

2025 ANNUAL REPORT
SUSTAINABILITY
AND STEWARDSHIP

April 2026

BNY Investments Newton is the name for a group of affiliated companies that provide investment management services under the trading name of 'Newton' or 'Newton Investment Management': Newton Investment Management Limited (NIM), registered in the UK, and Newton Investment Management North America LLC (NIMNA), registered in the US. This report relates to the activities of Newton during 2025. The processes described in this document may be subject to change over time. Please read the important disclosure at the end of the document.

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For definitions of the investment-related terms included in this document, please refer to the glossary on page 51.

FOREWORD

Rebecca White,
Head of Responsible Investment,
BNY Investments Newton



As Head of Responsible Investment at BNY Investments Newton (Newton), I am pleased to present our 2025 Sustainability and Stewardship Report. This publication meets the Financial Reporting Council's (FRC) stewardship disclosure requirements and also, importantly, provides a clear view of how our stewardship and investment practices work together to protect and enhance client capital.

We recognise that environmental, social, and governance (ESG) factors can materially affect the value of an investment, particularly over longer time horizons. Accordingly, this report focuses on outcomes: how ESG integration informs security selection and portfolio construction,¹ how voting reinforces board accountability and capital discipline, and how engagement with companies supports risk management and long-term value creation.

The past year has been one of considerable change and opportunity. We advanced our Responsible Investment (RI) 2.0 agenda, deepening the integration of RI across Newton's investment platform and strengthening the connection between RI insights and investment decisions. This included closer collaboration between our RI team and the investment platform. We were also supported by the scale and expertise of our parent company, BNY, notably in relation to external reporting, firmwide knowledge sharing, and execution of Newton's Governance Principles and Voting Guidelines. In a complex regulatory environment and amid shifting stakeholder expectations, we maintained an agile, best practice approach designed to deliver relevant analysis and disciplined stewardship within the context of investment decisions.

Looking ahead, our ambition is to further strengthen the integration of sustainability and governance factors into core investment processes. We believe the most effective model is partnership: aligning incentives and accountability across the investment platform. This is central to our multidimensional research platform, which brings diverse perspectives to bear on thematic and security-level analysis. Our goal is to help clients navigate an increasingly complex investment landscape with clarity and discipline, contributing to the long-term resilience and success of their portfolios.



We welcome client and prospect dialogue - your feedback drives continuous improvement.

Thank you for your engagement; we hope this report is transparent and useful for your investment decisions.

Please share comments with:

Rebecca White
Head of Responsible Investment

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1. Newton manages a variety of investment strategies. How ESG analysis is integrated into Newton's strategies depends on the asset classes and/or the particular strategy involved. ESG factors can be one of many inputs into the fundamental analysis. Newton will make investment decisions that are not based solely on ESG analysis. Other attributes of an investment may outweigh ESG analysis when making investment decisions.

2025 HIGHLIGHTS

Evolving our structures for investment impact

In 2025, we advanced our RI operating model to strengthen decision-useful stewardship and sharpen our focus on client outcomes. Following a strategy offsite in Boston, Massachusetts, we aligned the RI team's mandate more closely with the investment platform and clarified how RI insights are integrated at the security level. We refined our collaboration with fundamental research pods, prioritised investment-relevant themes and established visibility of RI views within our investment platform to support consistent, comparable analysis.

We also partnered with our parent company BNY to develop and implement a broader operations framework for sustainability within the BNY Investments business. This enlarged framework allows our dedicated RI team to concentrate on integration and stewardship – where we can most directly influence investment decisions and client engagement – while key operational functions are supported by specialised teams that understand RI requirements. The result is a more effective, scalable structure that enhances research quality, execution discipline, and transparency for clients.

Active participation in memberships and associations

A member of our RI team was elected to the Corporate Governance Advisory Group of the Council of Institutional Investors (CII) for the first year of a potential three-year term in 2025. This role reinforces our commitment to advancing corporate governance best practice and contributes to the credibility of our stewardship efforts. We actively participated in the CII Spring conference in Washington, DC, engaging in discussions that inform governance standards and shareholder rights, directly relevant to our voting, engagement, and board accountability assessments.

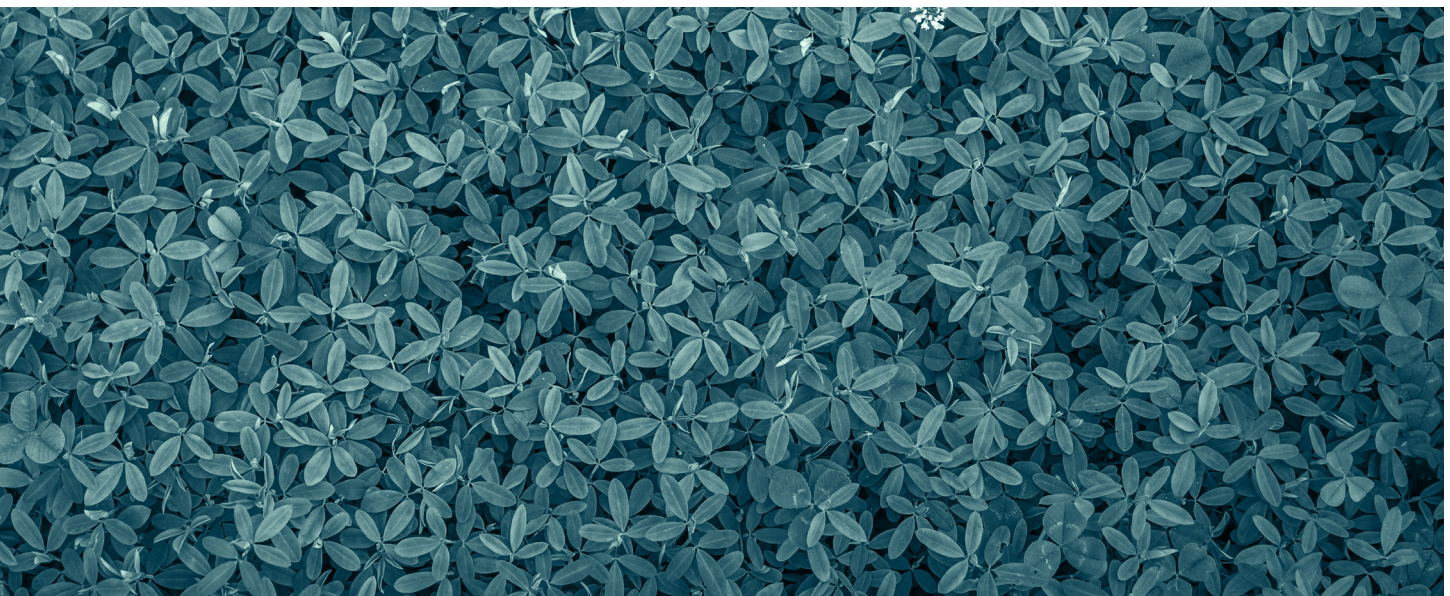


Multidimensional research in action

Our in-person company site visits provide crucial investment insights that virtual meetings or on-the-desk research alone cannot deliver, enabling us to observe operations first-hand and engage directly with management and staff on sustainability strategies. These visits deepen our understanding of technology adoption, process effectiveness, and the real-world constraints that influence both financial and sustainability outcomes. Recent examples include:

- **Amazon, Wisconsin fulfilment centre:** Observing a highly automated facility provided insight into operational efficiency, safety practices and human capital risk management, particularly in legacy sites. This informed our view of Amazon's automation roadmap, workforce dynamics and execution risk.
- **BASF, Ludwigshafen:** The integrated production system, product-level carbon data, and pilots like the electrified steam cracker highlighted how climate strategy links to margin resilience and customer segmentation. Their "green premium" focus offers signals on pricing power and adoption in lower carbon markets.
- **Mercedes-Benz, Factory 56 (Sindelfingen):** A digitalised, low-carbon manufacturing model prioritising CO₂ neutrality, worker ergonomics and circularity – including advanced battery recycling – clarified how sustainability is embedded in capital-expenditure decisions, efficiency gains, and product life-cycle management.
- **Veolia, Plessis-Gassot:** Large-scale processing of non-recyclable waste demonstrated operational scope and regulatory tailwinds across per- and polyfluoroalkyl substances (PFAS) treatment and district heating. Proprietary high-temperature technology strengthened our view of competitive positioning and growth durability.

By integrating insights from site visits with our fundamental analysis and stewardship activities, we aim to better assess risk, identify opportunities and drive engagement that is closely tied to long-term value creation for clients.



BNY INVESTMENTS NEWTON AT A GLANCE

Our client base includes institutional pension clients (both defined benefit and defined contribution schemes), government entities, charities and foundations, insurance companies, financial intermediaries and sovereign wealth funds. We classify all our assets under management (AUM) as institutional.

Newton operates globally, with 49% of our total AUM managed for US clients, 38.5% for UK clients, and the remainder for clients across Canada, Japan, EMEA (excluding UK), and the Pacific Basin (excluding Japan). In a rapidly changing world, we believe investors need strategies that evolve to meet emerging challenges. We work in partnership with our clients to understand their requirements and build investment strategies aimed at delivering their desired outcomes.

Our 85-member investment team, which includes active equity and multi-asset portfolio managers, is supported by a comprehensive global research capability. This includes fundamental equity, quantitative equity, quantitative multi-asset, credit, private markets, thematic, investigative, macroeconomic, geopolitical, legal/regulatory and responsible investment research. This multidimensional approach enables us to deliver tailored investment solutions to our clients.

Total AUM

£75.2 BILLION²

Includes:

£3.6 BILLION³

in strategies with sustainability characteristics

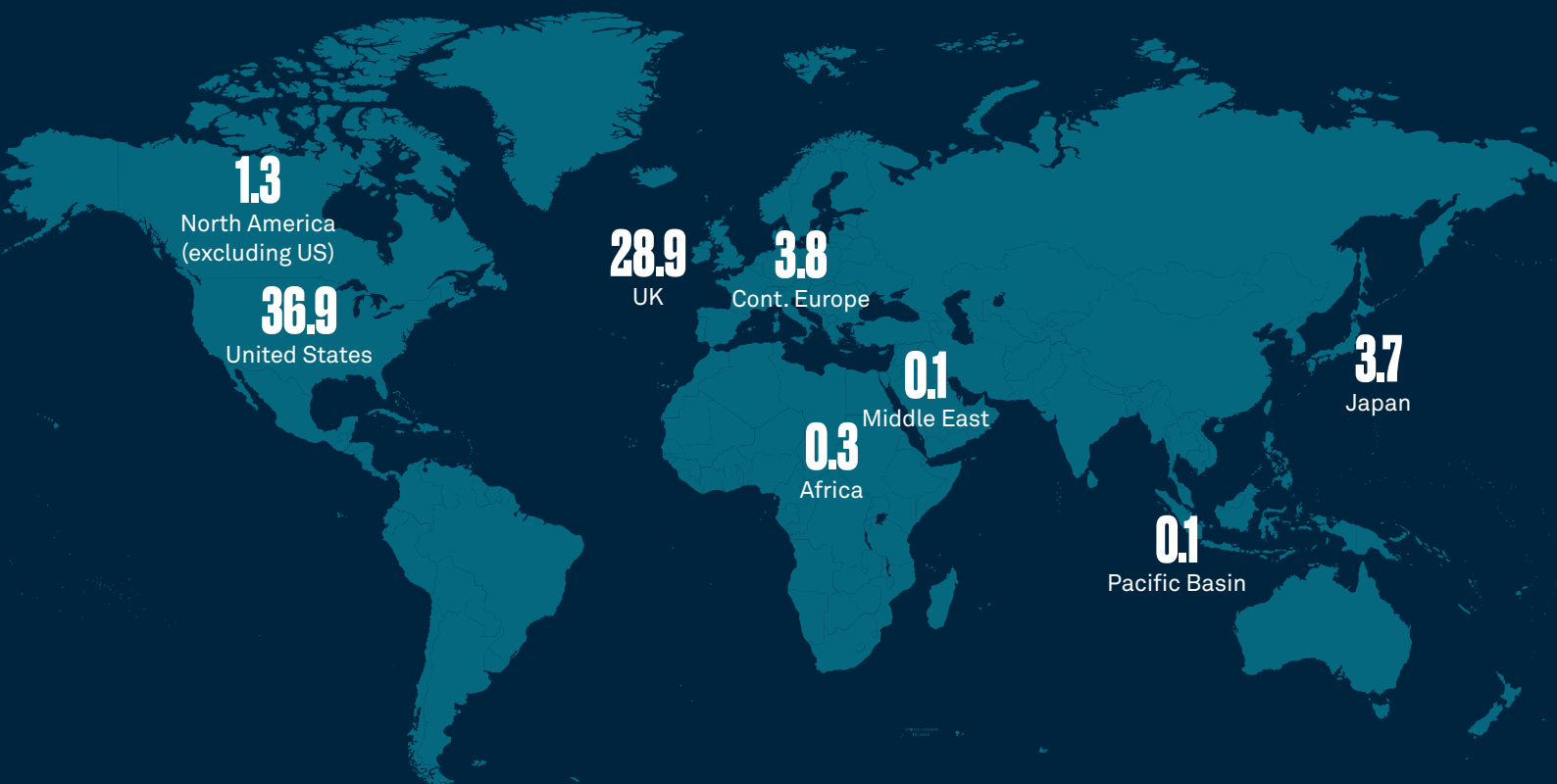
Total AUM by focus areas



2. Excludes £8.6bn of Multi-Asset Solutions assets managed by Newton Investment Management North America LLC (NIMNA). Source: Newton, 31 December 2025. Newton global assets under management (AUM) is the combined total assets under management of Newton Investment Management Limited (NIM) and Newton Investment Management North America LLC (NIMNA) as calculated at 31 December 2025. In addition, Newton's global AUM includes assets of bank maintained collective investment funds for which Newton has been appointed as sub-advisor or in limited instances, where Newton personnel act as dual officers of affiliated companies. The AUM includes assets under advisement (AUA) for a model of securities that the Firm does not arrange or effect the purchase or sale of securities.

3. Strategies with sustainability characteristics are defined as those that follow Newton's proprietary sustainable investment framework. UK-domiciled funds that follow these strategies do not currently have Sustainability labels under the UK Sustainability Disclosure Requirements (SDR). Source: Newton, 31 December 2025. Newton global assets under management (AUM) is the combined total assets under management of Newton Investment Management Limited (NIM) and Newton Investment Management North America LLC (NIMNA) as calculated at 31 December 2025. In addition, Newton's global AUM includes assets of bank maintained collective investment funds for which Newton has been appointed as sub-advisor or in limited instances, where Newton personnel act as dual officers of affiliated companies. The AUM includes assets under advisement (AUA) for a model of securities that the Firm does not arrange or effect the purchase or sale of securities.

AUM by geography (client domicile, £b)



Investment team

Dedicated portfolio management

30 portfolio managers

Equity, multi-asset and fixed income

Multidimensional research

55 research analysts

Fundamental, quantitative, credit, specialist, and responsible investment

01 Policies and context disclosure

THE ORGANISATION, ITS CLIENTS AND INVESTMENT BELIEFS

Our investment philosophy

We prioritise understanding our clients' needs and creating value through our investment solutions.

Our investment platform utilises multidimensional research designed for the realities of a fast-evolving landscape. By moving away from more rigid structures, we integrate diverse perspectives, including thematic, quantitative, investigative and responsible investment insights.

Key pillars of our investment process include:

Global perspective

We evaluate ideas within a global context to fully identify the risks and opportunities inherent in both regional and international strategies.

Long-term view

We generally apply a two to three-year investment time horizon. We use micro and macro themes to identify the structural forces and long-term risks that shape the investment landscape.

Objective analysis

We perform rigorous security-level analysis by asking pertinent questions and utilising the research tools best suited to inform our views.

Active engagement

We use stewardship to drive change in support of our clients' objectives, seeking to protect and enhance the value of the assets we manage on their behalf.

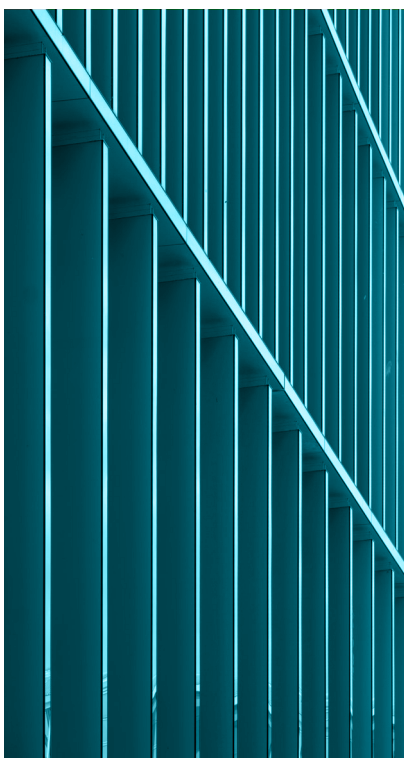
Our business approach

Our business evolves in direct response to the changing requirements of our clients. We manage assets across equities, fixed income, and multi-asset portfolios, primarily through an active, fundamentals-driven process. While we also utilise quantitative strategies, our research capability remains the primary driver of our decision-making.

We design our product range to accommodate specific client nuances. Our team executes client mandates that include sector or regional exclusions, as well as portfolios designed to meet specific climate-related or sustainability objectives alongside financial goals.

We believe that well-functioning financial markets are essential for clients to achieve their long-term objectives. Consequently, our firm contributes to market stability by promoting responsible corporate management and stakeholder accountability.

Our stewardship activity, detailed in this report, demonstrates how we engage with companies, industry bodies and regulators. We use these interactions to establish a culture of effective oversight and responsible investment.



GOVERNANCE AND RESOURCES

As investors, we understand the value of effective leadership and accountability.

Over 2025, we made a number of changes to our business, and as such, our governance structures and processes have been evolved to ensure they fully reflect the current organisation and best practice accordingly. For the year 2025, which this report covers, Newton's boards were chaired by an independent non-executive director (INED), Judy Marlinski. We have more recently harmonised our INED board composition across the BNY Investments UK legal entities (Insight Investment Management (Global) Limited, Newton Investment Management Limited (NIM), and BNY Mellon Investment Management EMEA Limited), with INED Susan Noble appointed as the chair. Brock Campbell, Head of Research, BNY Investments Newton, will chair the Newton Investment Management North America, LLC (NIMNA) board. While the BNY Investments UK legal entity boards and entities will remain separate, they will now have a similar INED composition. This will facilitate a stronger understanding by a single group of individuals representing BNY Investments' various investment propositions and better enable them to fulfil their oversight role.

The Newton boards are supported by:

Newton Executive Committee (NEC)⁴

The purpose of the NEC is to ensure the effective operational and strategic management of Newton. The NEC has overall responsibility for defining Newton's approach, values, and actions.

The following operating committees play varying roles in Newton's stewardship efforts. These committees report to the boards and the NEC.

- **Newton Responsible Investment Advisory Group** – The purpose of the Newton (NIM & NIMNA) RI Advisory Group is to provide strategic direction and guide house-level decision making as it relates to RI and sustainability at Newton, including: ESG integration, stewardship, and the sustainable investment frameworks. It is focused on strategic decision making, before submitting items to formal approval processes or committees, such as those included here, and across BNY Investments.
- **Newton Risk and Compliance Committee (NRCC)** – deals with various stewardship and responsible investment aspects on an ad-hoc basis, including any relevant internal audit findings and actions, as well as climate-related risk updates. The NRCC supports the monitoring of matters in relation to the identification of conflicts of interest, reporting and controls pertaining to the management of conflicts of interest, including around proxy voting.
- **Newton Investment Oversight Committee** – oversees the management and strategic planning of all aspects of our investment philosophy, process, people, performance, and risk. Our Head of Responsible Investment provides material updates to this committee on key topics, including stewardship, as required.
- **Newton Board Risk Committee⁴** – also plays a role in the governance of our sustainability and stewardship efforts; it acts as an escalation point for any material issues identified through our governance systems and controls. For example, it has previously considered materials related to climate-related risk. It also oversees NIM's progress in relation to its commitment to the Net Zero Asset Managers Initiative (NZAM).
- **Newton's Sustainable Investment Forum (SIF)** acts as a centre of sustainable excellence providing oversight and support to strategies that make sustainability claims. This group is not a decision-making body, but if required, can escalate material issues to the Investment Oversight Committee. The SIF meets monthly to discuss and debate sustainability characteristics of our investments and progress Newton's sustainable investment framework. We discuss key issues of interpreting our framework and debating the qualitative assessment of individual securities, and emerging sustainability topics. It plays a key role in bringing together the RI team, with key investment stakeholders, to consistently evolve, innovate on and challenge our views on securities, frameworks and topics, considering both investments and sustainability.

4. Covers Newton Investment Management Limited (NIM) legal entity.

Responsible Investment Resource

RI Team: Multidimensional and Sustainable Investment Research and Engagements



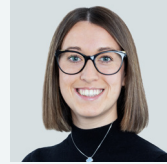
Niall Brennan
Head of the
Quantitative Team



Nick Harris
Sustainable
Investment
Analyst



Antoine Najm
Governance
Investment
Analyst



Rebecca White
Head of
Responsible
Investment

Sustainable, Responsible and Charity Portfolio Managers



**Julianne
McHugh**
Head of
Sustainable
Equities



Jon Bell
Global Equity
Income



Scott Freedman
Global Dynamic
Bond



Tim Lucas
UK
Opportunities



Nick Pope
Real Return,
European
and Climate-
Focused
Global Equity



Bhavin Shah
Multi-Asset and
Charities



Michael Spinks
Multi-Asset and
Charities

Proxy Voting and Governance Team

Sustainability Team

Source: Newton group of companies, 31 December 2025.

The Newton responsible investment (RI) team is the centre of excellence for all matters related to RI. With its deep functional knowledge of the responsible investment space and how it is evolving, it provides guidance, support and subject-matter expertise to our wider investment team. Individuals within the team possess crucial understanding of, and related skills in, corporate governance, sustainability, stewardship and analytical investment research. The team is focused on the delivery of investment, client and sustainability outcomes through our work across research and integration, engagement, and by partnering with sustainability and charity managers on the frameworks for and delivery of client mandates and with BNY Investments in voting execution.

The RI team is a fully integrated unit within the investment management function, reporting to the Head of Investment Research. The team operates closely with investment analysts and portfolio managers as part of Newton's multidimensional research approach, contributing daily to investment discussions and thematic research. This deeply integrates RI into Newton's investment approach, whilst enabling focused specialist research, company

dialogue and engagement on material environmental, social, and governance matters.

The Newton RI team is supported by teams across the BNY Investments business. BNY Investments has two dedicated teams: one focused on proxy voting and governance, and another on sustainability. Former Newton RI colleagues are now a key part of these central teams and continue to provide support to Newton. This ensures a consistent understanding of Newton's approach. These central teams support the delivery of operational components of RI and sustainability, allowing Newton to focus on investment outcomes. The Newton RI team also works closely with the BNY Investments data and analytics team, which includes RI-focused resource, who support Newton by maintaining and evolving quantitative processes, oversight and the development of tools.

Finally, Newton's sustainable, responsible and charity portfolio managers can be viewed as an extension of the RI team. These portfolio managers have a depth of expertise in sustainability topics, client expectations and embrace the spirit of integration and debate that we strive for, within RI and across our investment platform more broadly.



STEWARDSHIP POLICIES AND REVIEWS

Good stewardship extends beyond one team

Effective stewardship requires embedding responsible investment across the investment platform and broader firm and is closely interconnected with RI integration. To appropriately assess and integrate financially relevant considerations into the investment process, and subsequent active ownership of assets, investors must be sufficiently equipped to understand, consider, and leverage dedicated experts on RI-related topics.

To this end, we are several years into our journey to embed a stewardship mindset into the investment team, so that those who allocate capital also own the risk and the mission of being a good steward of our clients' assets. This was a key component of our RI 2.0 strategy, focused on deeply integrating RI throughout the investment process and business. The research analysts and the investment decision-makers must be able to understand and, where relevant, act upon the implications of material ESG factors on their clients' investments to meet the clients' investment objectives and financial return requirements. To achieve this, the investment teams must have access to the tools necessary to achieve the best outcomes for clients.

Our Stewardship and Sustainability Policy describes our approach to stewardship and how we manage sustainability in our investments and in our wider business operations. More specifically, it provides insights into our key commitments, responsible investment approach, governance and reporting, sustainable investment process and corporate responsibility efforts.

The policy sets out an overview of the different elements of our responsible investment framework – the actual utilisation/relevance of the various framework elements described will differ on an investment strategy-by-strategy basis. As the industry and our clients' requirements evolve, so will this policy and, as such, it will be reviewed annually. Underlining all our policies and procedures is a robust framework of oversight, controls and governance. This policy was reviewed and approved internally by senior leadership at Newton, including RI and investment representatives. The policy is published on our website:

<https://www.newtonim.com/info/responsible-investment-at-newton/>



Investors must be sufficiently equipped to understand, consider, and leverage dedicated experts on RI related topics.”

RI integration within investments

This year, we also took the step to fully integrate responsible investment, including stewardship, into Newton's investment platform. RI was previously considered a component of multi-dimensional research, the engine that drives our investment platform. This next step aligns reporting lines of RI into the investment team, further integrating RI into the investment process. This holds the RI team to account on delivering investment insight, and ensures RI is represented and considered in all material investment decisions.

We have also ensured RI is consistently represented within the evolution of our investment platform. For example, our Head of RI sits on both the Micro and Macro Theme Oversight Committees. As we continue to develop our thematic research, sustainability and governance topics form a part of the long-term structural forces considered to affect the investment landscape. Furthermore, RI colleagues are key in leading specific themes, such as natural resource efficiency, given dedicated expertise in these areas.

In addition, the Head of RI is a part of the research leadership team. This group consists of investment research "pod" leaders, who direct fundamental analysts, and leaders of other parts of multidimensional research, such as quantitative, credit and investigative research. This team is responsible for the successful execution of multidimensional research, ensuring that research resource is allocated effectively, and that research conducted is timely, high-quality, and best utilised across the investment team.

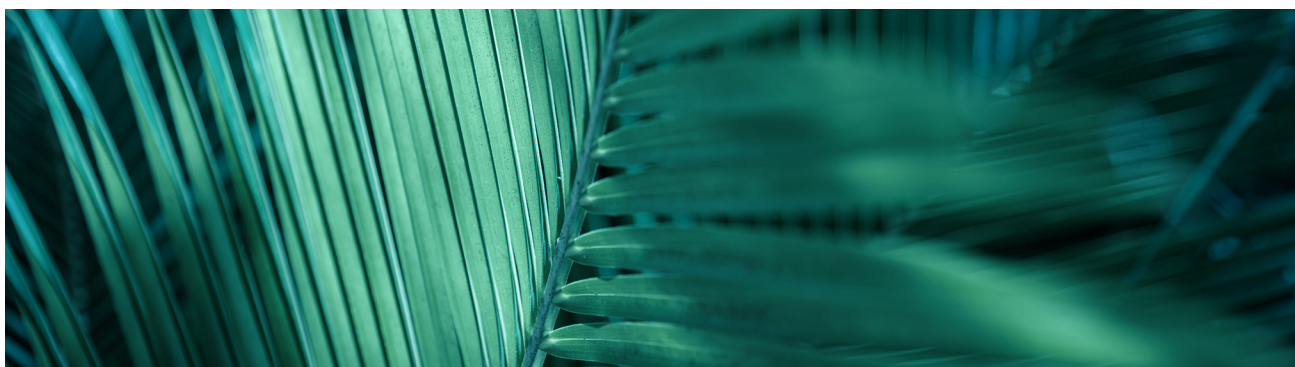
RI training opportunities

We foster a culture of continuous improvement, recognising learning as an ongoing process, and essential to effective investment decision making. Our RI team facilitates sessions to educate wider staff on key RI matters, their investment materiality and provide transparency on our research and stewardship processes. The team also collaborates with data & analytics and quantitative research teams to develop and deliver training on new technological tools and solutions for ESG data insights.

Training can be conducted through formal sessions or informal updates, targeting the investment team to enhance insight and analysis quality, or extended to support functions like sales, client services, and risk teams. These training sessions cover a wide range of topics, from internal practices and product ranges (our overall approach to stewardship, our ESG research process, our strategies with sustainable characteristics, etc.) to topics of broader industry relevance (e.g., emerging regulations, evolving industry initiatives and discussion on climate change).



RI is represented and considered in all material investment decisions.”



Stewardship policies and reviews

Investment discussion participation

As a part of Newton's multidimensional research, we are active participants in investment discussions, which have a strong focus on investment implications. Sustainability and governance considerations are relevant to many of these discussions, such as on consumer spending, cryptocurrencies, health trends across food, alcohol and social media consumption, and sectoral analyst outlooks. RI colleagues also co-lead the discussion focused on government investment, and cross-shareholding, in key industries. All dimensions of our multidimensional research are expected to join and contribute to these investment discussions, with a strong focus on stock-specific implications.

Examples of internal research shared by the responsible investment team to add to the investment team's knowledge on key or topical issues:

- Objective analysis of ESG key performance indicators (KPIs) included within executive compensation
- Our interpretation of 2025 United Nations Climate Change Conference (COP30) discussions and what it could mean for climate on the international stage in the future
- Investment opportunities in Japan owing to corporate governance evolution
- Examples of the financial impact of company-specific cyber-attacks
- Global maritime regulations and impact on shipping-exposed investments
- Opinions on board and executive changes at specific companies
- Conference takeaways, such as from the UK Sustainable Investment Forum, or the Council of Institutional Investors in Washington, D.C.
- Company meeting takeaways, particularly research in action site visits

Incentives

Newton's overarching remuneration philosophy is to attract and retain the highest calibre of staff throughout Newton with a compensation and benefits package that is market-competitive and rewards:

- Performance (of the firm, team and individual against established goals)
- The creation and maintenance of an inclusive and positive culture focused on doing what is right and supporting sustainable long-term value
- Growth and development for our clients, our shareholders, our people, our business and the communities within which we operate

Newton's remuneration policy has been designed to:

- Be consistent with, and promote, sound and effective risk management
- Be in line with the firm's business strategy, objectives and long-term interests including the maintenance and positive evolution of our culture and values
- Actively role model and lead our clients, intermediaries and prospects across considered investing and operational practices
- Reward long-term investing outcomes for our clients

Performing an active stewardship role is integral to our investment process and, ultimately, our long-term investment performance. We believe effective stewardship underpins and improves investment performance in the long run. A material part of the investment team's remuneration is linked to investment performance and, in many cases, it is tied directly to the portfolios they manage. Newton's RI team is naturally motivated by and evaluated on the contribution it makes to our ability to be an effective steward of our clients' capital. Our fundamental equity research analysts' annual performance goals, for example, include demonstrating how ESG considerations are integrated into the fundamental equity analysis.



CONFLICTS OF INTEREST



We seek to ensure conflicts of interest are recognised, recorded and mitigated.”

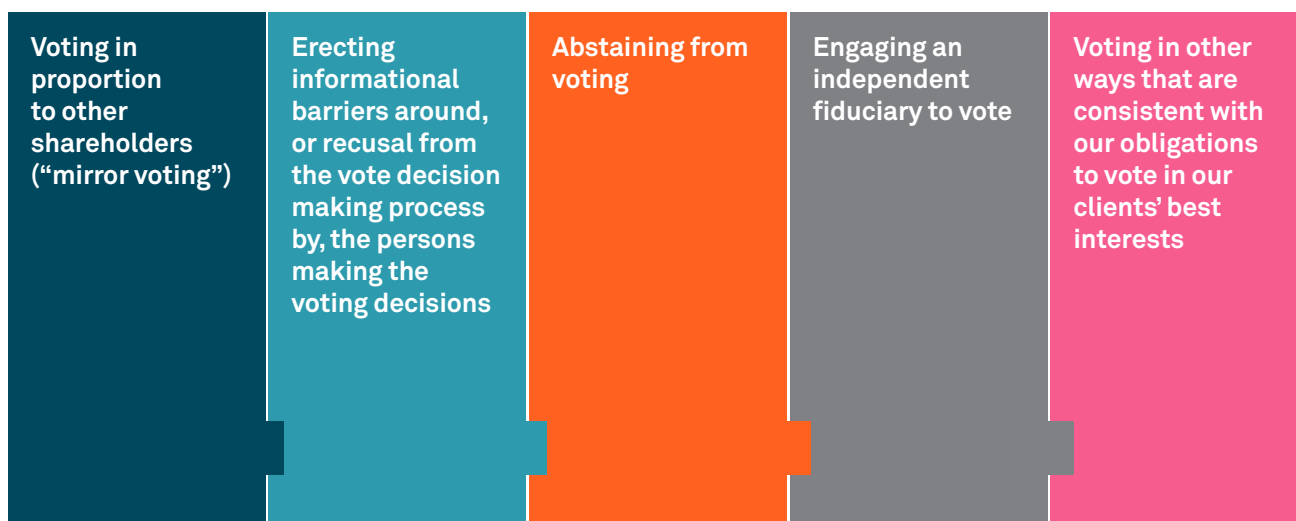
We have a regulatory obligation to act honestly, fairly and professionally in accordance with the best interests of our clients and to take appropriate steps to identify and prevent or manage conflicts of interest.

As part of our governance framework, several organisational arrangements, systems and internal controls have been implemented that are designed to identify and manage potential material conflicts of interest in order to prevent damage to the interests of our clients.

From a stewardship perspective, we seek to ensure conflicts of interest are recognised, recorded and mitigated.

We maintain a list (updated twice yearly or when a new potential conflict of interest arises) of all investments where we identify a potential material conflict of interest. The list includes all funds sub-advised by Newton or managed by affiliates of its parent company, BNY, and also includes companies that are directly linked to our underlying clients, such as corporate pension funds.

When Primary Conflicts or Secondary Conflicts occur we will employ one or more conflict mitigation techniques in order to address the conflict. Such conflict mitigants may include:



When engaging with a company which is subject to an identified conflict, we declare and explain the conflict to the company at the outset of discussions. Engagement activity is then expected to continue as normal and includes the production of meeting notes that are shared with all investment staff and retained in accordance with our corporate policy.

Further information is provided in our Conflicts of Interest policy, which is available on our website at: <https://www.newtonim.com/global/special-document/conflict-of-interest-policy/>

Examples of conflicts of interest identified in 2025 have been included in the ‘Activities and outcomes’ section.



Review and assurance

As part of our management of risks, we have established individual key risk indicators (KRIs). One of these KRIs captures explicitly any missed proxy voting opportunities.

Our diligence in the administration and reconciliation of proxy voting has led to zero voting opportunities being missed during 2025.

Specific areas of our RI approach are also subject to internal controls and periodic compliance testing through the annual compliance testing plan, as well as focused reviews by BNY's internal audit teams.

The BNY Investments business sets standards for its delegate manager affiliates relating to RI through an overarching ESG control framework policy, adherence to which is reviewed periodically.

We regularly engage with internal compliance and legal teams to ensure our approach to stewardship and RI is aligned with regulatory expectations. In addition, an external auditor reviews specific processes within our stewardship approach.

We have refrained from seeking further external assurance of our approach to stewardship owing to the robustness of our internal processes and scrutiny by our compliance, risk and internal audit teams.

DIALOGUE WITH CLIENTS AND BENEFICIARIES

Through deep collaboration with our clients, we seek to understand their needs and develop investment strategies designed to achieve their outcomes. We gather insights into their goals, preferences, and investment philosophies through regular, scheduled meetings with them and their advisors, as well as through ad-hoc requests. We understand that in a dynamic world, investors require strategies that can adapt to new challenges.

Communicating with clients

At the outset of our relationship, we identify our clients' requirements and expectations through initial discussions and formal provisions within investment management agreements. We gain additional insights through regular, scheduled meetings, ad-hoc requests, round-table discussions, investment conferences and other events with market participants.

We host and attend industry events globally to educate our clients and their advisors on our capabilities and to understand how these can help meet their objectives. In a typical year, beyond industry events and conferences, our interactions with clients may include training sessions on topical responsible investment and stewardship subjects. We believe this supports our clients' expectations and helps them develop their own position in relation to stewardship matters.

Dialogue with clients and beneficiaries

In the UK, in 2025 we conducted our 12th annual Investment Survey for Charities, Endowments and Foundations, which typically covers diverse topics within the management of charitable portfolios and provides an industry benchmark to see how aligned our charity clients' investment experience and intentions are with those of their peers. The survey explores the changing nature of the UK charity sector's relationship with environmental and social responsibility, ethical exclusion policies, and sustainable investment. It serves as a vital feedback tool for us, in addition to giving us a deep insight into the concerns, thoughts and areas of interest of our charity clients and the sector in general. The results of the 2025 survey were released in the first quarter of 2026, and our clients will be invited to an event to discuss the outcomes.

Newton's approach to informing its clients about the firm's stewardship approach

Newton has established policies such as our Governance Principles and Voting Guidelines and our Stewardship and Sustainability Policy, which outline our stewardship approach. These documents are publicly available on our website and are used to respond to specific stewardship questions from prospective clients.

Newton may also utilise formal communications, regular RI reporting and/or client interactions (including formal investment meetings) to make clients aware of any enhancements to the firm's stewardship approach that may occur over time. Any such changes would also be captured in the policy documents published on the firm's website, which are subject to at least an annual review.

Client reporting

Our RI reports are produced in close collaboration with marketing and compliance teams, aligning these reports with local regulatory standards. Our voting record can be accessed via an online dashboard, which includes voting rationale for decisions not aligned with the recommendations of the underlying company's management and for decisions on all shareholder-proposed resolutions. We produce a detailed post-voting season report outlining our views and approach on the key trends observed, an overview of how we voted on shareholder proposals, and case studies on significant holdings and high-profile names. For clients invested in collective investment schemes managed by Newton, granular-level voting records are made available to clients via Newton's website. For clients for whom Newton manages a segregated mandate, voting records are provided within their regular RI reporting.

Additionally, where requested by clients, we produce RI reports on a periodic basis for a wide range of our investment strategies which provide key sustainability metrics and summarise our stewardship activities. We also publish quarterly engagement statistics on our public website, including the total number of issuers that we have engaged with on sustainability-related topics, the number of objectives set and progressed, and a breakdown of these objectives into ESG topics. In addition to Newton's scheduled reporting, clients and their advisers can request information related to the firm's stewardship activities, at a firm and fund/mandate-level, on an ad-hoc basis. We also conduct in-depth meetings on RI and stewardship upon request, recognising that our clients need to meet the goals and expectations of their stakeholders. To support this, we ensure a comprehensive understanding and clear communication of our approach. Our aim is to fully enable our clients to achieve their objectives.

Listening to client feedback

Newton may receive client feedback on the firm's stewardship approach through regular formal and informal client interactions, as well as through its independent interactions with client advisers. In addition, Newton also utilises the regular ad-hoc information requests it receives from clients and advisers to identify shifting trends in client expectations and needs.

A working group draws staff from across affected business areas including relationship management, client enablement, client reporting and RI, to oversee the efficacy and development of its regular RI reporting. The working group acts as a forum for the discussion of potential enhancements to regular RI reporting, which will include client feedback received via client interactions, as well as those insights gleaned from shifting trends identified from ad-hoc client requests.



02 Activities and outcomes report

Section 2: Activities and outcomes report

OUR APPROACH TO STEWARDSHIP

Brock Campbell (Head of Research)

Newton's multidimensional research capabilities provide our investment teams with a wide range of perspectives to help them make informed investment decisions. These perspectives include those from our responsible investment team, our quantitative team and our investigative research team, helping our investment team to take a holistic view when constructing an investment case. Integrating ESG analysis is not only about identifying and trying to quantify risks that could potentially lead to earnings volatility; often ESG research helps our analysts identify companies with structural growth opportunities that can lead them to outperform over the long term.



Integration of stewardship and investment

Newton manages a range of investment strategies across mandates, integrating stewardship across all direct equity and corporate fixed-income holdings to support client outcomes. Across active assets,⁵ we utilise ESG integration⁶ – assessing the financial materiality of environmental, social, and governance factors – while keeping the objective solely focused on financial returns. For sustainable mandates, we leverage the same research platform to build a holistic view of risks and opportunities and additionally invest in companies aligned with defined sustainability frameworks and themes and apply exclusions to avoid areas deemed harmful, in accordance with client preference. Some of these mandates also seek environmental or social outcomes alongside performance. A subset of assets is managed through quantitatively driven strategies in certain asset classes where ESG considerations are not applied.

ESG integration

Our ESG integration philosophy treats ESG considerations as part of a broader mosaic of investment factors that influence security valuation, risk, and return, embedded within Newton's multidimensional research. While this report describes ESG analysis in greater detail, it remains one of many inputs that inform investment recommendations and portfolio construction. Investment teams are accountable for identifying and analysing financially material ESG considerations within their security recommendations, drawing on RI expertise to connect the dots across qualitative and quantitative data and to strengthen conviction where these factors are relevant to long-term value creation.

ESG integration processes

Our ESG integration processes are designed to be rigorous and pragmatic. Material risk and opportunity analysis forms part of investment due diligence prior to recommending most equity and corporate bond positions, with limited exceptions – for example, when public information is unavailable or in time-sensitive trades. The RI and research leadership team works closely with analysts and portfolio managers to deepen the robustness of this process over time. Stewardship activity is closely linked to investment rationale: we vote actively on equity securities so that voting decisions reflect our fundamental view, relevant engagement activity, and the company's alignment with pertinent codes, market practices and regulations. Our engagement approach is focused and long-term, prioritising issues with clear investment materiality and a pathway to protecting or enhancing value for clients.

ESG factors are an important consideration when investing in fixed income, particularly as these securities have an asymmetric return profile. Investors in this asset class do not share the same upside potential as equity investors but face downside risk should a company default or a security be re-rated. These factors can affect the ability of companies and governments to fulfil the obligation to pay the coupon and principal to which investors are entitled.

5. For the avoidance of doubt, we do not currently view certain types of investments, including cash, cash equivalents, currency positions, particular types of foreign direct investment and other non-issuer specific instruments, as presenting ESG risks or opportunities, and believe it is not practicable to take account of ESG considerations for certain other investments such as index-based exchange-traded funds (ETFs), and certain quantitative-driven strategies. In addition, not all equity holdings across all Newton portfolios have had ESG assessments; for example, certain equity holdings in portfolios that are managed by NIMNA, and which were originated prior to the integration with NIM to create Newton, have not had ESG assessments as this was not part of the security assessment process in place at the time of initial investment.
6. Newton manages a variety of investment strategies. How ESG analysis is integrated into Newton's strategies depends on the asset classes and/or the particular strategy involved. ESG can be one of many inputs into the fundamental analysis. Newton will make investment decisions that are not based solely on ESG analysis. Other attributes of an investment may outweigh ESG analysis when making investment decisions.

ESG integration examples

The following examples illustrate how Newton’s RI team partners with research analysts and portfolio managers (investors) to deliver consultative, investment-relevant ESG research and integration.

While investors retain accountability for assessing these factors prior to security initiation, the RI team exercises discretion to deepen analysis on risks and opportunities deemed potentially material to the investment thesis. This targeted work aims to quantify financial implications, refine conviction and inform portfolio construction and active ownership decisions.

Case Study - Consumer services business, relating to human capital management

Context

A leading chain faced potential financial and reputational risk due to increasing labour tensions and elevated levels of US National Labor Relations Board (NLRB) filings, relative to peers. There was a risk that deteriorating employee relations, union-busting allegations and high-profile store closures could jeopardise the company’s “turnaround story” and operational efficiency.

Action	Investment implications	Outcome
<p>A multi-disciplinary research approach was taken:</p> <ul style="list-style-type: none"> Quantitative analysis: Analysed NLRB filings to benchmark the company against peers, identifying a significant spike in labour unrest cases through 2023. Investigative research: Conducted direct calls with workforce supervisors to gauge the impact of new service initiatives and recent store closures on workforce morale. RI research: Reviewed labour practices, identifying that the benefits package shifted from “market-leading” to “industry-average.” The RI team also flagged low “partner engagement” survey response rates (65%) as a key indicator of poor morale. Finally, it noted “key man risk” regarding the CEO’s incentive alignment with long-term human capital management practices. 	<p>The company’s new operational systems, aimed at boosting sales, may be challenged due to low employee morale. Recent store closures have affected the workforce, potentially offsetting technology efficiency gains. However, with employee turnover below industry averages, there is still potential for recovery if management can improve sentiment. The investment case hinges on the ability of the CEO to transform a strong franchise that had lost its way. Our analysis suggests that sentiment will indeed improve.</p>	<p>The team recommended a “cautious but constructive” stance, maintaining the position while closely monitoring the stock. We concluded the investment decision hinges on the two recovery signals: achieving higher engagement survey response rates and stabilising NLRB filing volumes.</p>

Case Study – Metals and mining business, relating to physical climate risks across operations and value chain, and operations in sensitive regions and human rights

Context

Shares in a major mining company dropped around 25% following an accident at a complex mine in Indonesia. This created significant investor uncertainty regarding the immediate impact on production and cash flow, management’s credibility, potential government intervention, and the stability of its mining contracts.

Action	Investment implications	Outcome
<ul style="list-style-type: none"> Investigative research: Engaged Indonesian mining experts, who are familiar with operations, to assess local sentiment and future production guidance credibility. RI research: Analysed the incident as a possible test of the company’s control systems rather than an isolated failure. While full technical findings were pending, the team concluded that management’s transparent and technically sound response reinforces the company’s reputation as a top-tier operator, mitigating risks associated with the mine’s extreme geographic complexity. 	<p>Our analysis suggested a favourable risk/reward outlook. Management’s reliable track record and effective response to production issues helped offset concerns regarding longer-term political risks and governance.</p>	<p>The investment conclusion supported a buying opportunity, as research suggested the stock’s decline was likely to have been an overreaction to manageable technical issues. We increased our positions based on this favourable risk/reward profile while continuing to monitor long-term governance risks.</p>

Case Study - Capital goods business, relating to climate transition risk and net zero strategy, and governance strategy

Context

A leading global industrial technology firm underwent a major portfolio pivot towards high-growth industrial technology (automation, semiconductors, life sciences) through acquisitions. Investors questioned the credibility of this transformation, customer perception of the integrated offering, and the impact of sustainability and governance risks on the investment case.

Action	Investment implications	Outcome
<ul style="list-style-type: none"> Investigative research: Validated the strategic rationale of acquisitions and customer sentiment. The team focused on verifying synergies and how the reshaped portfolio aligns with secular themes like digitalisation and the energy transition. RI research: Evaluated the company’s net-zero targets and renewable energy progress that were found to be credible. The team also assessed cybersecurity vulnerabilities in control systems and the effectiveness of board-level oversight for these risks. 	<p>The company’s shift towards a focused industrial technology platform appeared credible, with core technologies well-positioned to benefit from global decarbonisation and power efficiency trends. Its management of risks in cybersecurity and governance, combined with the integration of new software capabilities, suggested a strong foundation for long-term growth.</p>	<p>The analysis supported a positive view of these strategic pivots, framing the company as a compelling long-term compounder. Our multidimensional research provided confidence in the company’s execution and sustainability approach. The investment team maintained a constructive stance, with future monitoring focused on cyber governance and the continued integration of acquired offerings for portfolio synergies.</p>

Our approach to stewardship

Case Study - Capital goods business, relating to board leadership, skills and experience, strategy, and supply chain risk management

Context

Investors focused on the governance stability and succession planning at a leading aerospace and defence company following the departure of the chief financial officer (CFO) and the implementation of CEO retention measures. Key investor concerns included capital allocation discipline, maintaining profit margins during high demand and managing supply chain risks related to conflict minerals and environmental data.

Action	Investment implications	Outcome
The RI team conducted a review confirming that board oversight and the leadership transition were smooth, with management maintaining strict capital discipline. The team validated supply chain resilience, noting that diversified sourcing has successfully eliminated reliance on single suppliers for critical metals.	The company's earnings durability is intrinsically linked to governance continuity and the mitigation of geopolitical supply chain risks, given the complexity of the aerospace industry. The current strategies effectively protect against raw material shortages and regulatory risks, reinforcing the strength of its core operational and sustainability controls.	The analysis confirmed a constructive outlook, underpinned by strong capital discipline and effective board oversight. The team maintained the position while monitoring upcoming proxy disclosures for executive incentive alignment.

Case Study - Financial services business, relating to strategy, board and leadership quality, skills and experience, minority shareholder treatment, and remuneration

Context

Investors evaluated various governance concerns of a leading financial institution during a strategic shift, including concerns over long board tenures, a combined chair/CEO structure and a lack of specialised banking or technology expertise among directors. A review also revealed elevated executive payouts triggered in the event of a change in control.

Action	Investment implications	Outcome
The RI team assessed the board's architecture and compensation features. This analysis highlighted significant "sale optionality" within the executive pay structures, which became a critical factor in evaluating the company's strategic trajectory.	While governance issues and leadership structures created potential risk, the high change-in-control provisions offered a unique path to resolve these shortcomings through a company sale. This perspective provided a framework for evaluating the stock's value during potential merger discussions.	The analysis proved timely when the company announced its sale. Utilising findings on transaction benefits and payout structures, the firm voted in support of the merger, which appeared to unlock shareholder value and address the identified governance risks.

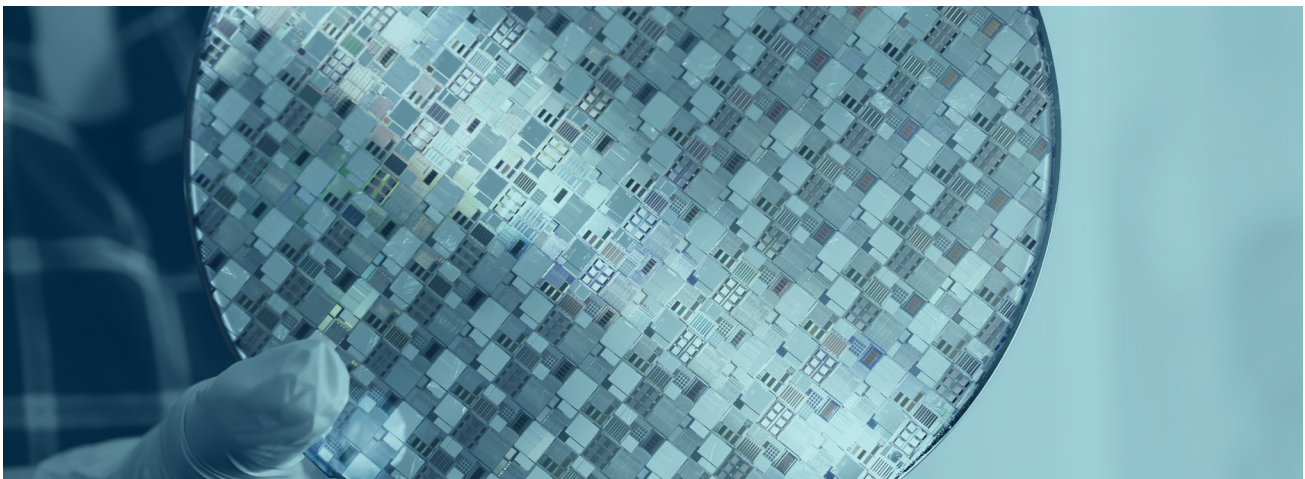
Case Study - Semiconductor business, relating to reliance on and use of natural resources, supply chain risk management, physical climate risks across operations and value chain, and minority shareholder treatment

Context

The semiconductor holdings within the BNY technology growth strategy faced a complex mix of governance, geopolitical, and environmental risks concentrated in Taiwan and the Netherlands. Key concerns surfaced through multi-dimensional research discussions included:

- Geographical concentration: High exposure to companies with heavy reliance on manufacturing facilities located solely within Taiwan.
- State intervention: Risks regarding Dutch and US export policies and potential “decoupling” from China affecting semi-cap equipment manufacturer.
- Operational resilience: Resource challenges at major foundry, specifically water scarcity in high-stress areas and the management of harmful process gases (perfluorocarbons).
- Systemic governance: A broader review of how government-linked investments and sovereign equity affect long-term stability.

Action	Investment implications	Outcome
<p>The portfolio manager and the investment team addressed these risks by implementing several strategic actions. They rebalanced the portfolio by trimming positions in the foundry business and fabless semiconductor design leader to reduce geographical concentration in Taiwan. Additionally, they reallocated capital to close an underweight position in a geographically diverse foundry, thereby improving diversification. Furthermore, they validated semi-cap equipment manufacturer strategy for mitigating its China exposure and initiated a focused engagement plan with related foundry business to address worker safety and achieve 24/7 renewable energy goals.</p>	<p>The portfolio’s long-term performance is now closely linked to its ability to navigate shifting trade policies and environmental regulations. This involves calibrating risk by using “market risk” overlays for companies with high state-intervention exposure to ensure valuations reflect geopolitical realities. Additionally, it is recognised that a company’s “licence to operate” depends on managing local resource stress, such as water, and carbon emissions. Furthermore, ongoing analysis of China-related restrictions is used to adjust the required rates of return and position sizes, ensuring robust scenario planning.</p>	<p>This integration resulted in a more resilient portfolio with reduced exposure to single-region volatility (Taiwan) while maintaining growth in the AI sector.</p> <p>Key achievements include:</p> <ul style="list-style-type: none"> • Better diversification: Improved balance across global chip manufacturers. • Policy readiness: A clearer framework for tracking export-control risks and contingency plans for leading semi-cap equipment manufacturer. • Sharpened stewardship: A formal set of environmental and safety targets for leading foundry business, which helps mitigate potential cost increases and regulatory hurdles.



Sustainable investment framework

We consider sustainable investment to be about investing with a clear intent to deliver environmental and/or social outcomes alongside generating a financial return. The strategies that follow the Newton sustainable investment framework seek to balance financial, social and environmental outcomes to support long-term shareholder returns.

This framework is focused on two main components:

- Defining what is incompatible with a sustainable investment universe (i.e., sustainable investment restrictions and defining what constitutes a sustainable investment)
- An approach that focuses on opportunities that embrace key sustainable investment themes with underlying sustainable activities – through alignment or contribution measures.

Sustainable investment themes	Sustainable activity	Objective of sustainable activity
Combatting climate change	Climate adaptation	Anticipating the adverse effects of climate change and taking appropriate action to prevent or minimise the damage they can cause or taking advantage of opportunities that may arise.
	Climate mitigation	Preventing or reducing greenhouse gas emissions to reduce the impacts of climate change. Achieved either by reducing the sources of these gases or by enhancing the storage of these gases.
Responsible use of natural resources	Resource protection	Protecting natural capital and biodiversity by reducing or treating harmful agents that could negatively impact the quality of our natural capital.
	Natural resource efficiency	Better utilise resources through efficient use, circular economy principles and related technologies, resulting in less demand for natural resources and waste generation.
Human and economic development	Human capital	Enhances the opportunities to realise full potential through education, safe and diverse and inclusive workplace and measures that support employee growth and wellbeing.
	Safe societal & economic infrastructure	Ensure the resiliency of communities through the development of its social infrastructure and ongoing protection from harms. Enable participation in the economy through access to finance and digitalisation.
Health and wellness	Health	Promote a healthier society through access to healthcare, medical technologies, & drug development
	Wellness	Promote a healthier society through access to healthier lifestyles and nutrition and healthy eating.

The portfolio manager applies Newton's sustainable investment framework when assessing the suitability of investment candidates for inclusion into the strategy. We complete sustainable rationales, which document the underlying sustainable activity that demonstrates either the contribution to or alignment with sustainability theme(s) and activities.

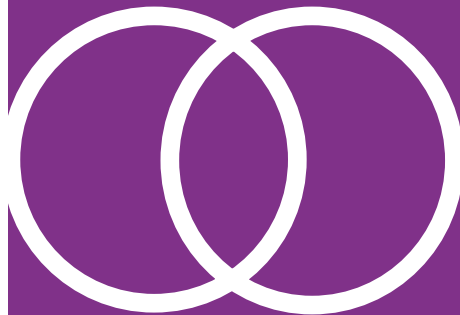
Contributors

These are companies that provide solutions (products and services) that address the most pressing environmental or social challenges. Our sustainable investment framework is applied through a series of measures, such as revenues from products relating to renewable and low-carbon energy sources, resource efficiency, affordable housing, medical technology and healthy eating. As a measure of their contribution, each sustainable contributor generally has at least 30% revenue exposure (in aggregate) to one or more sustainable activities, as defined in the sustainable investment framework, or has at least 30% capital expenditure (capex) or operational expenditure aligned to the EU Taxonomy.



Aligners

These are companies that demonstrate high standards when managing the social and environmental issues relating to their direct operations and supply chains as well as those that have explicit commitments to transform their business models and reduce negative externalities. This is primarily evidenced by assessing the alignment of a company's internal operations and supply chain management practices with best-in-class industry standards. These companies that are balancing stakeholder needs and/or transitioning their business models can drive meaningful positive outcomes for society and/or the environment.



With improved industry data, Newton's sustainable investment framework has been enhanced by including quantitative metrics to evidence how an individual security contributes or aligns to Newton's sustainable investment themes and activities. We believe this quantitative addition brings more robustness to our analysis and allows for simpler comparisons between ideas. This supports the qualitative component of our analysis, which continues to be crucial in providing context and assessing the appropriateness of including a particular security in a portfolio.

Our approach to stewardship

Veolia

Sustainable investment theme:
Contributes to resource protection
(water and waste management)

Sustainable investment rationale

Resource protection was identified as a priority theme given our view that water security, safe sanitation, and waste circularity sit at the core of resilient, lower-carbon economies. The company's combined water and waste franchises were reviewed for scale and relevance to these needs. The assessment also considered PFAS-related remediation activities and the regulatory context, including the potential impact of tightening environmental rules.

Investment fundamentals

The team assessed the company's valuation as well as the company's core business resilience, and the potential for the company to additionally benefit from regulation, infrastructure renewal, and evolving environmental standards.

Qualitative research

The Suez merger was evaluated for platform breadth and the potential for synergy benefits. The implications of enhanced disclosures from 2024 for business-line visibility and integration were also considered. Research also covered indicators of durability through cycles, integration runway, and the role of PFAS-related treatments and advanced recycling, focusing on process, evidence sources, and monitoring inputs



Siemens

Sustainable investment theme:
Contributes to resource efficiency
(enabling technology)

Sustainable investment rationale

Technologies enabling improved resource efficiency are key to reducing energy use and improving productivity across critical systems. Siemens' portfolio of solutions was reviewed to assess its ability to promote positive environmental outcomes through enabling customers to electrify, digitise and manage consumption more intelligently.

Investment fundamentals

Analysis considered, among other factors, Siemens' free cash flow generation and leverage capacity alongside its secular growth in automation, electrification and grid modernisation. Its leadership in automation software, grid technologies and rail systems together with management's expanding total addressable market growth ambitions were also considered.

Qualitative research

Further research supported the identification of EU Taxonomy-eligible revenues and measured customer emissions savings which have evidenced tangible real-economy impacts, while broader digital tool applications have supported supply-chain traceability and optimisation. We conducted a bottom-up review across Siemens' key segments to map where the business' hardware-plus-software stack enabled efficiency and decarbonisation. We evaluated exposure across short- and long-cycle end markets and tested through-cycle cash generation and balance-sheet flexibility.



Zurich Insurance Group

Sustainable investment theme:
Contributes to safe societal & economic infrastructure (insurance)

Sustainable investment rationale

We see insurance as central to sustainability as effective risk transfer strengthens resiliency for households and businesses, stabilising economies through unexpected events and shocks. In evaluating Zurich's general and life franchises, consideration was given to their ability to support resilience at global scale, alongside the insurer's impact-oriented portfolio and related allocations, and their potential to support avoidance of emissions alongside their environmental commitments and governance.

Investment fundamentals

We assessed Zurich's earnings per share, growth and operating leverage, balance sheet strength and distributions to understand its positioning against other insurers and total-return profile.

Qualitative research

We analysed Zurich's role as a financial shock absorber, assessed underwriting quality and capital strength, and reviewed payout capacity and the integration of sustainability in strategy and disclosures. Furthermore, we considered the integration of sustainability into its core strategy and related disclosures for long-term thematic relevance.

Spie SA

Sustainable investment theme:
Contributes to climate mitigation (grid infrastructure)

Sustainable investment rationale

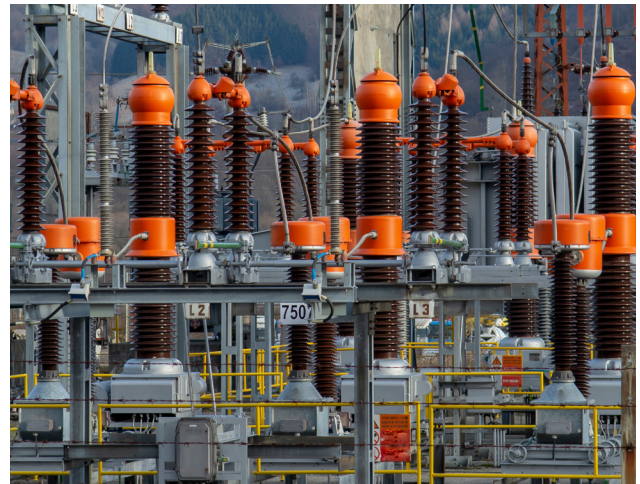
We continue to see the grid as a key constraint to electrification and decarbonisation across numerous markets, and therefore investment in the grid can be a sustainability enabler. Unlocking climate mitigation via improved electrification and power-system upgrades is key to building out flexible demand which, for example, is key to Europe's transition to a low carbon economy. We considered Spie's multi-technical platform and enablement of the shift via high-voltage lines, substations, distribution networks, heating, ventilation, and air conditioning (HVAC) and heat pumps. We also considered alignment to grid infrastructure improvements through its role with nuclear fleets, sustainability-linked bonds and rising electric-vehicle fleet penetration.

Investment fundamentals

Spie offered a focused, asset-light way to access long-duration electrification and grid-modernisation spending. The multiple rerating reflected growing recognition, yet we saw continued support from structural backlogs and a broadening project mix, including data centre infrastructure and nuclear life-extension services.

Qualitative research

We evaluated Spie's engineering depth, project execution and exposure to grid expansion, renewables integration, efficient buildings and smart-city solutions. We also assessed cash conversion, balance-sheet discipline and the durability of public- and private-sector demand.



Our approach to stewardship

Edwards Lifesciences

Sustainable investment theme:
Contributes to health
(medical technology)

Sustainable investment rationale

We identified health and related medical technologies as a theme where innovation measurably improves outcomes and reduced system burden for global health systems. Edwards Lifesciences' minimally invasive structural-heart therapies were reviewed to understand their relationship to hospital-stay duration and patient quality of life outcomes. The company's leading technologies, scale, governance and workforce practices were examined to understand their ability to support long-term execution and provide impact at scale.

Investment fundamentals

The current core market size and pace of growth were analysed, alongside potential for longer-term opportunities in newer treatment areas. Upcoming product launches and next-generation replacement technologies were also reviewed for progress and their ability to create meaningful multi-year upside potential.

Qualitative research

We assessed Edwards Lifesciences' competitive position in its medical technologies, scrutinised evidence on clinical outcomes and procedure adoption, and reviewed pipeline breadth in mitral and tricuspid repair and replacement as the next growth vectors.



Sustainable sovereign matrix



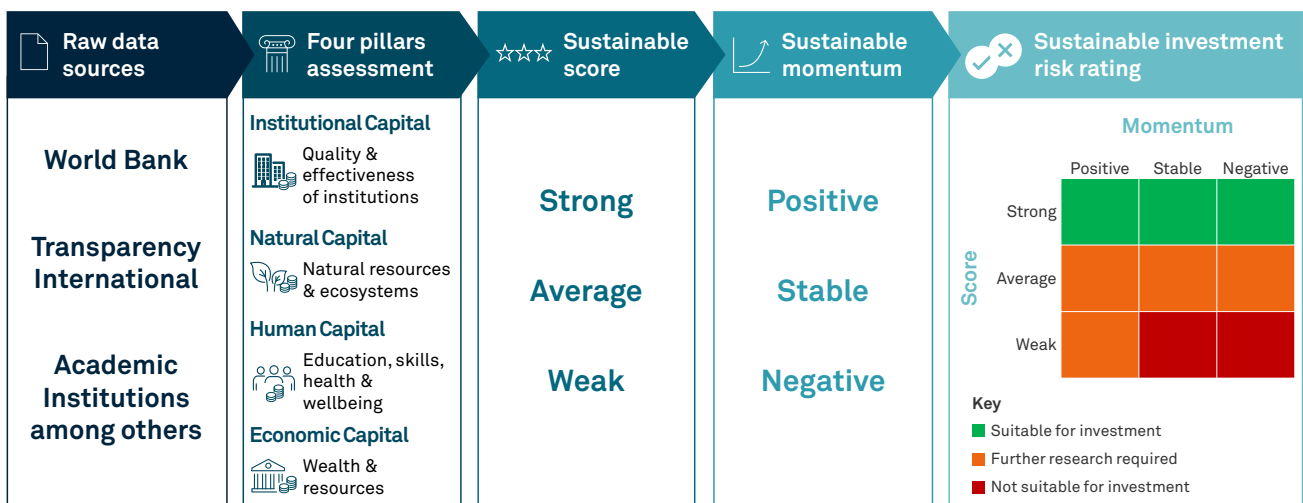
We have developed internally a sovereign sustainability framework, which we use to aggregate our analysis into two sustainability indicators: a quality score and a momentum score.”

For sovereign bonds, Newton takes a long-term view of sustainability, which focuses on the effectiveness of government bodies and subsequent outcomes of regulations and policies and the enactment of these.

We believe the sustainability of a sovereign bond relates to various factors, when viewed through the pillars of capital (natural, human, economic, institutional). We therefore seek to gain a holistic view of a country, taking into account a country's performance on a range of factors, such as those that pertain to a country's emissions, natural resources, education, health and well-being of its population, political stability, democracy, regulatory quality, judicial law and corruption.

Data sources used include external providers, where we are cognisant of several limitations, not least quality issues and time lag in the information, and sources such as the World Bank, Transparency International, and academic institutions, among others. We use the information we obtain from these sources as inputs into our in-house research, where a range of ESG factors is assessed and an aggregate view of the issuer is determined.

We have developed internally a sovereign sustainability framework, which we use to aggregate our analysis into two sustainability indicators: a quality score and a momentum score. Using the quality and momentum scores, issuers are assigned a rating according to the issuer's current positioning and the issuer, along with the rating, is placed on our sustainable sovereign matrix. This analysis can be used to inform the investment case for or against our sovereign fixed-income positions in core portfolios. In strategies that follow our sustainable investment framework, this rating determines eligibility for investment and if further qualitative research is required. The matrix is updated quarterly by our RI and fixed-income teams. We make intra-quarter changes on an ad-hoc basis if new information comes to light.



ENGAGEMENT



As active stewards of client capital, we maintain structured, investment aligned dialogue with issuers focused on financially material topics that influence long-term value.”

Setting an objective for company dialogue, seeking an outcome, in partnership between the Newton RI and investment teams.

As active stewards of client capital, we maintain structured, investment-aligned dialogue with issuers focused on financially material topics that influence long-term value.

Portfolio managers and analysts lead or co-sponsor engagements to ensure alignment with the investment thesis, set clear, business-backed objectives, and track progress against defined timelines, recognising that many engagements span multiple years and require incremental milestones. Engagement is integrated with ongoing fundamental and ESG research, enabling targeted dialogue to enhance management of material risks and opportunities that support our clients’ mandates and sustainable value creation.

Consistent with FRC guidance, we view stewardship as the responsible allocation, management and oversight of capital to deliver long-term sustainable value for clients and beneficiaries, strengthened by issuer partnerships that are forward-looking, outcome-oriented and anchored in investment materiality. Continuous collaboration between the investment team and RI specialists ensures that capital allocators drive effective outcomes and that stewardship actions reinforce disciplined portfolio construction and risk management.

Our RI team drives investment outcomes by setting clear, business-backed objectives for each issuer interaction, with defined milestones and timelines. Engagements target financially material issues tied to the investment thesis – valuation, risk, and capital allocation – while multi-year initiatives follow roadmaps of incremental steps and are monitored rigorously. We regularly reassess progress and likelihood of success, recognising that not all engagements yield immediate change.

We categorise our engagement objectives in three ways:

STRATEGIC	THEMATIC	ROUTINE
<p>Focus on the issues which may affect the investment case. These could be more acute, like fraud allegations or other failures that have eroded value. Or these could be more subtle, like business decisions that we as investors believe will be positive, strategically, over time.</p>	<p>Seek to address management of issues that are financially material over a longer time horizon. These may include plans to address negative factors which we believe will affect the businesses over the long term. Often these are environmental in nature, where policy and regulations are continually pushing for the costs to be internalised by companies.</p>	<p>Pursue smaller or more near-term achievable progress by issuers to move them in line with peers. These could be improvements around executive pay practices or improvements around disclosures.</p>

We focus on impact over frequency: targeted, outcome-oriented engagements that focus constructively on material topics to improve long-term results. Bespoke, actionable objectives and disciplined tracking after each interaction or reporting event keep engagement aligned to the core investment case, inform escalation when needed, and aim to support better risk-adjusted returns and sustainable value creation for clients.

Breakdown of sustainability topics discussed in engagements

Environmental

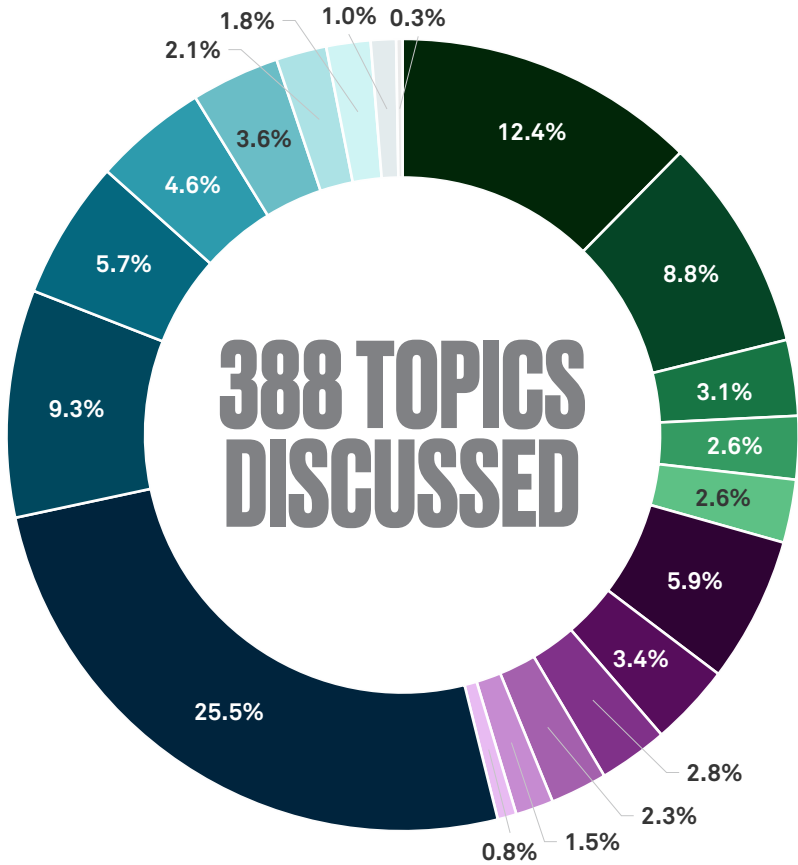
- Climate transition risk and net zero strategy
- Opportunities in environmentally friendly products and services
- Natural resource impact through operations
- Reliance on and use of natural resources
- Physical climate risks across operations/value chain

Social

- Human capital (safety, working conditions, employee engagement, diversity and inclusion)
- Supply chain risk management
- Cyber security / data privacy
- Opportunities in/access to socially sustainable products or services
- Operations in sensitive regions and human rights
- Product safety and quality

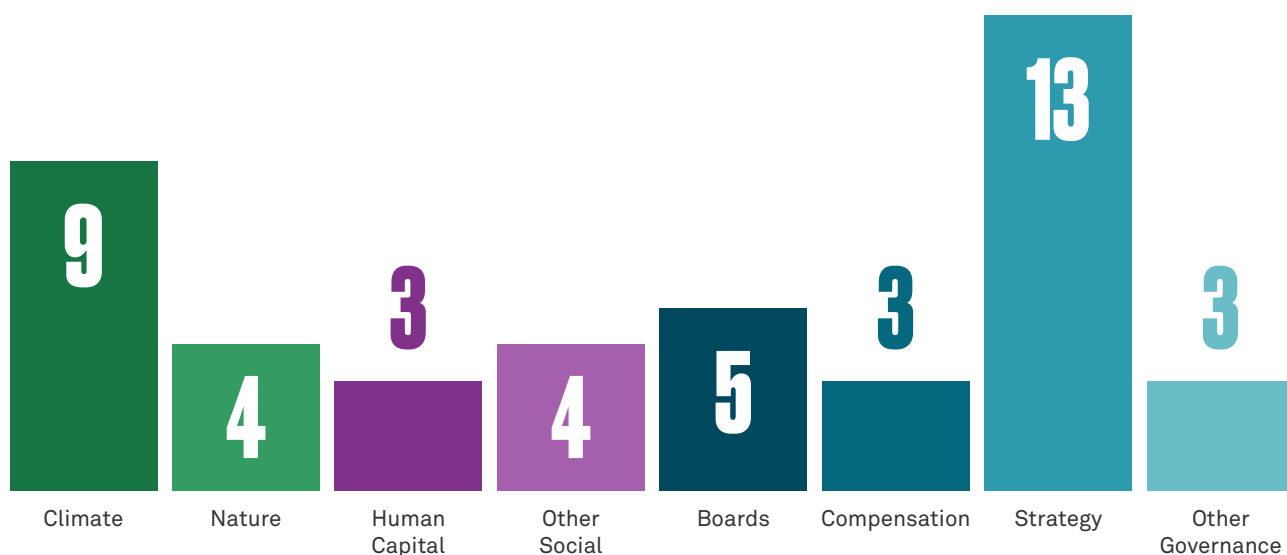
Governance

- Strategy
- Board and leadership quality, skills and experience
- Remuneration (compensation)
- Minority shareholder treatment
- Internal controls, risk management, audit and tax
- Conduct and culture, lobbying
- Transparency and reporting
- Board independence, chair/CEO role separation
- Board diversity

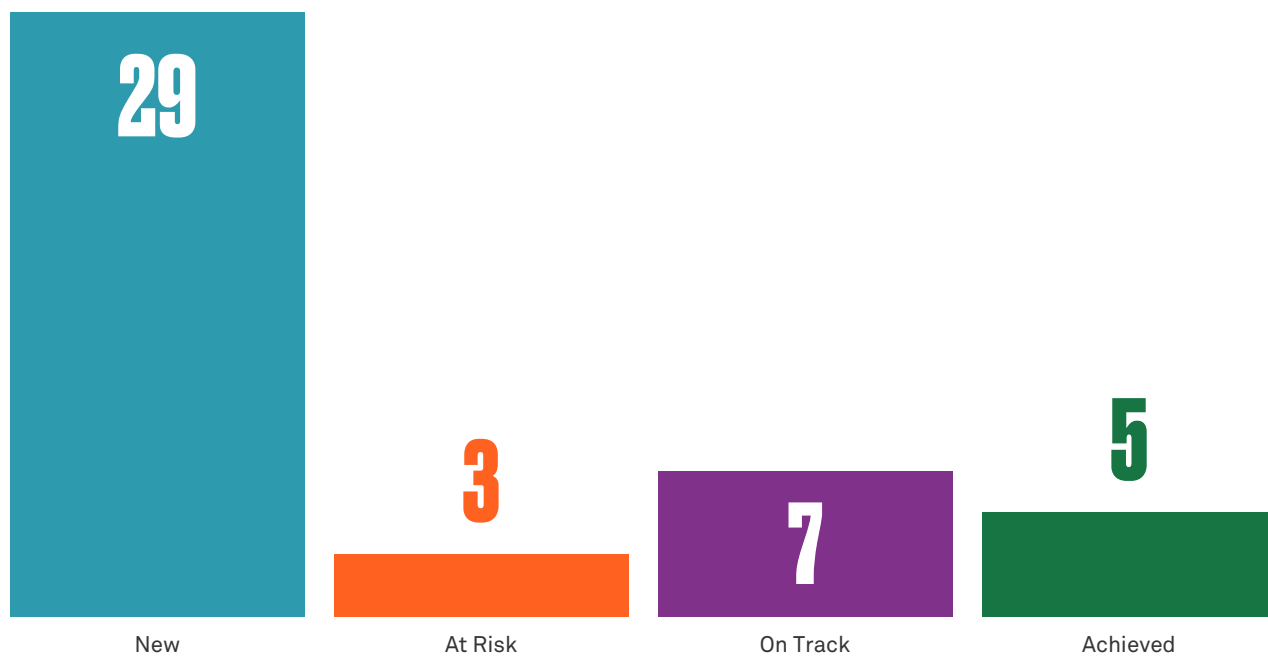


Our approach to stewardship

2025: Engagement topics



Engagement objective status



Shell

Objective status

ON TRACK

Engagement objective(s)

Shell has been a priority issue for Newton's "Just Transition" engagement. While Shell has taken efforts to reassess its climate strategy and shift its focus to its core business, it had an opportunity to align to peer practice in terms of transparency around its workforce management strategy. External benchmarks, such as the World Banking Alliance, have reflected this misalignment in its scoring. The primary risks relate to workforce planning, community impact, and inadequate stakeholder engagement compared to industry peers.

Investment relevance

Shell's shift back toward its core fossil fuel business, combined with internal reorganisations, is thought to have led to workforce dissatisfaction and increased operational risk. By falling behind industry peers in social impact transparency and community planning, Shell faces significant reputational and regulatory risks. Strengthening just transition controls is essential to maintaining labour stability and ensuring the company's long-term social licence to operate with its "Powering Progress" strategy.

Progress to date

Following meetings with senior management, coordinated by the World Benchmarking Alliance, and investment peers, Shell established a Sustainability Management Committee, chaired by the Vice President of Sustainability and Finance, to oversee these social issues.

The company acknowledged its reporting shortfalls and has already updated its Just Transition digital disclosures and guiding principles. Shell committed to quarterly dialogues and to incorporate investor feedback into its 2025 just transition plan, at which point we will re-evaluate our long-term engagement goals.

GSK

Objective status

NEW

Engagement objective(s)

Seeking to encourage various targets and reporting to further embed sustainability into the company's core processes and to drive measurable improvements across three critical areas: hazardous waste and chemicals management, water stewardship, and supply chain environmental oversight.

Investment relevance

Improper handling of hazardous waste, chemicals of concern, and PFAS (referred to as "forever chemicals" because they do not break down in the environment) creates significant financial, reputational, and legal compliance risks.

Pharmaceutical manufacturing is highly water-intensive, with significant exposure in high-stress regions. Water scarcity risks affect operational continuity and licence to operate, while client scrutiny of water management is rising.

Upstream environmental impacts represent the largest share of GSK's footprint. Supplier compliance on emissions, waste, and nature-linked inputs is critical for cost stability and meeting evolving regulatory and tender requirements.

Progress to date

GSK has shifted its approach to environmental metrics by replacing general waste tracking with product-specific measurements for hazardous chemicals. Additionally, the company now recognises PFAS as a significant emerging risk and has launched an internal task force to address it.

In the area of water stewardship, GSK committed to water neutrality by 2030 in water-stressed regions of India, Pakistan and Algeria, and established a framework for stewardship and replenishment. For supply chain oversight, GSK confirmed leadership in collective supplier decarbonisation and has embedded environmental criteria into procurement and tenders.

Having met our primary objectives with GSK, we are shifting to monitoring its 2030 water neutrality milestones and tracking supply chain resilience against its waste Life Cycle Assessment (LCA) baseline to ensure long-term impact.

Our approach to stewardship

Caterpillar

Objective status

ON TRACK

Engagement objective(s)

To evaluate and encourage a climate transition strategy that addresses the structural challenges of Scope 3 emissions in heavy machinery.

Accelerate product decarbonisation through electrification and fuel-flex solutions, scaling circular economy practices via remanufacturing, and leveraging autonomous technology to enhance operational safety and workforce productivity.

Investment relevance

As a leader in heavy equipment, Caterpillar may face material climate transition risks due to its structural reliance on diesel engines and the high carbon footprint of its customer base. However, its leadership in remanufacturing provides a competitive margin advantage and reduces life-cycle emissions. Identifying adoption barriers, such as grid constraints rather than technological readiness, is critical for assessing the company's long-term valuation. Furthermore, advancements in autonomy and electrification are key drivers for future market share and mitigating reputational risks associated with the global energy transition.

Progress to date

Our engagement confirmed Caterpillar appropriately manages climate transition risk. The company demonstrated a clear decarbonisation pathway, balancing immediate efficiency with scalable zero-emission pilots. As of the 2024 fiscal year, Caterpillar has achieved 42% of its 2030 circularity targets. We concluded that current electrification delays stem from external infrastructure constraints rather than internal innovation gaps. Furthermore, autonomous fleet solutions have already eliminated lost-time incidents, while proactive workforce upskilling aligns governance with long-term industrial shifts.

Our engagement objective is on track. We will continue to monitor Scope 3 intensity disclosures and the rollout of zero-emission technology to ensure the company maintains its competitive positioning.

Linde

Objective status

NEW

Engagement objective(s)

To validate the credibility of Linde's Science Based Targets initiative (SBTi)-validated 2035 and 2050 net-zero targets and seek to understand how the company's climate transition plan will move from high-level ambition to capital expenditure (capex)-backed execution. In addition, we are seeking transparency and credibility on project economics and the transition from blue to green hydrogen.

Investment relevance

Linde, a global industrial gas company, is in a strong position to manage transition risks and capitalise on opportunities, with around 53% of revenues tied to positive solution areas; however, execution risks remain highly sensitive to policy tailwinds (such as US Inflation Reduction Act credits) and regional hydrogen hub development.

The slow scaling of green hydrogen demand, driven by limited customer willingness to pay "green premiums", creates a risk of stranded capex if the roadmap from blue to green hydrogen is not clearly timed. Furthermore, with 2024 absolute emissions currently trailing the pledged trajectory, near-term delivery is critical to mitigating the reputational and regulatory risks associated with falling behind SBTi-validated milestones.

Progress to date

Since our engagement, supported by ShareAction's Chemical Decarbonisation Working Group, the company is demonstrating greater transparency on renewable procurement and the execution of carbon capture and storage (CCS) and hydrogen pilots in Canada and Texas. Incremental reductions have been achieved in Scope 1 and 2 intensity, and management has demonstrated strategic resilience, reconfirming climate ambition despite market hurdles.

Overall, it is believed that Linde continues to show credible progress, supported by improving disclosure and engagement momentum. However, execution remains policy-dependent and cost-sensitive, with 2024 absolute emissions still behind the pledged pathway. Active engagement will be maintained through 2025/26 to convert this ambition into dated, capex-backed delivery.



Amazon

Objective status

ON TRACK

Engagement objective(s)

To encourage progress on addressing human capital management (HCM) risks across Amazon's global fulfilment network, focusing on potential financial impacts, operational disruption, and reputational risks.

Investment relevance

Amazon's operational resilience and workforce stability are critical to its long-term investment case. Despite improvements in pay and safety metrics, material issues such as higher injury rates and exposure to physical strain remain. Automation has created efficiency and safety gains, but the nature of work still exposes staff to musculoskeletal disorders (MSD). Engagement with Amazon is essential to ensure progress against risk management objectives and to understand the implications of automation on lower-skill workers.

Progress to date

We have engaged with Amazon through a multi-year, multi-layered stewardship effort since 2022, focusing on safety performance, unionisation, transparency, governance, and long-term workforce strategy. Key engagement themes include:

Board-level human capital governance: Encouraging Amazon to appoint a director with deep human capital expertise and improve reporting to the Leadership & Development Committee.

Workplace safety and injury rate trends: Pressing for explanations around persistently higher US injury rates and variation across sites. Site visits revealed meaningful improvements at automated facilities but highlighted the ongoing risk of MSD.

Future of work and workforce planning: Seeking clarity on the long-term implications of automation for lower-skill workers. Amazon has provided insight into training mechanisms available.

Transparency and external accountability: Encouraging Amazon to respond constructively to shareholder proposals related to human rights, working conditions, and artificial intelligence (AI).

Amazon has demonstrated incremental improvements, with declining injury rates, increased pay, and expanded training offerings. Our site visit to a US fulfilment centre showcased meaningful approaches intended to minimise risks, including automated scanning and adjustable workstations. However, variation across sites remains high, and older facilities still pose challenges. Continued engagement will focus on strengthening governance, transparency, and independent oversight of labour-related risks to improve confidence and reduce potential reputational risk.

Our approach to stewardship

VOTING

Execution of shareholder rights, conducted by Newton's RI team and BNY Investments and Wealth proxy voting and governance team

Active voting is integral to our investment process. We align vote instructions with the investment thesis and intended client outcomes, incorporating insights from issuer engagements and the broader market and policy context. Each resolution is assessed in the specific context of the business and our conviction, ensuring voting decisions support long-term value creation and our fiduciary duty to clients.

Where authorised, equity voting is executed by the BNY Investments and Wealth proxy voting and governance team in partnership with Newton's RI team. We have exercised clients' voting rights globally for more than two decades and have publicly reported rationales for votes against management since 2005. Voting decisions follow our guidelines, applied in line with local market practices, and are informed jointly by governance analysts and the investment team to act in clients' best interests. As active managers, we complement buy-sell discipline with ownership responsibilities, using voting to strengthen accountability, enhance governance, and protect value over time.

Voting is a core part of how our investment process seeks to add value for our clients over the long term. In general, we take an active approach to voting which is centred around:

- Promoting the accountability of a company's management to its board of directors, as well as the accountability of the board of directors to the company's shareholders
- Upholding the rights of a company's shareholders by voting on those matters submitted to shareholders for approval
- Promoting adequate disclosure about a company's business operations and financial activity

In 2025, we refreshed and published our standalone Governance Principles and Voting Guidelines, alongside our full, transparent voting record, including rationales for votes against management and all shareholder proposals, at newtonim.com/responsibleinvestment. Our active voting is Investment-led and context-specific: we apply guidelines in line with local market practices to support long-term value, assessing each resolution within the issuer's strategy and our investment thesis.

To manage conflicts of interest, we identify both primary and secondary conflicts. In the event of either, we will employ one or more conflict mitigation techniques in order to address the conflict. Such conflict mitigants may include: (1) voting in proportion to other shareholders ("mirror voting"), (2) erecting informational barriers around, or recusal from the vote decision-making process by, the persons making the voting decisions, (3) abstaining from voting, (4) engaging an independent fiduciary to vote, and (5) voting in other ways that are consistent with our obligations to vote in our clients' best interests.

We seek to vote across all markets, but may be constrained by share blocking rules, sanctions, or power of attorney requirements not in place for certain clients. We do not conduct securities lending on behalf of clients; where BNY-managed funds appoint Newton as manager or subadvisor, fund boards may operate lending programmes, with a Newton recommended restricted securities list reviewed quarterly.

Global voting summary for 2025

Annual General Meetings	1,920
Voted in favour of management†	790
Voted against management#	1,125
Took no action*	5
Extraordinary General Meetings	236
Voted in favour of management†	188
Voted against management#	47
Took no action*	1
Voted in favour of management†	978
Voted against management#	1,172
Took no action*	6
Total	2,156

† In favour of management on all resolutions.

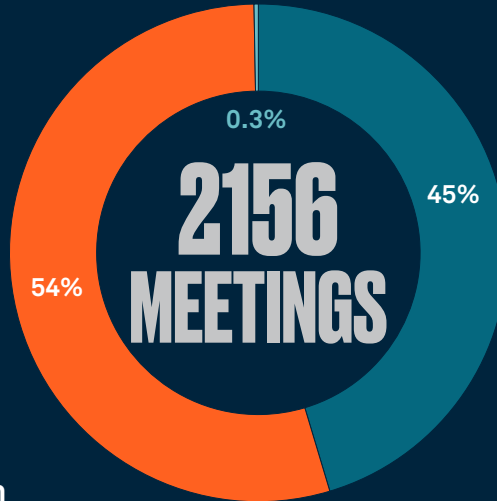
Against management on one or more resolutions. Including abstentions and withhold votes where there was no option to vote against.

* Took no action owing to share blocking or sanctions considerations.

The charts below illustrate our aggregate global and regional voting summary for 2025

Global voting summary

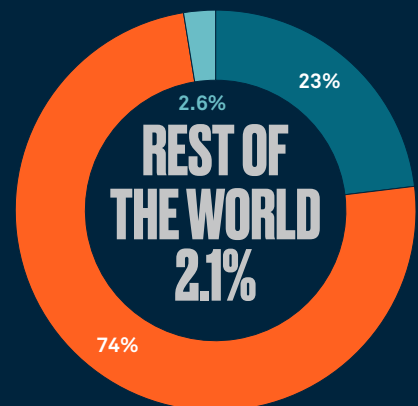
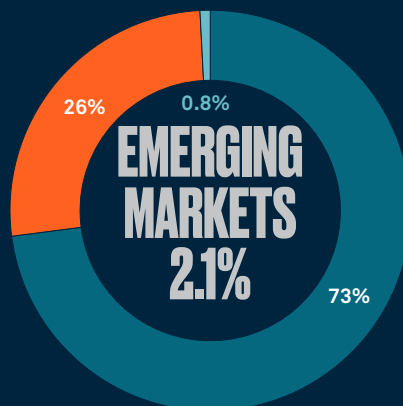
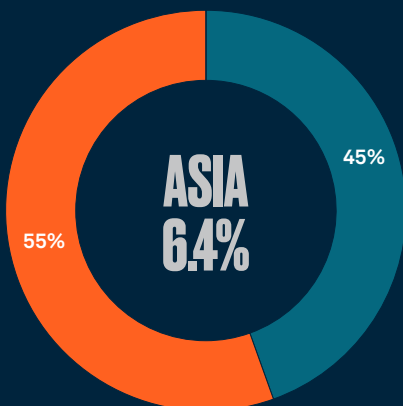
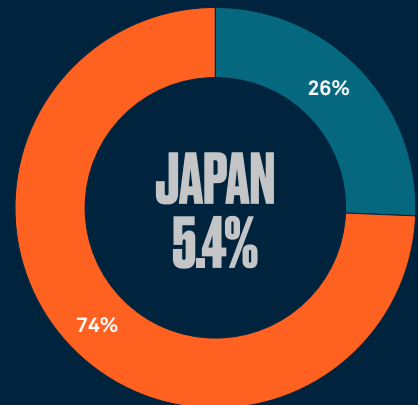
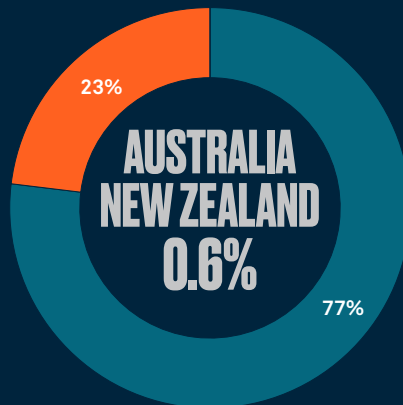
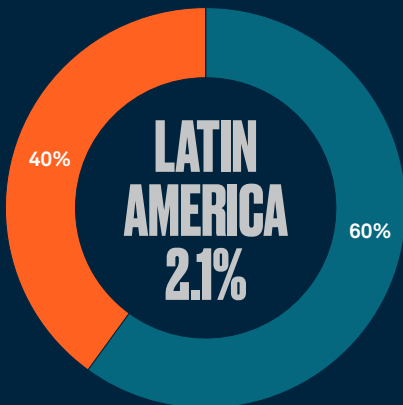
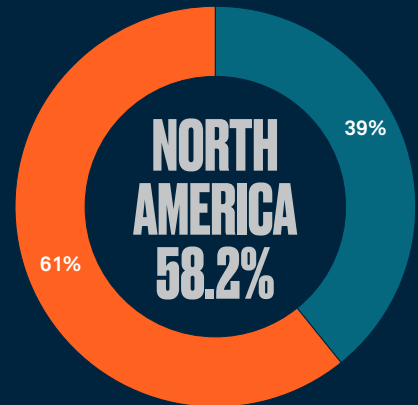
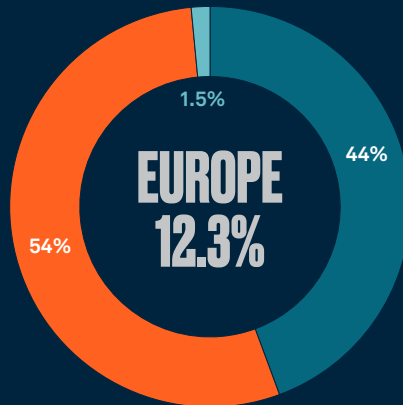
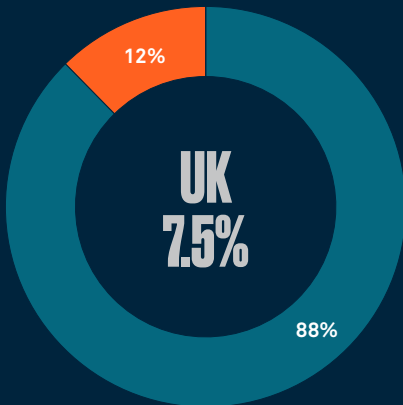
For meetings held in 2025



- In favour of management on all resolutions.
- Against management on one or more resolutions. Including abstentions and withhold votes where there was no option to vote against.
- Took no action owing to share blocking or sanctions considerations.

Voting summary - by region

■ Region's % of our global vote



Source: Newton, as at 31 December 2025.

Votes against management

In 2025, we voted at 2,156 meetings and instructed votes against management at 1,172 meetings (54%), encompassing 2,475 resolutions, in line with our voting principles published in our guidelines. Individual rationales are disclosed on our website. Our most frequent dissent areas were board structure, remuneration and audit-related items, reflecting disciplined, outcome-oriented stewardship aligned with investment value creation.

Pay remained a principal concern: where remuneration arrangements were misaligned with performance or shareholder value, we voted against the pay proposals and, where appropriate, against the re-election of remuneration committee members.

We also opposed resolutions related to audit matters, certain transactions and shareholder dilution, particularly where new issuances were proposed without pre-emptive rights. This is consistent with protecting long-term investor value and maintaining capital discipline.

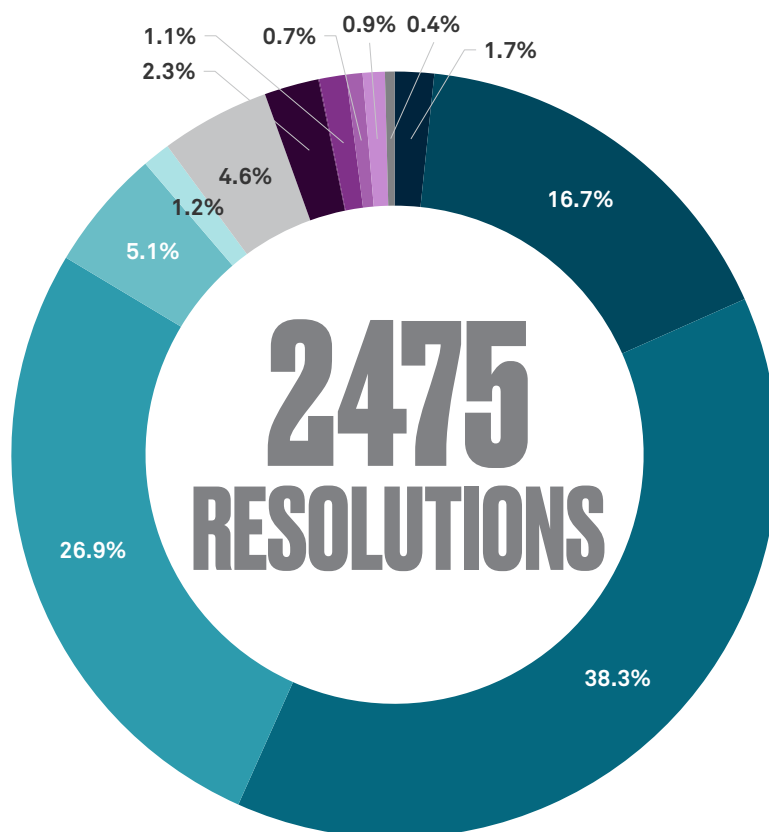
Resolutions voted against management

Votes against management-proposed resolutions

- Articles/bylaws
- Audit related
- Board structure
- Remuneration policy/proposal
- Share capital
- Transaction related
- Other, including AOB

Votes in favour of shareholder-proposed resolutions against the recommendations of management

- Shareholder rights
- Articles/bylaws
- Board structure
- Remuneration structure
- Environmental/social proposal
- Other

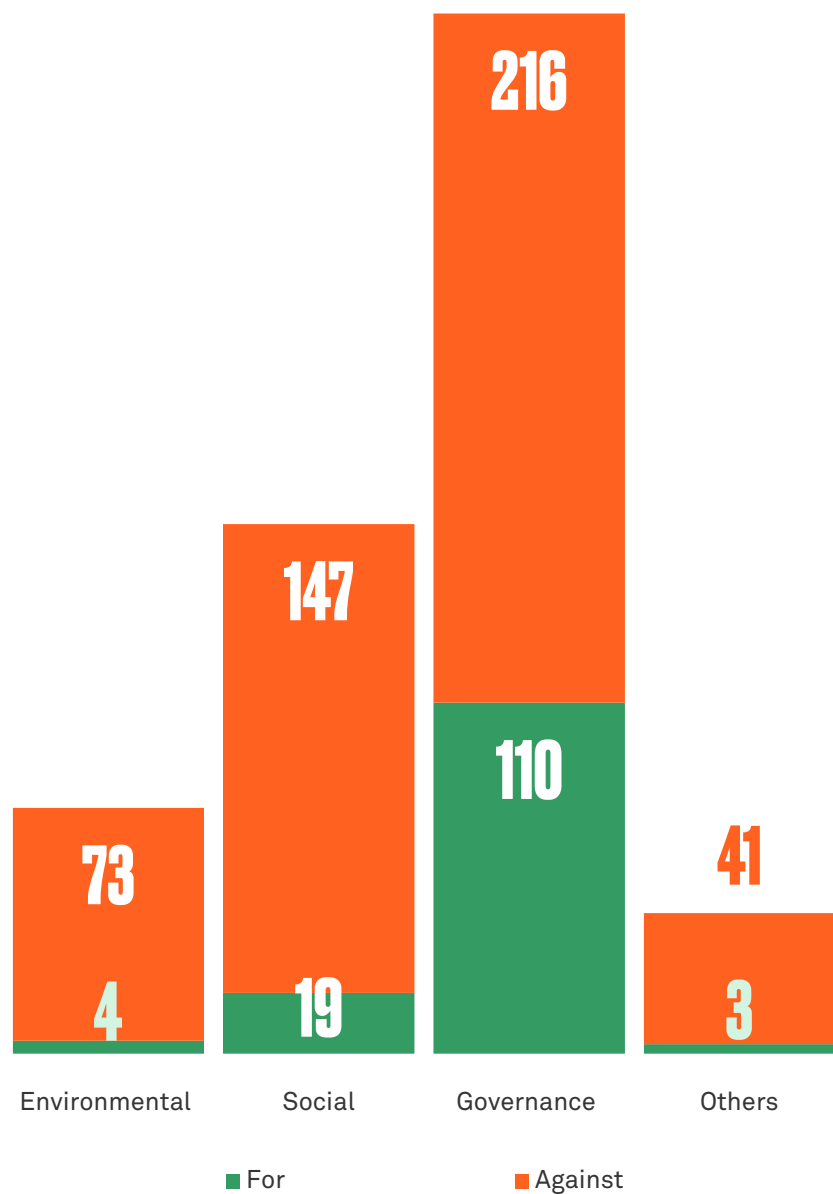




Shareholder proposals

We assess shareholder proposals case by case, applying our voting guidelines to evaluate materiality, credibility, applicability, and whether the requested action advances long-term value for all shareholders.

Each proposal is weighed on its merits, balancing potential benefits against costs and considering alignment with our investment thesis and the company's strategic context. In 2025, we supported 22% of the 613 shareholder proposals, consistent with a disciplined, investment-led approach to stewardship.



Examples of voting

Accor

Voted against the appointment of a director with an ongoing conviction

Background

A current director, who is involved in ongoing cases with the French judiciary, including one that has resulted in a conviction, was nominated for re-election at Accor. The board has emphasised his political experience and networking abilities as notable contributions. However, directors, as representatives of all shareholders when elected, are expected to uphold the highest standards of conduct, which is essential for them to carry out their responsibilities effectively.

Voting action

We examined the company's rationale for appointing the director. The company released a public quote highlighting that the director's conviction did not cover public directorships. While we acknowledged the rationale, we still considered that a clean judicial record was a necessary condition for us to support directors at companies we invest in. We consequently opposed the director's re-election.

Vote result

The director was elected by a thin margin, obtaining 52% of the votes cast.

Alphabet

Voted for a shareholder proposal requesting a human rights impact assessment of AI-driven targeted advertising

Background

A shareholder proposal requested that Alphabet publish a third-party human rights impact assessment examining the risks associated with AI-driven targeted advertising, including potential systemic discrimination and privacy concerns. Similar proposals have been filed at Alphabet in recent years, reflecting sustained investor interest in oversight of advertising practices.

Voting action

We voted for the proposal, as we consider that a dedicated assessment of the human rights impacts of AI-driven advertising would provide meaningful insights and strengthen accountability over Alphabet's use of AI, adding value for shareholders.

Vote result

The proposal received 14.5% support, with 85.5% of votes cast against. Notably, among AI-related shareholder proposals at Alphabet this season, this item received the highest level of shareholder support.

JPMorgan

Voted against a shareholder proposal relating to succession planning

Background

The financial services company was subject to a shareholder resolution requiring an independent board chair for a second year in a row. The company currently has a combined chair/CEO leadership and has a tenured lead independent director.

Voting action

We believe that a key priority for the current board should be to ensure a smooth transition for the incumbent CEO. The current CEO has been in the role for a long time and has been synonymous with the company's success. Leadership succession should be carefully considered and well planned. Given that the transition is likely to happen in the next few years, we believe the board will require flexibility in terms of leadership structures available to it, and therefore we did not support the resolution for the second time in a row so as not to signal any disruptions for the board.

Vote result

The resolution was supported by 43.5% and 37.3% of shareholders at the 2024 and 2025 AGMs respectively. We consider the key issue remains a robust transition of leadership and consider the board would benefit from not having to implement unplanned changes. Nonetheless, we will monitor the management and board succession planning and its execution closely.

ADVOCACY



We have a duty to meet client needs while recognising our responsibilities to the broader financial ecosystem.”

Participation in industry initiatives to encourage consistent standards and/or provide feedback, with RI and/or investment input

We engage selectively and purposefully across the investment industry to deepen our understanding of material, thematic risks and to support their prudent consideration and integration into investment decisions. These themes often cut across sectors and are more likely to manifest in financial terms over the medium to long term. As active managers, we continually assess our memberships and associations, prioritising initiatives where the topic is investment-relevant, the content enhances our investment approach, and our participation can be active and influential.

We employ collaboration when it can:

- Improve access to, and constructive leverage with, investee companies
- Expand or utilise independent, specialist expertise that enriches investment analysis
- Support the development and adoption of consistent, industry-wide standards
- Demonstrate support for – and increase transparency into – credible market initiatives
- Provide informed feedback to the market, industry bodies, and regulators

Advocacy aligned to client outcomes and best practice

We take an active role in promoting well-functioning financial markets to enhance client confidence and foster institutions that are accountable and responsible to end investors. As an intermediary, we have a duty to meet client needs while recognising our responsibilities to the broader financial ecosystem.

We work closely with our parent company, BNY, and other investment firms within the BNY Investments business to contribute to market reforms and policy enhancements. This includes helping to shape responses to industry consultations and coordinating thought leadership across the group. We provide feedback to regulatory proposals via trade associations and on a bilateral basis where appropriate.

Through our advocacy, we participate in market and industry-level initiatives that influence the operating environment in ways we believe align with our clients' best interests. These efforts often reflect the same themes guiding our company-level engagements, where progress can help mitigate systemic risks or unlock long-term value creation.

Our approach to stewardship

Collaboration with other stakeholders, such as investors, trade associations, public bodies, and non-governmental organisations, can be an efficient and effective route to raising concerns or influencing outcomes. Such initiatives may address company-specific matters or broader industry issues, aiming to advance best practice, improve awareness, and strengthen engagement effectiveness. Collaboration can enhance access to companies and frameworks we could not reach alone, amplify our voice beyond that of a single investor, and bring deep technical expertise to bear alongside our investment perspective.

Importantly, the benefits to clients extend beyond the immediate engagement opportunities. Participation helps deliver outcomes that support client objectives and enriches the investment process. It enables us to contribute to managing system-level risks that may crystallise into issuer-specific risks or opportunities over time, thereby reinforcing the resilience and efficiency of markets in which our clients are invested.

When engaging on specific issues – particularly alongside other stakeholders – we proceed with caution to avoid receiving material non-public information or breaching concert party or competition rules. We choose collaboration intentionally where it is the more effective tool, and we refrain where interests or principles are misaligned with the underlying investment or the initiative’s objectives.

A full list of collaborative initiatives in which we participated in 2025 is provided below.

Organisations and initiatives related to RI matters in which Newton plays a formal role:

Organisation/ Initiative	Region	Joined	Role	Summary description
World Benchmarking Alliance	Global	2022	Member of Just Transition Coalition Impact Committee	A non-profit organisation that evaluates corporate performance in relation to the United Nations' Sustainable Development Goals (SDGs), aiming to encourage businesses to drive positive change.

Newton is a signatory to or a supporter of the following industry principles and pledges:

Organisation/ Initiative	Region	Joined	Role	Summary description
Net Zero Asset Managers initiative	NIM	2021	Member	Voluntary initiative for asset managers committed, in their individual contexts, to supporting investing in line with the global goal of net zero greenhouse gas emissions.
Principles for Responsible Investment	Global	2007	Signatory	Asset owner-led organisation that promotes responsible investment principles and helps administer members' specific responsible investment activities.
UK Stewardship Code	Global	2012	Signatory	UK Financial Reporting Council's principles for stewardship expectations of UK investors.

Newton also supports or contributes actively to the following initiatives:

Organisation/ Initiative	Region	Joined	Role	Summary description
CDP (previously Carbon Disclosure Project)	Global	2007	Supporter	Focuses investors, companies and cities on measuring and understanding their environmental impact.
Climate Action 100+	Global	2018	Signatory	Engagements focusing on greenhouse-gas emissions. Newton is not a lead on any individual company engagements, solely a supporting firm.
Council of Institutional Investors	US	2023	Member	Association of asset owners and asset managers which provides a leading voice for effective corporate governance, strong shareowner rights and sensible financial regulations that foster fair, vibrant capital markets.
Farm Animal Investment Risk and Return (FAIRR)	Global	2019	Member of technical advisory panel	Collective investor resource for research and engagement with animal agriculture.
Global Investor Commission on Mining 2030	Global	2023	Member	Collaborative investor-led initiative seeking to define a vision for a socially and environmentally responsible mining sector overall by 2030.
Institutional Investors Group on Climate Change	Europe	2018	Member	Mobilising capital for the low-carbon transition and to ensure resilience to the impacts of a changing climate by collaborating with business, policymakers and fellow investors.
30% Club – Investor Group	UK	2010	Member	Investor group seeking to improve gender and minority representation on boards.
ShareAction Good Work Coalition	Global	2021	Member	ShareAction coalition focused on quality work, including a specific living wage campaign.
ShareAction Healthy Markets	UK	2021	Member	Bringing investors together to ask major food and drinks companies operating in the UK market to produce healthier, affordable products, limit marketing of sugary products to children, and provide clear and accurate food labelling.
ShareAction Investor Decarbonisation Initiative	UK	2022	Member	Engaging the chemicals sector in relation to rapid decarbonisation.
Taskforce for Nature-related Financial Disclosure Forum	Global	2023	Member	Global multi-disciplinary consultative group of institutions that supports reporting and action on evolving nature-related risks.
Transition Pathway Initiative	Global	2019	Supporter	Global, asset owner-led initiative which assesses companies' preparedness for the transition to a low-carbon economy.
UK Sustainable Investment and Finance Association	UK	2024	Member	Organisation for those in the UK finance industry which shares knowledge and connects community to help members support sustainable finance and responsible investment in the UK.



OUR APPROACH TO ESCALATION

We apply escalation tools selectively and with clear investment rationale, assessing each situation case by case. Where issues are material and persistent, or present heightened legal or regulatory considerations, we seek support from our senior leadership and relevant stakeholders, including our legal team. Our objective is to protect and enhance long-term value by addressing risks to the investment thesis, governance effectiveness, and capital allocation discipline.

Primary escalation routes

- **Elevating dialogue to the board or executive level, and targeted collaboration:**
When engagement stalls or company representatives cannot address our concerns decisively, we may request direct dialogue with board members or senior executives. We may also escalate by engaging in credible collaborative forums that convene management and investors, where we believe this will improve the quality of information, accountability and timeliness of responses.
- **Private letters:**
We use private letters to formally signal the materiality of an issue, set clear objectives and outline our expectations for remediation, milestones and reporting. Private letters can also reinforce messages when ongoing engagement has not produced sufficient progress.
- **Public letters and media communications:**
Public letters or media commentary are reserved for exceptional situations where transparency can catalyse change or where the market would benefit from clarity on investor expectations. This approach was not used in 2025.
- **Escalating or communicating concerns via voting:**
Voting, particularly on director (re)elections, is a critical stewardship mechanism. It allows shareholders to provide targeted feedback on board effectiveness and accountability. We may escalate through votes and related public rationales where there has been significant financial, reputational, or commercial value destruction, which is often indicative of shortcomings in oversight, risk management or governance structures.

Here are some of the examples illustrating how Newton has used voting to communicate its view with management.

Mitsubishi UFJ Financial Group (MUFG)

Voted against top executives amid client data breach and employee conduct concerns

Background	Voting action
<p>In 2024, Japan's Financial Services Agency took administrative actions against MUFG Bank and affiliated securities firms for repeatedly sharing non-public client information and violating financial regulations, leading to business improvement orders and executive pay cuts. In early 2025, a former MUFG Bank employee was arrested for theft from customer safe deposit boxes.</p>	<p>We deemed the aforementioned incidents as a failure of oversight and consequently voted against the top executives of the company.</p>
	<p>Vote result</p> <p>The nominees we voted against received 25-35% dissent on their re-elections, highlighting that a broad base of shareholders shared similar concerns.</p>

Celsius Holdings

Voted against governance committee members for changes that limit shareholder rights

Background	Voting action
<p>On 1 August 2024, the board unilaterally amended the company's bylaws to restrict shareholders' ability to call special meetings and to act by written consent, without providing any rationale or seeking shareholder approval.</p>	<p>Given that these changes concentrate power with the board, diminish shareholder rights to hold directors accountable or respond swiftly to opportunities, and represent a significant governance failure, we voted against the incumbent governance committee members.</p>
	<p>Vote result</p> <p>The governance committee nominees received dissenting votes ranging from 27.5% to 42.3%.</p>

Microsoft

Vote for a shareholder proposal requesting a report on AI data sourcing accountability

Background	Voting action
<p>A shareholder proposal requested that Microsoft publish a report detailing how it ensures accountability in the sourcing of data used to develop its AI systems.</p>	<p>We voted for the proposal, as we consider increased disclosure on AI data sourcing practices to add value for shareholders by strengthening oversight and accountability.</p>
	<p>Vote result</p> <p>The proposal received 36.2% support, with 63.8% of votes against.</p>

Our approach to stewardship

- **Portfolio actions (such as reduction in position size or divestment):**

As active managers, we weigh multiple factors when making investment decisions. If engagement fails and the unresolved issue is fundamental to the investment case – such as governance failures, misaligned capital allocation, or unmanaged material risks – we may reduce our position or divest entirely. Divestment is a last resort and reflects our responsibility to protect client capital and is always rooted in our investment view of risk and reward.

- **Supporting shareholder resolutions:**

We evaluate shareholder resolutions case by case, on their individual merits and with reference to insights from our engagements. We view support for a resolution as an intermediate escalation tool that can signal clear expectations to management. While most resolutions are non-binding, they can influence company practices meaningfully, particularly around disclosure quality, risk management transparency and responsiveness to shareholders. We will support resolutions that align with our investment view on the topic raised and where we believe the requested outcomes will strengthen the investment case or otherwise benefit our clients. Support can be an effective way to communicate concerns directly to management, reinforce engagement priorities, and encourage measurable progress.

- **Submitting or co-filing a shareholder resolution:**

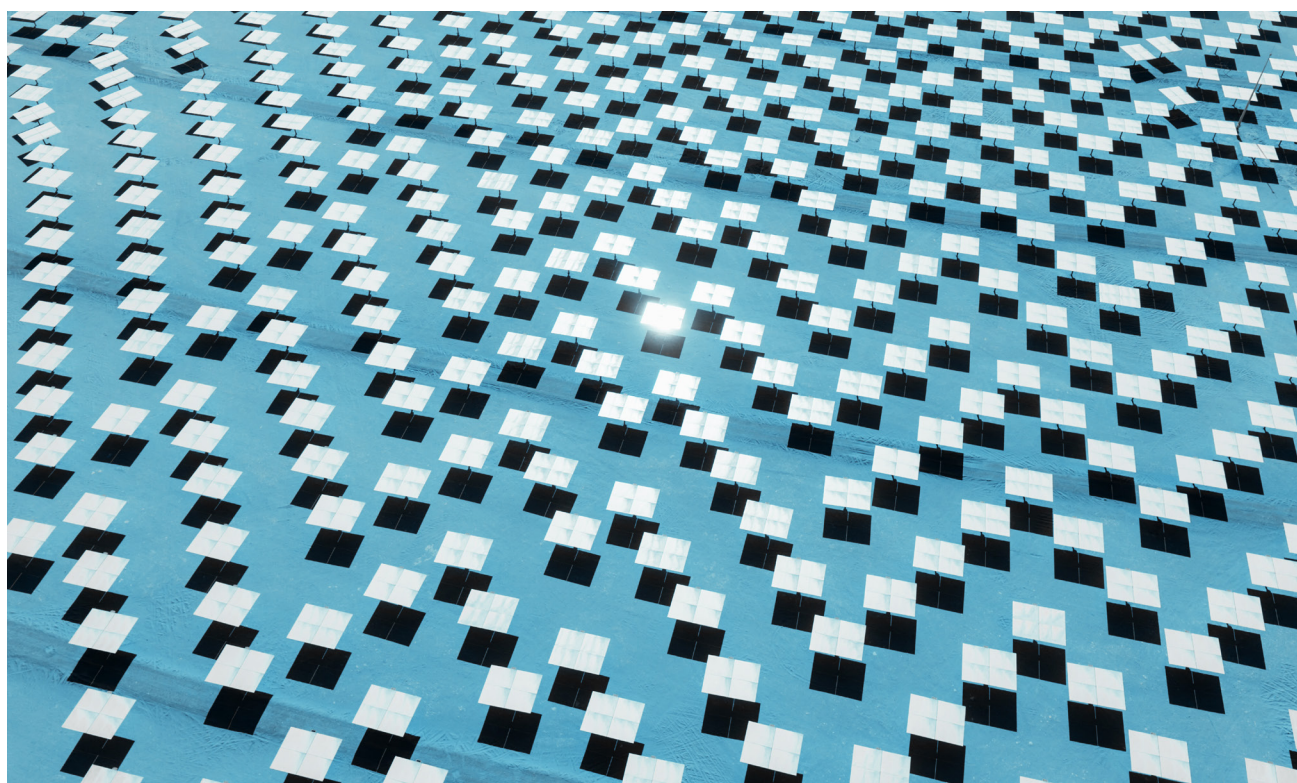
Submitting or co-filing a resolution with other shareholders is a more explicit escalation step, reserved for severe cases where engagement has stalled or failed and the issue is material to long-term value. This action is typically the last step prior to considering divestment. We did not submit or co-file any resolutions in 2025.

- **Attending or asking a question at the shareholder meeting:**

Attendance at shareholder meetings and posing questions – individually or with a collective of investors – can be a targeted escalation, particularly when access to the board or senior management is limited through normal engagement channels. This approach can help surface material issues, seek commitments, and clarify accountability in a public forum. We did not use this escalation technique in 2025.

Escalation discipline and safeguards

We escalate intentionally where it is likely to improve risk management, governance outcomes, and capital discipline, with clear hypotheses for value preservation or creation. Throughout, we maintain strict controls to avoid receipt of material non-public information and to comply with concert party, competition, and market conduct rules. We refrain from collaborative escalation where interests are misaligned with the underlying investment or the initiative's principles.



CONFLICTS OF INTEREST: IDENTIFIED CASES AND GOVERNANCE ACTIONS

During 2025, there were 12 instances where we recognised a potential material conflict of interest in voting. Below is a table summarising these instances, including the company, meeting date, and the action taken following vote recommendations of an independent third-party proxy service provider.

Company	Meeting	Date	Action following vote recommendations of independent third-party proxy service provider
The Bank of New York Mellon Corporation	AGM	15-Apr-25	Voted in line with management
Pfizer Inc.	AGM	24-Apr-25	Voted against management (3) and in line with management on shareholder proposals (4,5)
International Business Machines Corporation	AGM	29-Apr-25	Voted in line with management on shareholder proposals (4,5)
Ovintiv Inc.	AGM	01-May-25	Voted in line with management
CMS Energy Corporation	AGM	02-May-25	Voted against management on shareholder proposal (4)
General Dynamics Corporation	AGM	07-May-25	Voted in line with management on shareholder proposal (4)
The Travelers Companies, Inc.	AGM	21-May-25	Voted in line with management on shareholder proposal (5) and against management on shareholder proposal (6)
Unum Group	AGM	22-May-25	Voted in line with management
Nasdaq, Inc.	AGM	11-Jun-25	Voted in line with management
Fidelity National Information Services, Inc.	AGM	12-Jun-25	Voted in line with management
WisdomTree, Inc.	AGM	17-Jun-25	Voted in line with management
Fox Corporation	AGM	14-Nov-25	Voted against management (1a, 1c, 1d, 1f,1g), in line with management on shareholder proposal (5) and against management on shareholder proposal (6)

Note: Agenda items voted against management and votes on shareholder resolutions are shown in parentheses. Further information is provided in our conflicts of interest policy, which is available on our website at: <https://www.newtonim.com/global/special-document/conflict-of-interest-policy/>

CLIMATE STRATEGY

The environment and climate change

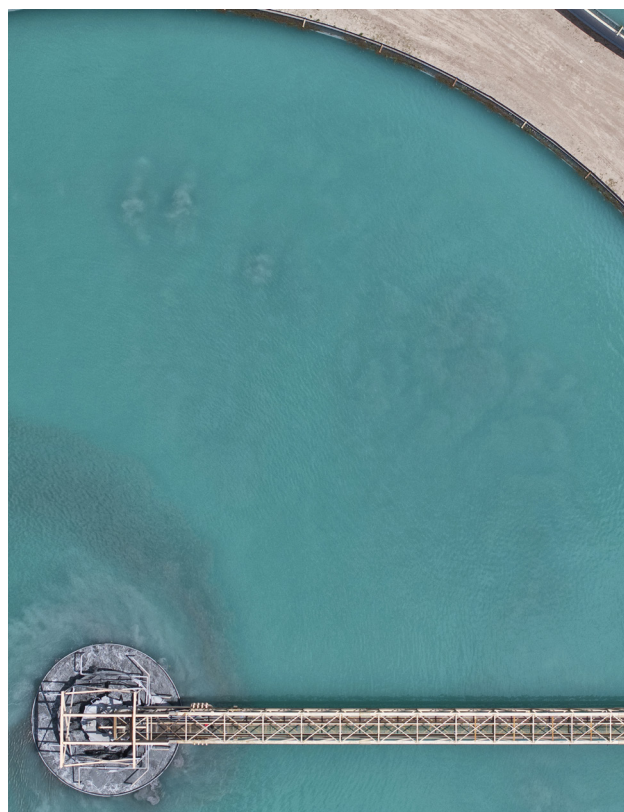
Our UK legal entity, NIM, is a signatory to the Net Zero Asset Managers Initiative (NZAM) and is committed to supporting investing in line with the global goal of net-zero greenhouse-gas emissions. As at the date of publication of this report, we are refining our commitment in line with NZAM procedures, and we will publish details of our ambition in due course.

We recognise that climate change may represent a long-term risk to the investment returns our clients seek. We seek to encourage companies to adopt credible transition plans, rather than excluding them from our portfolios. This is grounded in the premise that reducing real-world emissions is required to mitigate the negative impacts of climate change, and therefore the physical risks that can affect investee companies, our portfolios, and ultimately client investment returns. We believe that many high-emitting businesses are necessary today and in the future world, and so capital which is thoughtfully deployed and has an understanding of the long-term risk and opportunity, is required, to enable these businesses to continue to provide essential goods and services, with a resilient business model.



Despite the need for many of these businesses, from food production to transportation to buildings, we recognise that there are risks to portfolios and client returns to consider. We consider more nuanced indicators than emissions alone as an indicator of climate risk at investee companies. Our commitment uses the Science Based Targets initiative (SBTi) methodology, as we believe this is a forward-looking

indicator in assessing the transition-readiness of investee companies, and long-term financial performance. We have also developed a proprietary score – Newton Net Zero (NNZ) - to assess the credibility of transition plans. This is particularly important as real-world decarbonisation, and the effective management of transition risk by companies, requires both the appropriate level of commitment and a credible underlying business plan to achieve this.



We are also mindful of our emissions as a business entity. Newton is part of the BNY group which is committed to reducing Scope 1 and Scope 2 (location-based) emissions and maintaining carbon neutrality (including business travel) as an operating business. As with all members of the BNY group, Newton contributes to these climate mitigation efforts.

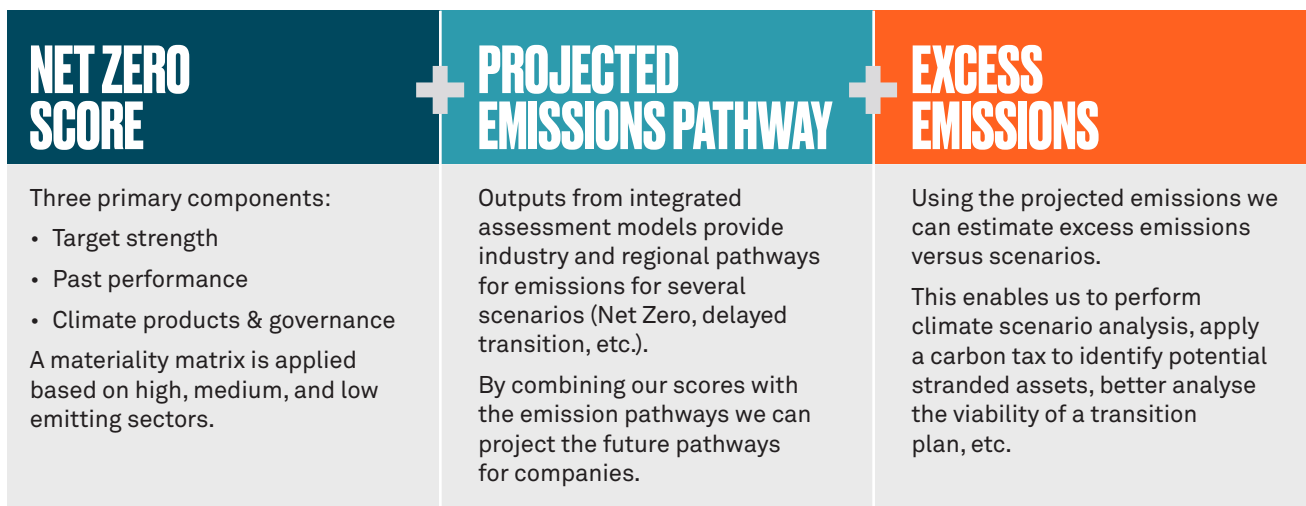
Like our broader industry, Newton is on a journey when it comes to climate-related risk management and our approach continues to evolve. We are committed to understanding how practices evolve and can be most meaningfully integrated into our own approach, whether that be governance and oversight, or investment analysis. We are of the firm view that any approach should be carefully considered, and a part of the way the business or investments are run, rather than designed to tick a box.

Newton Net Zero score

The Newton Net Zero (NNZ) score is a core tool within our climate strategy, introduced in 2023 and continuously refined since. Developed internally at Newton, the NNZ score provides a quantitative assessment of the strength of a company's transition plan, enabling us to evaluate the robustness of net-zero commitments against our defined criteria. The NNZ score enables us to:

- Supplement science-based targets with a proprietary and more detailed view
- Support the delivery of our NZAM commitment
- Systematically assess climate risk and opportunity management by companies
- Provide a framework to identify engagements
- Offer client solutions to apply a climate lens to portfolios

There are three pillars to the assessment, which we believe builds a fuller picture of a company's transition readiness than any metric can in isolation.



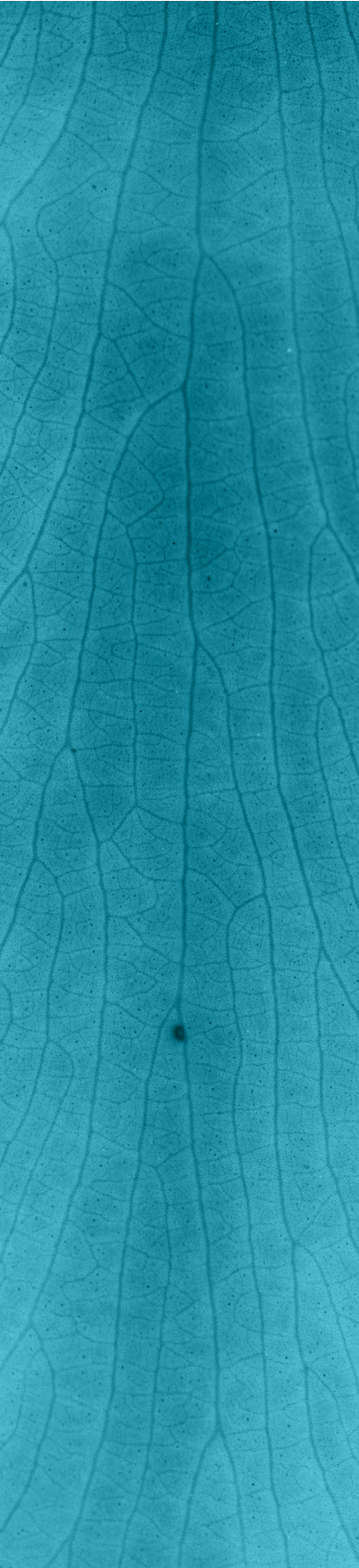
This score is available at a security and portfolio level, via a dashboard, to all investment teams at Newton. Additionally, the RI team may use this as a starting point for further research into individual securities, as part of the investment integration process, or through engagement prioritisation. Upon demand, we can also integrate this into client mandates, to offer a net zero-aligned portfolio, focusing on the long-term climate trajectory of a portfolio, versus using more binary emissions caps.

Each year, we refresh the data which powers this score, as it becomes available. We also use this opportunity to assess if the score is as effective as it can be, through considering data inputs, weightings, and sector nuances, in particular. In 2025, our evolution focused on key sectors and ensuring that specific pathways had been factored into our methodology.

Following discussion, the methodology was simplified for banks and insurance companies, reducing the number of metrics included, and grouping them together. We

maintained metrics on portfolio targets and increased the focus on Scope 1 and 2 emissions, which are directly within a company's control. For high Scope 3 industrial companies, potential future changes were discussed to better recognise low carbon innovation (such as R&D and green capital expenditure). We also identified emerging markets scoring as an area we would like to develop as the data becomes available, to ensure companies are not penalised based on regional variances in disclosures, and due to national net-zero pathways.

Looking ahead, we are exploring whether to add an AI infrastructure component to the NNZ score to capture how a company's use of AI could materially change its long-term emissions trajectory. This could be either through efficiency gains or increased energy demand not fully reflected in current disclosures. The work focuses on defining how such a metric would improve signalling mechanisms given current data limitations and complexities.



MONITORING OUR EXTERNAL MANAGER AND SERVICE PROVIDERS

We engage ISS, an independent proxy voting service provider, to manage meeting workflows, facilitate vote execution through its electronic platform, and provide research as one input into our investment-led stewardship decisions. ISS is overseen under standards established by our Vendor Management Oversight Group. We conduct structured service reviews twice yearly, and formal due-diligence meetings every three years, to assess operational performance, service quality, research rigour and the effectiveness of internal controls, including the management of material conflicts of interest. Our objective is to ensure that the proxy advisory support we leverage is reliable, independent, and aligned with clients' long-term investment outcomes.

Focus areas in 2025

- Benchmark research quality and methodological consistency - We continued to advocate for enhanced rigour and greater alignment of research methodologies across regions. Where we observed inconsistencies in how ISS applies elements of its analytical framework, we sought clarifications and highlighted potential competitive disparities for issuers. The goal is to ensure research inputs are comparable, decision-useful and supportive of fair market functioning.
- Conflict management and integration of client perspectives - We reviewed ISS's conflict-of-interest controls, including how diverse client views are considered and integrated into research and recommendations, to support objectivity and protect the integrity of voting decisions.
- Operational dependencies and service resilience - We regularly assessed critical dependencies, such as vote execution reliability, disclosure capabilities and contingency arrangements, to maintain robust voting operations and transparent reporting for clients.
- Safeguards amid contentious proxy debates - We evaluated measures designed to shield research teams from improper influence in the context of increasingly divided opinions on ESG-related matters and proxy voting. Points of concern were raised and addressed through service review meetings during 2025, with a focus on maintaining independence, analytical quality, and consistency.

2025 marked the third consecutive year of implementing Newton's customised voting policy through ISS. This year, we placed greater emphasis on clarifying ambiguous policy areas and refining applications to reflect evolving best practices and investment relevance. These ongoing discussions may lead to future updates to our voting guidelines. Our aim is to ensure policy standards are transparent, consistently applied across markets, and tightly linked to long-term value creation, risk management, and board accountability.

Glossary

Absolute return

Aims to achieve a positive return over a set timeframe and in all market conditions, although this is never guaranteed.

Active management

A process whereby an investment professional actively makes buy, hold and sell decisions and aims to outperform the overall market.

AGM (annual general meeting)

A yearly meeting where a company's shareholders gather to discuss company performance and vote on important issues.

Asset(s)

In this context, investments held in a portfolio, for example stocks, bonds, property and cash.

Asset class

A grouping of investments that exhibit similar characteristics and are subject to the same laws and regulations.

Bond(s)

A loan by an issuer to a borrower for a stated period of time in exchange for a fixed interest rate payment and the repayment of the initial amount at its conclusion.

COP30

The commonly known name for the 30th session of the United Nations (UN) Climate Change Conference or Conference of the Parties to the UN Framework Convention on Climate Change, held in Brazil during November 2025.

Corporate bonds

A loan made to a company for a fixed period by an investor, for which they receive a defined return.

Council of Institutional Investors (CII)

A non-profit association of US asset owners that advocates for effective corporate governance and strong shareholder rights to protect long-term investment value.

EGM (extraordinary general meeting)

A special meeting called to address urgent matters that cannot wait until the next AGM.

Engagement (RI context)

The purposeful dialogue that investors can have with companies, through which they seek to reduce risk or unlock value in an investment.

Environmental, social and governance (ESG) analysis

The analysis of a business's impact on the environment and society as well as the quality of its governance.

Equity/Equities

Shares issued by a company, representing an ownership interest.

EU Taxonomy Regulation and routes to alignment

Regulation (EU) 2020/852 which outlines a classification system that defines environmentally sustainable economic activities by measuring their alignment through revenue (income from 'green' activities), capital expenditure (investment in sustainable assets), and operational expenditure (spending to maintain 'green' operations).

Financial Reporting Council (FRC)

The UK's independent regulator responsible for overseeing audit, corporate governance, and financial reporting standards to ensure market transparency and integrity.

Fixed income

Broadly refers to those types of investment security that pay investors fixed interest or dividend payments until their maturity date.

Fundamentals (company)

A basic principle, rule, law, or the like, that serves as the groundwork of a system. A company's fundamentals are factors such as its business model, earnings, balance sheet and debt.

Just transition

Ensuring fair treatment for workers and communities as companies shift to more sustainable practices.

Macroeconomic

The performance and behaviour of an economy, including factors such as economic output, unemployment, inflation and investment.

Net zero

Achieving a balance between the carbon emitted into the atmosphere, and the carbon removed from it. This balance – or net zero – will happen when the amount of carbon added to the atmosphere is no more than the amount removed.

PFAS

PFAS stands for per- and polyfluoroalkyl substances, which are a large group of human-made chemicals used in various products due to their resistance to heat, water and oil. Commonly known as "forever chemicals" because they do not break down easily in the environment, their widespread use has sparked health and environmental concerns.

Portfolio

A collection of investments.

Return(s)/Returned

The gain or loss from an investment over

a stated period of time – expressed in either percentage or cash terms.

Scope 1, 2 and 3 emissions

A framework to categorise an organisation's greenhouse gas emissions into three types based on source and control: Scope 1 (direct), Scope 2 (indirect energy), and Scope 3 (value chain). These categories help organisations manage, report and reduce their total carbon footprint.

Security/Securities

A tradable financial asset such as a share in a company or a fixed income security also known as a bond.

Share(s)

Also known as equity, is a security representing the ownership of a fraction of a company listed on the stock market.

Share blocking

A restriction that prevents shareholders from voting their shares for a certain period.

Shareholder proposal/resolution

A recommendation or request submitted by shareholders for a vote at a company meeting.

Sovereign bonds

A loan of money by an investor to a government for a stated period of time in exchange for a (generally) fixed rate of interest and the repayment of the initial amount at its conclusion.

Stewardship

The responsible allocation, management and oversight of capital to create long-term sustainable value for clients and beneficiaries. Good stewardship via active ownership seeks to protect and increase the value of investments over time.

Sustainable investing

Investing with a clear intent to deliver environmental and/or social outcomes alongside generating a financial return.

Voting in favour of/against management

Supporting or opposing the recommendations made by a company's management on resolutions

Water neutrality

A practice where an entity balances its total water use by reducing consumption and implementing offset measures to ensure zero net impact on local water resource.

World Benchmarking Alliance (WBA)

A non-profit organisation that evaluates corporate performance in relation to the United Nations' Sustainable Development Goals (SDGs), aiming to encourage businesses to drive positive change.

Important information

Material in this publication is for general information only. The opinions expressed in this document are those of Newton and do not necessarily reflect the views of BNY or BNY Investments and Wealth Management and should not be construed as investment advice or recommendations for any purchase or sale of any specific security or commodity. Certain information contained herein is based on outside sources believed to be reliable, but its accuracy is not guaranteed. Any reference to a specific security, country or sector, including any case studies, should not be construed as a recommendation to buy or sell investments in those securities, countries or sectors. Please note that portfolio holdings and positioning are subject to change without notice.

Newton manages a variety of investment strategies. How ESG analysis is integrated into Newton's strategies depends on the asset classes and/or the particular strategy involved. ESG can be one of many inputs into the fundamental analysis. Newton will make investment decisions that are not based solely on ESG analysis. Other attributes of an investment may outweigh ESG analysis when making investment decisions.

The use of engagement themes may vary depending on the asset class. Engagement themes have been identified to reflect the issues we believe to be most material to companies' risks and opportunity sets in the long term. However, other topics may be considered and have greater weighting when engaging with companies. Newton will make investment decisions that are not based on engagement themes and may conclude that other attributes of an investment outweigh Newton's engagement strategy.

Strategies with sustainability characteristics are defined as those that follow Newton's proprietary sustainable investment framework. UK-domiciled funds that follow these strategies do not currently have sustainability labels under the UK Sustainability Disclosure Requirements (SDR).

BNY Investments Newton is the name for a group of affiliated companies that provide investment management services under the trading name of 'Newton' or 'Newton Investment Management': Newton Investment Management Limited (NIM) and Newton Investment Management North America LLC (NIMNA). NIMNA was established in 2021.

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MAR007667. Exp 05/2027.