executing ballot stewardship. We detail all votes where we have opposed and abstained which we declare to be ‘significant votes’ under SRD II. Meetings where all resolutions are supported are also listed (by meeting); we view these as ‘insignificant votes’ for the purposes of SRD II.

We are signatories to the UK Stewardship Code which dovetails in its intentions on how we exercise stewardship as asset managers on behalf of all clients equally. In previous

years, our disclosure under the UK Stewardship Code was a standalone report published in Q4 each year, but has now been integrated with the content of our annual Sustainable Investment Activity Report to form one comprehensive report produced earlier in the year.

A handwritten signature in black ink, appearing to be 'J. O.', written over a light blue background.

References to specific stocks are for illustrative purposes only and do not represent a recommendation to buy or sell any securities.

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EdenTree, 2025

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