

2024 Engagement Report

NICHE
ASSET MANAGEMENT

Content

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Introduction

The NEF Ethical Global Trends sub-fund addresses and mitigates the adverse impacts of its investments on society and the environment through various internal processes. These include ESG ratings, exclusion strategies, DNSH (Do No Significant Harm) analysis, Controversies analysis, Minimum Safeguards analysis, engagement, and PAI (Principal Adverse Impact) evolution analysis. *Engagement* is a crucial tool used to reduce the portfolio's adverse impacts. The goal is to create a *positive impact* by engaging with firms that exhibit sustained negative trends in Niche AM's Internal DNSH Analysis. This engagement aims to improve these indicators in the future or enhance sustainability reporting, enabling analysts to better understand the firms' adverse impacts.

Engagement Strategy Introduction

A major focus of the sub-fund's engagement activities is the results of Niche AM's internal DNSH Analysis. The "Do No Significant Harm" (DNSH) analysis assesses the **Principal Adverse Impact** (PAI) indicators of individual investee companies. It is important that the investee companies demonstrate an improving trend, showing that it is gradually minimizing the negative impact of its business.

More on Principal Adverse Impacts: [Go to Site](#)

In the case that any deteriorating or negative trends are found within the DNSH analysis, the company is contacted which can lead to the following scenarios.

- The investee company is queried about the reasons behind any negative dynamics. In the case that a valid explanation is provided for the negative trend observed in the DNSH indicator, the negative trend can be excluded from further consideration. However, it can also be the case that though initially an investigation, this may evolve into *direct engagement* to improve the firm's detreating indicator dynamic depending on the firm's response.
- In some cases, certain indicators may not exhibit a negative trend but may still require *engagement* with company management to promote improvements or the adoption of more sustainable practices (e.g. the company's reliance on non-renewable energy is negligible)
- The firm does not report on certain PAI indicators that the analyst deems material. *Engagement* is conducted to encourage the firm to disclose the indicator in the future.

More on DNSH Analysis: [here](#)

This Report focuses specifically on the impact of the engagement of the companies classified under the DNSH analysis to have produced some negative dynamics or lacks reporting and was responsive to engagement.

Engagement Impact Overview

Timeframe

- Engagement activities that took place between 01/01/2024 and 31/12/2024 (12 months) are considered in this report. These engagement activities were based on investee companies' FY2023 reports.
- The purpose of this report is to evaluate the results of the FY2023 engagement activities. This evaluation will be conducted by examining the DNSH analysis of investee companies' latest reporting period (FY2024) since the engagement commenced.

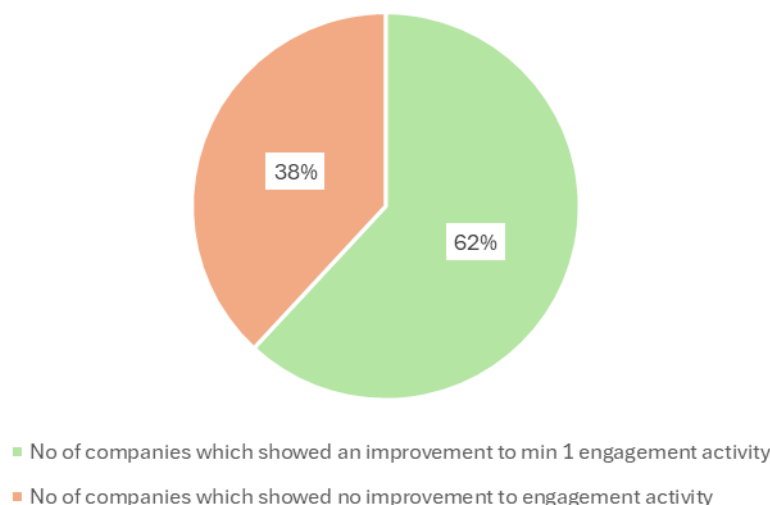
Subjects of engagement impact measurement

The subjects of the impact analysis consist of 21 companies. It should be noted that in the specified timeframe, engagements with a total of 22 companies took place. However, one company was not available for the internal analysis of FY2024 data as they were yet to report and has therefore not been included in the analysis. In addition, it should be noted that there are 3 stocks which have since been sold since engagement that are included in the analysis.

Further details regarding the portfolio analysed for this report and the methodologies can be found [here](#).

Initial Engagement Results Overview

Overview of Engagement Success by Company



Out of the total 21 companies whose results of engagements were analysed for the impact analysis, 8 did not show any improvements to at least one engagement activity.

Initial Results by Engagement Type

To produce measurable data on the impact of the engagement of the portfolio, the types of engagement have been split into two categories.

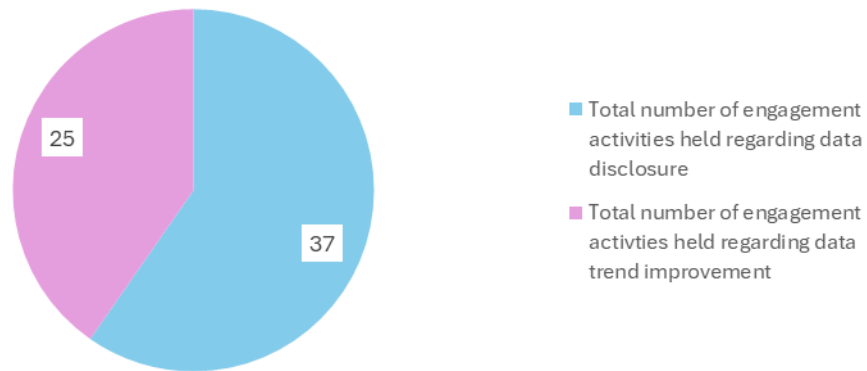
Data Disclosure Engagement

- In the case that the firm does not disclose 8 or more PAI indicators used in the DNSH analysis engagement must be conducted to encourage the firm to disclose material PAI indicators which will allow for clearer analysis of the firm's adverse impacts.
- In the case that the firm disclosed 8 or more PAI indicators but does not report an indicator which the analyst deems material, engagement is also conducted to encourage the firm to disclose the indicator in the future.

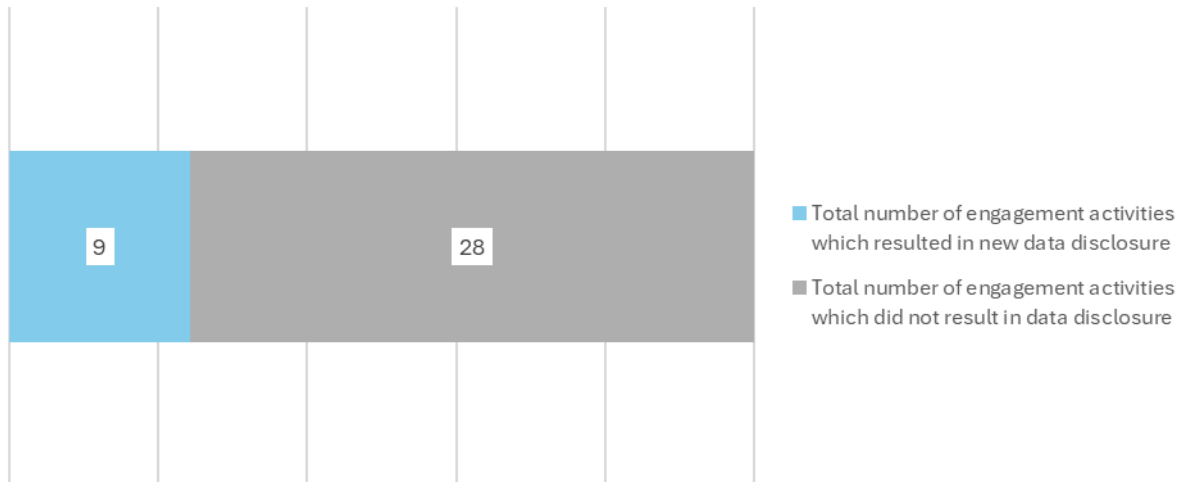
Data trend improvement Engagement

- In the case certain PAI indicators as part of the DNSH analysis exhibit a negative trend, the company must be queried about the reasons behind any negative dynamics. If the company cannot sufficiently explain the negative trends, engagement is pursued to encourage efforts to improve the indicator dynamics in the future.
- In some cases, certain indicators may not exhibit a negative trend but may still require engaging with company management to promote improvements or the adoption of more sustainable practices (eg. the company's reliance on renewable energy is negligible)

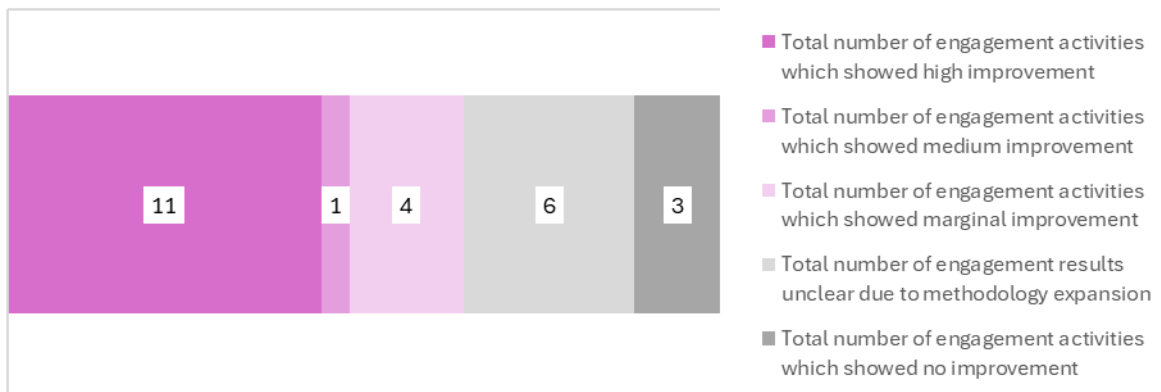
Total Engagement Activities Breakdown by type



Data Disclosure Engagement Results Overview



DATA TREND IMPROVEMENT ENGAGEMENT RESULTS OVERVIEW



Portfolio Engagement Impact Score

The aim was to develop a scoring methodology to analyse and score the improvements after engagement activities by capturing the improvement trend in three different areas. By having a score, this allows year on year comparison of the yearly impact results.

Niche AM has developed a scoring system to measure the portfolio's impact as a result of engagement. Three sub-scores have been produced for the purpose of this analysis:

Portfolio Data Disclosure Engagement Impact score	This sub score pillar of the score considers new data disclosure of firms. Investee companies benefit from higher levels of data disclosure for PAI indicators used in DNSH analysis. This detailed information allows for a more thorough assessment of sustainability risks, enabling better decisions regarding ESG integration to mitigate adverse impacts. Therefore, the results of companies who start newly reporting indicators after responsive engagement has taken place are analysed as part of the total engagement impact score. This is calculated on an absolute basis to determine the number of newly reported indicators following engagement activities, out of the total number of engagement activities which encouraged the disclosure of new data for certain indicators.
Portfolio Data Trend Improvement Engagement impact score (not impact weighted)	This sub score considers when engagement activities are conducted in response to sustained negative data trends. The goal is to shift these trends from negative to positive. By focusing on future positive trends, these activities aim to mitigate the adverse impacts on the portfolio. This is calculated on an absolute basis to determine the number of improved data trends following engagement activities, out of the total number of engagement activities which encouraged improvement of data trends for certain indicators.
Portfolio Data Trend Improvement Engagement impact score (impact weighted)	The improvement of data trends following engagement has been divided into two categories, considering both absolute and relative impacts. This score measures the impact-weighted data trend improvement. The improvement trend is categorized into three areas: 'high impact,' 'medium impact,' and 'low impact,' based on a suitable range of the indicator. Higher weights are assigned to higher impact levels. A weighted score is then calculated for the number of improved data trends following engagement activities, relative to the total number of engagement activities that encouraged data trend improvement for certain indicators.

The three sub scores are then weighted according to significance and combined to produce the **Portfolio Total Engagement Impact Score**.

A detailed summary of the calculation methodology can be found in the appendix [‘here’](#)

The results of the impact scoring assessment are as below:

	Weight	Score
Portfolio Data disclosure Engagement impact score	50%	66%
Portfolio Data Trend improvement Engagement impact score (not impact weighted)	17%	78%
Portfolio Data Trend Improvement Engagement Impact Score (impact weighted)	33%	73%
AL Engagement Impact Score	100%	71%

The final result of the 2023 total portfolio engagement impact score is **71%**.

Breakdown by indicator:

PAI Indicator	Data disclosure Engagement impact score per indicator	Data trend improvement Engagement impact score (not impact weighted) per indicator	Data trend improvement Engagement impact score (impact weighted) per indicator
CO2 Equivalent Emissions Direct, Scope 1	5%	8%	8%
CO2 Equivalent Emissions Indirect, Scope 2	3%	4%	3%
CO2 Equivalent Emissions Indirect, Scope 3	0%	8%	8%
CO2 Equivalent Emissions Total	0%	8%	8%
GHG Intensity Scope 1 + 2	3%	8%	5%
GHG intensity Scope 1+2+3	0%	4%	4%
Share of non-renewable energy consumption and production	0%	8%	3%
Total Energy Use To Revenues USD in million	0%	0%	0%
Activities negatively affecting biodiversitysensitive areas	8%	0%	0%
Total Water Pollutant emissions tonnes	0%	0%	0%
Water Pollutants emissions to Revenues USD	0%	0%	0%
total hazardous waste tonnes	3%	4%	4%
Total Hazardous Waste To Revenues USD in million	3%	4%	4%
Gender Pay Gap Percentage	0%	4%	1%
Board Gender Diversity, Percent	0%	4%	4%
Total	24%	64%	52%
SCORE REBASED	66%	78%	73%

The engagement impact scores are adjusted once they reach a minimum level. If they meet this level, the score is automatically set to 60% to show the intended impact level has been reached. The rest of the score is then adjusted within the remaining 40% range, resulting in a final score between 60% and 100%.

	Sufficient engagement impact score
Portfolio Data disclosure Engagement impact score	10%
Portfolio Data trend improvement Engagement impact score (not impact weighted)	20%
Portfolio Data trend improvement Engagement impact score (impact weighted)	20%

Comments to the trends seen through our engagement activities:

Evolving ESG Engagement in a Standardized Reporting Landscape

The engagement landscape is undergoing a significant shift. The introduction and adoption of mandatory sustainability reporting standards—most notably the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD)—are driving greater standardization in how companies disclose ESG data. These regulatory developments have accelerated improvements in the scope, quality, and consistency of reporting. As a result, companies—especially large-cap issuers—are reaching a more mature state of disclosure. Consequently, the trend indicates that future engagements will increasingly move away from basic disclosure discussions as reporting practices become more regulated and standardized.

Short-Term Challenges and Future Focus

This transition is already observable in the short term. Many companies have made notable progress in expanding their reporting scope and refining the methodologies used to calculate Principal Adverse Impact (PAI) indicators. These improvements are not only a response to evolving regulatory expectations but also reflect a growing corporate commitment to transparency and the integration of sustainability into broader business strategies.

However, a by-product of these methodological refinements is that year-on-year data comparability has, in some cases, become more difficult. Changes in data calculation methods or expanded reporting boundaries can obscure progress trends, making it

challenging to assess improvements in indicator dynamics over time. Nevertheless, the dynamics should be easier to monitor in the long term once companies stabilize their reporting methodology.

Looking ahead, as companies continue to align with regulatory standards and internalize sustainability practices, the overall volume of engagement focused purely on disclosure is expected to decline. This is reinforced by continued pressure from multiple sources: regulatory demands (such as the move toward mandatory climate transition plans and environmental compliance as a legal and fiduciary requirement), reputation risks, and investor pressure from engagement. This comprehensive push suggests that going forward, the need for engagement arising from negative company trends will also likely decline.

Appendix

Appendix 1: Company engagements in the timeframe from 01/01/2024 to 31/12/2024

MEDIA COMPANY

Contact Methods: Email - 29/10/2024

Engagement content and response 1: This engagement primarily concerns an increase in the company's gender pay gap from 2021 to 2023, rising from 23.2% to 26.2% (though only 2022 and 2023 are strictly comparable due to a methodology change). The company attributes this increase, in part, to a positive trend of promoting more women who, as newer hires or in newly promoted roles, compare unfavourably to more tenured colleagues with higher seniority and experience bonuses. The dialogue concludes with the firm's acknowledgment of the increased gap and the plan for continued engagement regarding future initiatives to reduce it, especially concerning bonus structures.

Engagement 1 results details: The firm's gender pay gap trend has now improved with the pay gap shrank again to 24.04 from 26.2 in the previous year, showing the company's work on this area's success.

Improving dynamics - success

INSURANCE COMPANY – Sold

Contact Methods: Email - 05/07/2024

Engagement content and response 1: The core of this engagement is the 104% increase in Scope 3 emissions in 2023, from the average of 2021 and 2022, which also increased the total GHG intensity. The company attributed this surge primarily to two factors: increased employee travel due to higher office attendance post-COVID-19 and a business combination with their partner company, which significantly increased the employee base and necessitated more travel between former office locations. The firm countered this negative trend by detailing its active travel policy to encourage sustainability and its strategy to offset all Scope 1, 2, and 3 emissions by planting over 20,000 trees in response to our engagement for future reductions.

Engagement 1 results details: In 2024, following that companies Europe now have to report on sustainability under the Corporate Sustainability Reporting Directive (CSRD) using the European Sustainability Reporting Standards (ESRS) - rules are being phased in from 2024–2028 depending on company size, the firm expanded their emissions calculation scope greatly. This means that the data from 2024 cannot be compared to previous years, and thus the engagements effect cannot be measured.

Improving dynamics - Unclear due to methodology expansion

FOOD PRODUCTS COMPANY	Was not included in the portfolio impact assessment as 2024 report has not been published yet. (Last check at 30/09/2025)
BANK	Contact Methods: Email - 10/07/2024 Engagement content and response 1: This engagement focuses on an increase in Scope 3 emissions for the year 2023 (referencing 2022 data in the CDP report) compared to the prior two-year average, primarily driven by a rise in business travel. The company explained that this increase was due to the post-pandemic recovery of business travel, especially air travel in Asia, which significantly contributes to Scope 3. Though the explanation is clear, dialogue noted that this upward trend in travel emissions is worrying as there was no policy and initiatives for considering lowering emissions from business travel leading to a follow-up engagement point that presses the firm to disclose further initiatives or set targets for reducing business travel intensity, citing the example of a peer. Engagement 1 results details: The data trend in 2024, actually showed a continued increase trend of over 200% in all scope 3 related indicators, and therefore the firm were contacted again to understand the situation. The firm stated that its 2024 data is incomparable to 2023 because the 2024 data now include financed emissions, whereas previously, the firm only reported Scope 3 emissions related to business travel. As a bank, calculating and reporting on financed emissions is crucial for assessing their overall environmental impact which shows a positive dynamic. However, as this means that the data from 2024 cannot be compared to previous years, and thus the engagements effect cannot be measured. Improving dynamics - Unclear due to methodology expansion
POWER AND RENEWABLE ELECTRICITY PRODUCER	Contact Methods: Email - 26/07/2024 Engagement content and response 1: This engagement addresses the company's 0% board gender diversity which has been "flatlined" from 2021 to 2023. In response to our engagement to implement a female board member, while the company asserted that the board currently has diversity in expertise and knowledge, it reiterated its commitment to considering qualified female candidates for future Director or Commissioner appointments. The firm also provided context, explaining the low overall female representation (in 2023) is due to the male-dominated, technical nature of the electricity sector and Indonesian cultural perceptions, but has set a target of female representation in the total workforce by 2030. Engagement 1 results details: As of the end of FY2024, the board gender diversity remained 0% and therefore the company were contacted again to further the engagement. As part of dialogue, the firm shared that they had appointed one female associated director on 5 Dec 2024 with effective date started on 1 January 2025. Therefore, the dynamics of the engaged indicator show an improvement. Improving dynamics - success

HEALTHCARE COMPANY

Contact Methods: Email - 05/07/2024

Engagement content and response 1: This engagement addresses the lack of public disclosure for Scope 1, 2, and 3 emissions data for the years 2022 and 2023, with only 2021 figures available. The company explained that it was not equipped to perform an annual Carbon Assessment but confirmed that an update for 2023 emissions is currently in progress and will be published in the 2024 Universal Registration Document. Furthermore, the firm is deploying a carbon trajectory management tool as of April 2024 to ensure more regular future disclosure of this data.

Engagement 1 results details: In the company's 2024 report, the firm started reporting scope 1 and 2 emissions for the first time which also allowed for the calculation of scope 1+2 emissions intensity metric which showed an improvement trend.

Data disclosure - success

CHEMICALS COMPANY

Contact Methods: Email – 22/11/2024

Engagement content and response 1: We engaged with the company to discuss its progress on Scope 3 emissions reporting, given the absence of consolidated disclosure despite a 2030 Scope 3 target. During the discussion, the company confirmed that data collection is still at an early stage but shared that several affiliates are already calculating, verifying, and disclosing Scope 3 emissions individually. The company explained that full group-level disclosure will be aligned with upcoming mandatory ESG reporting requirements. This engagement allowed us to encourage timely progress and gain clarity on the firm's current achievements and future disclosure roadmap.

Engagement 1 results details: As of 2024 reporting, the firm are yet to report scope 3 emissions.

Data disclosure - No success

Engagement content and response 1: We engaged with the company on its low renewable energy consumption and progress toward its 2023 target. The firm confirmed plans to increase use of renewable energy through REC certificates at construction sites and shared affiliate-level activities: one subsidiary is focusing on efficiency upgrades; another subsidiary is expanding its portfolio with solar, hydrogen fuel cells, and two other subsidiaries are investing in SMR and CCUS, including a dedicated CCUS subsidiary. The discussion provided clarity on current progress and the roadmap for scaling renewable energy.

Engagement 1 results details: Though very small improvement, the firm's commitment is evident in 2024 reporting, as the percentage of no- renewable energy consumption decreased by 0.005%.

Improving dynamics - success

IT SERVICES COMPANY

Contact Methods: Video Call - 01/02/2024

Engagement content and response 1: We engaged with the company to encourage disclosure on water pollutant emissions, hazardous waste, and the gender pay gap, referencing new EU SFDR PAI requirements. The firm responded that water pollution and hazardous waste are immaterial to its operations, with only minimal IT asset disposal managed via third-party recycling. Less than 1% of waste goes to landfill, and water is only used as a cooling agent without discharge. The gender pay gap is acknowledged as a longer-term reporting priority. This engagement clarified the company's position and future reporting intentions.

Engagement 1 results details: As of 2024 reporting, the firm are yet to report water pollutant emissions, hazardous waste, and gender pay-gap.

Data disclosure - No success

AIRLINE

Contact Methods: Email- 09/08/2024

Engagement content and response 1: We engaged with the company regarding the absence of renewable energy consumption data in its 2023 reporting, despite disclosure in prior years. The company clarified that most UK sites operate on 100% renewable electricity under a market-based approach, covering over 80% of Scope 2 emissions. However, as the vast majority of emissions are Scope 1 from aviation fuel, renewables account for less than 1% of total Scope 1 & 2 emissions. The engagement served to highlight the importance of continued disclosure and encourage the company to resume reporting this data going forward.

Engagement 1 results details: As of 2024 reporting, the firm are yet to report on renewable energy again.

Data disclosure - No success

METALS AND MINING COMPANY

Contact Methods: Email- 21/11/2024

Engagement content and response 1: We engaged with the firm regarding the 6% rise in Scope 3 emissions in 2023 compared to the previous two-year average, which also drove an increase in overall emissions and GHG intensity. The company acknowledged the increase but reaffirmed its strong commitment to Scope 3 reduction, noting it was one of the first in the mining sector to engage with SBTi on supply chain targets. The firm highlighted progress in aligning suppliers with Paris Agreement benchmarks, with the proportion of aligned suppliers growing year by year. The engagement allowed us to commend the firm's leadership while encouraging continued focus on tangible Scope 3 reductions.

Engagement 1 results details: Absolute scope 3 emissions showed an improvement trend in 2024, however, intensity still showed a slight increase trend, so engagement continued. The company explained that most of its downstream Scope 3 emissions come from customers in hard-to-abate sectors, primarily manganese alloy and steel production, with some exposure to FeNi/NPI. The firm acknowledged the difficulty of influencing these emissions directly but outlined a twofold strategy: first, deepening its understanding of customers' decarbonization challenges, performance, and planned actions; and second, promoting industry-level action through the International Manganese Institute, including work on common carbon accounting, benchmarking, and visibility for low-CO₂ alloys. This continued engagement provided useful insight into how the firm is addressing Scope 3 emissions despite limited direct control, and allowed us to encourage further progress.

Improving dynamics - No Success

BANK

Contact Methods: Email- 16/08/2024

Engagement content and response 1: We engaged with the bank regarding the slight decline in renewable energy share in 2023 and the 9% reduction in renewable energy consumption and production compared to the 2021–2022 average. The company confirmed that its renewable energy currently comes solely from solar panels on buildings, which are constrained by weather conditions and limited space. While the bank has no specific quantitative targets yet, it is considering short-term REC purchases and longer-term REC or PPA targets to increase renewable energy use. This engagement provided insight into current limitations and future plans, allowing us to encourage the establishment of clear targets to support the bank's energy transition.

Engagement 1 results details: Though very small improvement, the firm's commitment is evident in 2024 reporting, as the percentage of non-renewable energy consumption decreased by 0.14%.

Improving dynamics - success

INSURANCE COMPANY - Sold

Contact Methods: Email - 19/08/2024

Engagement content and response 1: We engaged with the company regarding the sharp increase in Scope 3 emissions, which rose by 140% in 2023 compared to the previous two-year average, driven mainly by higher business travel. The company explained that emissions were unusually low in 2021 due to COVID restrictions, but increased in 2022 and 2023 as international in-person meetings resumed. They confirmed that since 2024, measures have been introduced to limit air travel, particularly for short distances, though some travel remains necessary due to the geographical spread of operations. This engagement provided clarity on the drivers of Scope 3 growth and confirmed that policies are in place to mitigate future emissions, with room for further strengthening over time.

Engagement 1 results details: In 2024, the firm showed a significant decrease trend in scope 3 emissions of 86%.

Improving dynamics - success

CHEMICALS COMPANY

Contact Methods: Email - 26/07/2024

Engagement content and response 1: We engaged with the firm regarding the very high share of non-renewable energy consumption, which reached 100% in 2023 compared to over 99% in previous years. The company explained that it reversed its earlier renewable energy plans, citing current low energy prices and reliance on carbon capture, rather than pursuing a long-term renewable energy or green ammonia strategy. The response was overall negative, and the engagement provided an opportunity to express disappointment and signal the importance of developing a clear renewable energy roadmap. Further engagement will continue to encourage strategic progress in this area.

Engagement 1 results details: In 2024, the firm stopped disclosing renewable energy consumption data. The firm were contacted again to engage on the topic to see whether renewable energy consumption can be considered again.

Improving dynamics - No Success

HEALTHCARE COMPANY

Contact Methods: Email - 22/10/2024

Engagement content and response 1: We engaged with the company regarding the increase in Scope 1 and 2 emissions in 2023, which also led to higher GHG intensity compared to the previous two years. The company explained that the rise was primarily due to expanded laboratory operations and the return to full on-site work following COVID-19 remote working in 2022. In response to our engagement, the company outlined its Sustainability Blueprint, which includes phased initiatives such as green building practices, LED lighting upgrades, hybrid work arrangements, and adoption of electric vehicles, aiming for a 1% annual reduction in GHG emissions through 2030. This engagement clarified the drivers of emissions increases and the company's commitments to mid- and long-term reductions aligned with broader climate goals.

Engagement 1 results details: The data trend in 2024, showed a continued increase trend in 2024 attributed to an expanded calculation scope, now including their Branch Office, whereas previously, only the Head Office was accounted for. Though it is positive that the firm are expanding their reporting scope, however, as this means that the data from 2024 cannot be compared to previous years, and thus the engagements effectivity cannot be measured.

Improving dynamics - Unclear due to methodology expansion

INDUSTRIAL CONGLOMERATE COMPANY

Contact Methods: Email – 26/08/2025

Engagement content and response 1: We engaged with the company regarding the increases in Scope 1 and 2 emissions in 2023, which also led to higher GHG intensity. The company explained that the rise was driven by more company vehicles, increased on-site work due to reduced remote working, and higher energy demand from aging buildings and climate conditions. In response to our engagement, the company outlined actions to improve performance, including participation in Korea's Green Premium program to purchase renewable energy and converting company vehicles to eco-friendly alternatives when engaged to improve on the issue. These measures reduced market-based Scope 1 and 2 emissions by approximately 234 tons CO₂e in 2023. The engagement clarified the causes of the increase and confirmed the company's ongoing efforts to reduce emissions.

Engagement 1 results details: In 2024, the firm showed an improvement in both scope 1 and 2 and intensity metrics when looking at the firms provided intensity metric which more accurately shows the firm emissions relative to business activity.

Improving dynamics - success

MACHINERY COMPANY

Contact Methods: Email – 07/11/2024

Engagement content and response 1: We engaged with the company regarding the 4% decrease in board gender diversity in 2023, noting that female representation remains below the Nordic average of 41%. The company explained that board appointments are proposed by the Nomination Committee, which considers diversity important and has acknowledged the current male dominance on the board. The firm confirmed that enhancing gender diversity is a priority for future nomination processes. This engagement highlighted the issue and allowed the company to demonstrate that it is actively considering measures to improve board gender representation.

Engagement 1 results details: The board gender diversity remained the same as the previous year still below the country average.

Improving dynamics - No Success

METALS AND MINING COMPANY

Contact Methods: Email and Video call – 29/07/2024

Engagement content and response 1: We engaged with the mining company regarding the absence of specific Scope 1 and 2 emissions data and other environmental data from the PAI (scope 3, water pollutant emissions, hazardous waste, biodiversity initiatives etc), noting that the quarterly sustainability reports only include graphical representations without exact figures, making year-on-year comparisons difficult. The company responded that it plans to include detailed quarterly GHG emissions and hazardous waste data for one facility in the Q2 2024 report and will continue this practice going forward.

For one facility, environmental impact data will not be publicly reported until operations mature. This engagement allowed the company to acknowledge the issue and outline its plans for improved data disclosure.

Engagement 1 results details: In 2024, the firm started reporting scope 1 emissions, combined scope 1+2 emissions, hazardous waste, and biodiversity initiatives for the first time. Engagement continued this year also on continuing to publish further data of the ones still not published considering the high environmental impact of the firm as a mining player.

Data disclosure – success

METALS AND MINING COMPANY - **SOLD**

Contact Methods: Email - 03/05/2024

Engagement content and response 1: We engaged with the company regarding the fulfilment of biodiversity-related DNSH criteria, noting that while compliance is demonstrated for most production sites, adequate evidence was not provided for sites producing a certain type of iron and steel. The company explained that fulfilling these criteria for activity 3.9 requires detailed proof, which could not be fully submitted last year due to time constraints. For the current reporting year, the necessary documentation will be provided and evaluated in the upcoming conformity audit. This engagement highlighted the issue and allowed the company to acknowledge the point, with an expectation of improvement in the next reporting cycle.

Engagement 1 results details: The firm has now fulfilled biodiversity consideration levels to the level satisfactory by Refinitiv in 2024.

Data disclosure – success

AUTOMOBILE COMPONENTS COMPANY

Contact Methods: Email - 02/07/2024

Engagement content and response 1: We engaged with the company regarding the absence of water pollutant emissions data in their 2023 Universal Registration Document, highlighting the relevance of disclosure under the new EU SFDR PAI requirements. The company explained that it implements water treatment stations where risks exist and is actively consolidating data on key parameters such as suspended solids, BOD5, COD, and various heavy metals (Pb, Hg, Cd, Ni, Cu, Zn, As, Co, Mn). The company confirmed that it is working toward future disclosure of this data. This engagement clarified the company's current practices and signalled our interest in enhanced transparency on water pollutant emissions.

Engagement 1 results details: In 2024, the firm are yet to report on this indicator.

Improving dynamics - No Success

TELECOM COMPANY

Contact Methods: Video Call and Email - 15/08/2024

Engagement content and response 1: We engaged with the telecom company regarding the lack of reporting on most SFDR PAI indicators, including Scope 3 emissions, biodiversity, water pollutant emissions, hazardous waste, and the gender pay gap, as well as limited granularity in their disclosures. We encouraged the company to improve reporting in line with EU SFDR requirements and provided guidance on specific indicators and disclosure practices. The company shared that it has established a resourced ESG team, begun aligning key metrics for MSCI and ISS ratings, and is planning a 12–18 month phase to refine ESG solutions and enhance disclosure quality. The company welcomed our input and noted suggestions on reporting units (e.g., tonnes vs. megatons) for improved analyst usability, signalling willingness to improve transparency going forward.

Engagement 1 results details: As of 2024 reporting, though were some improvements in the companies reporting, including the fact that the firm started reporting on initiatives to promoting biodiversity, but the majority of indicators brought forward to the firm are still yet to be reported.

Data disclosure – success and Improving dynamics - No Success

PHARMACEUTICALS

Contact Methods: Email - 18/07/2024

Engagement content and response 1: We engaged with the company regarding the 6% increase in total hazardous waste and the 17% rise in hazardous waste relative to revenue in 2023 compared to the previous two-year average. The company explained that this increase should be considered in the context of producing 80 billion doses in 2023, reaching over 1 billion patients worldwide. The company outlined ongoing efforts to manage waste, including 13 zero-waste landfill sites in 2023, technical wastewater management standards, 10 zero-liquid-discharge facilities in India, and a 9% increase in waste recycled or used for energy recovery since 2020. The engagement highlighted the company's commitments to expand zero-waste landfill manufacturing facilities by 50% by 2030 and reinforced our interest in continued improvement in waste management practices.

Engagement 1 results details: In 2024, the firm hazardous waste absolute data and intensity metric showed an improvement of 13% and 19%.

Improving dynamics - success

TIMBER COMPANY

Contact Methods: Email - 26/06/2024

Engagement content and response 1: We engaged with the company regarding the 4% increase in Scope 1 emissions in 2023 and the resulting rises in GHG intensity (Scope 1+2 and Scope 1+2+3). The company explained that the increase was mainly due to operational challenges, including higher natural gas usage at certain manufacturing sites and fertilizer application in timberlands. The company clarified that GHG intensity is measured per metric ton of product rather than

revenue, and that fertilizer-related emissions are part of their silvicultural approach, with overall fertilizer emissions still 39% lower than the 2020 baseline. The engagement clarified that the observed increases were largely unavoidable operational factors and reinforced further engagement to encourage future emissions reduction strategies.

Engagement 1 results details: Looking at the companies more accurate intensity metric of Intensity (kilograms of CO2 equivalents per metric ton of production) scope 1+2 (market), there is a decrease of 0.04% in 2024 compared to the average of the previous two years. This shows that although small, there is a small improvement.

Improving dynamics - success

Appendix 2: Portfolio Engagement Impact Score Calculation Methodology

Portfolio Data disclosure Engagement impact score

Data disclosure Engagement impact score <u>per indicator</u>	<u>Portfolio</u> Data disclosure Engagement impact score (original)
Number of indicators which have started being reported on since the engagement divided by the number of engagements conducted for each PAI indicator in question to encourage future disclosure of indicators which are not yet reported	The sum of all indicators Data disclosure Engagement impact score per indicator

Score rebasing:

Sufficient engagement impact score	Is sufficient engagement impact score met?	Rebase sufficient engagement impact score to 60%	Rebase remaining score to 40%	Rebased Portfolio Data Disclosure Engagement impact score
10%	Yes →	→ Rebase sufficient engagement impact score (10%) of portfolio data disclosure engagement impact score to 60%	→ portfolio data disclosure engagement impact score minus sufficient engagement impact score (10%), which is then rebased within the remaining 40%.	→ New rebased sufficient engagement impact score (60%) + rebased remaining engagement impact score (out of 40%).

Portfolio Data dynamics improvement Engagement impact score (not impact weighted)

Data Trend Improvement Engagement impact score <u>per indicator</u> (not impacted weighted)	<u>Portfolio</u> Data trend improvement Engagement impact score – not impacted weighted (Not impact weighted)
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Number of indicators which have shown improvement trend since the engagement divided by the number of engagements conducted for each PAI indicator in question to encourage future improvement trend of indicators.

The sum of all indicators Data trend improvement Engagement impact score per indicator

Score rebasing:

Sufficient engagement impact score	Is sufficient engagement impact score met?	Rebase sufficient engagement impact score to 60%	Rebase remaining score to 40%	Rebased Portfolio Data Disclosure Engagement impact score
20%	Yes	Rebase sufficient engagement impact score (20%) of portfolio data disclosure engagement impact score to 60%	portfolio data disclosure engagement impact score minus sufficient engagement impact score (20%), which is then rebased within the remaining 40%.	New rebased sufficient engagement impact score (60%) + rebased remaining engagement impact score (out of 40%).

Portfolio Data dynamics improvement Engagement impact score (Impact weighted)

	Number of indicator with improving dynamics - success 'high' (>+-7%) (A)	Number of indicator with Improving dynamics - success 'medium' (>+-2-7%) (B)	Number of indicator with Improving dynamics - success 'low' <+-2%) (C)	Weighted successful engagement points (D)
PAI Indicator	The dynamic of the indicator shows an increase or decrease of more or equal to 7% indicating a positive improvement.	The dynamic of the indicator shows an increase or decrease of more or equal to 7% indicating a positive improvement.	The dynamic of the indicator shows an increase or decrease of more or equal to 7% indicating a positive improvement.	$((A)*3)+((B)*2)+(C)$

Data Trend Improvement Engagement impact score <u>per indicator</u> (impact weighted)	<u>Portfolio</u> Data trend improvement Engagement impact score – not impacted weighted (impact weighted)
(D) / total number of absolute engagements made on data trend improvement dynamics*3	The sum of all indicators Data trend improvement Engagement impact score per indicator

Score rebasing:

Sufficient engagement impact score	Is sufficient engagement impact score met?	Rebase sufficient engagement impact score to 60%	Rebase remaining score to 40%	Rebased Portfolio Data Disclosure Engagement impact score
20%	Yes →	Rebase sufficient engagement impact score (20%) of portfolio data disclosure engagement impact score to 60%	→ portfolio data disclosure engagement impact score minus sufficient engagement impact score (20%), which is then rebased within the remaining 40%.	→ New rebased sufficient engagement impact score (60%) + rebased remaining engagement impact score (out of 40%).

Portfolio TOTAL Engagement impact score

	Weight	Score
Rebased Portfolio Data Disclosure Engagement impact score	50% (A)	(D)
Rebased Portfolio Data trend improvement Engagement impact score (not impact weighted)	17% (B)	(E)
Rebased Portfolio Data trend improvement Engagement impact score (impact weighted)	33% (C)	(F)
TOTAL Engagement Impact Score	100%	(A*D)+(E*B)+(F*C)

Appendix 3: Engagement Procedure

The engagement process begins with a formal email requesting information about any identified critical elements. Subsequent steps depend on the firm's responsiveness.

Responsive Companies

Engagement is conducted via:

- Video calls
- Emails
- Personalised Questionnaires

All interactions are recorded to track the progress made by the investee company over time.

Since engagement is an ongoing process, it will continue annually if critical elements persist, with the aim to foster improvements in the sustainability efforts of investee companies.

Non-Responsive Companies

In the event there is no response to the initial engagement attempt, a subsequent follow-up email is sent, followed by a direct analyst phone call.

Each engagement attempt is logged, capturing the details of phone conversations and interactions with IR and Sustainability teams. These records serve as valuable references for future engagement, facilitating a constructive dialogue.

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