

STEWARDSHIP AND RESPONSIBLE INVESTMENT POLICY

BNY Investments Newton

May 2026

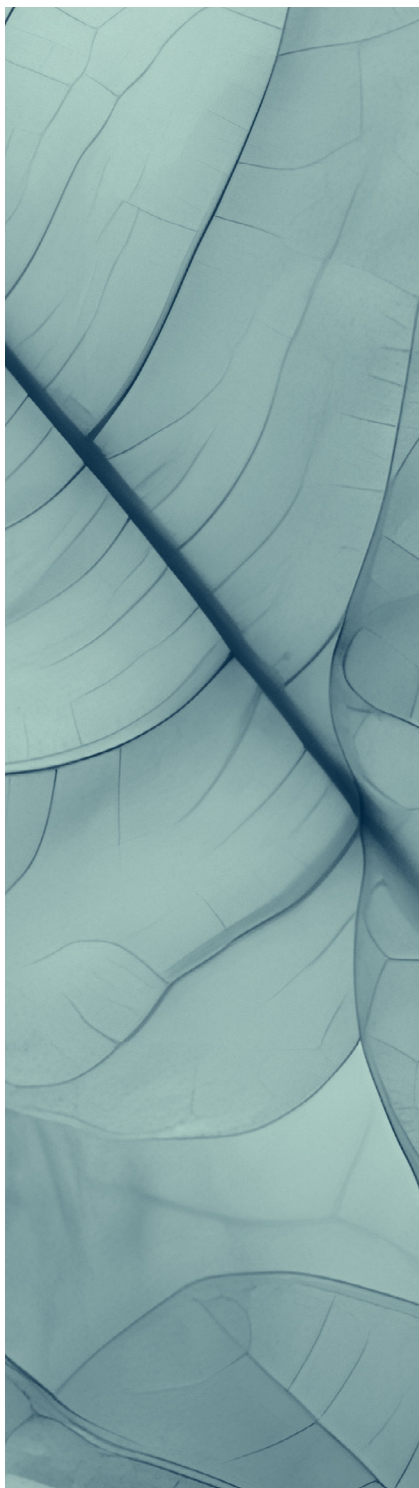
STRICTLY FOR INSTITUTIONAL INVESTORS ONLY. BNY Investments Newton is the name for a group of affiliated companies that provide investment management services under the trading name of 'Newton' or 'Newton Investment Management': Newton Investment Management Limited (NIM), registered in the UK, and Newton Investment Management North America LLC (NIMNA), registered in the US. Unless otherwise stated, this policy applies to both entities, hereafter referred to as 'Newton Investment Management' or 'Newton'. Please read the important disclosure at the end of this document.

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For definitions of the investment-related terms included in this document, please refer to the glossary on page 18.

INTRODUCTION



Our business is about investments, and we consider that helping our clients achieve their objectives necessitates an active, multidimensional and engaged investment approach. We have equipped our investment team with a wide range of innovative inputs to facilitate idea generation. Our multidimensional approach to research means that a potential investment idea can be assessed through multiple perspectives to enable our portfolio managers to make informed decisions. Once invested, we seek to be active stewards of our clients' capital, engaging with issuers and voting, where applicable.

We consider that the global economy is inherently interconnected and linked with the natural environment, and with society more broadly. Furthermore, we understand that there are environmental considerations and critical societal shifts that present both economic risks and opportunities to the value of our investments. By developing a greater understanding of these risks and opportunities, we believe we are better placed to invest our clients' capital into an uncertain future.

We seek to understand our clients' objectives and offer appropriate investment solutions, be an engaged steward of our clients' investments, and manage our own business in a responsible manner.

About This Document

This policy describes our approach to stewardship and responsible investment (RI). More specifically, it provides insights into our key commitments, RI approach, governance and reporting, sustainable investment framework and environmental, social and governance (ESG) integration, and corporate responsibility efforts. Throughout this policy, we provide an overview of the different elements of the Newton RI framework – the actual utilization/relevance of the various framework elements described will differ on an investment strategy-by-strategy basis. The policy will be reviewed annually.

Scope

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.¹ Unless otherwise stated, this policy applies to both entities, hereafter referred to as 'Newton Investment Management' or 'Newton'.

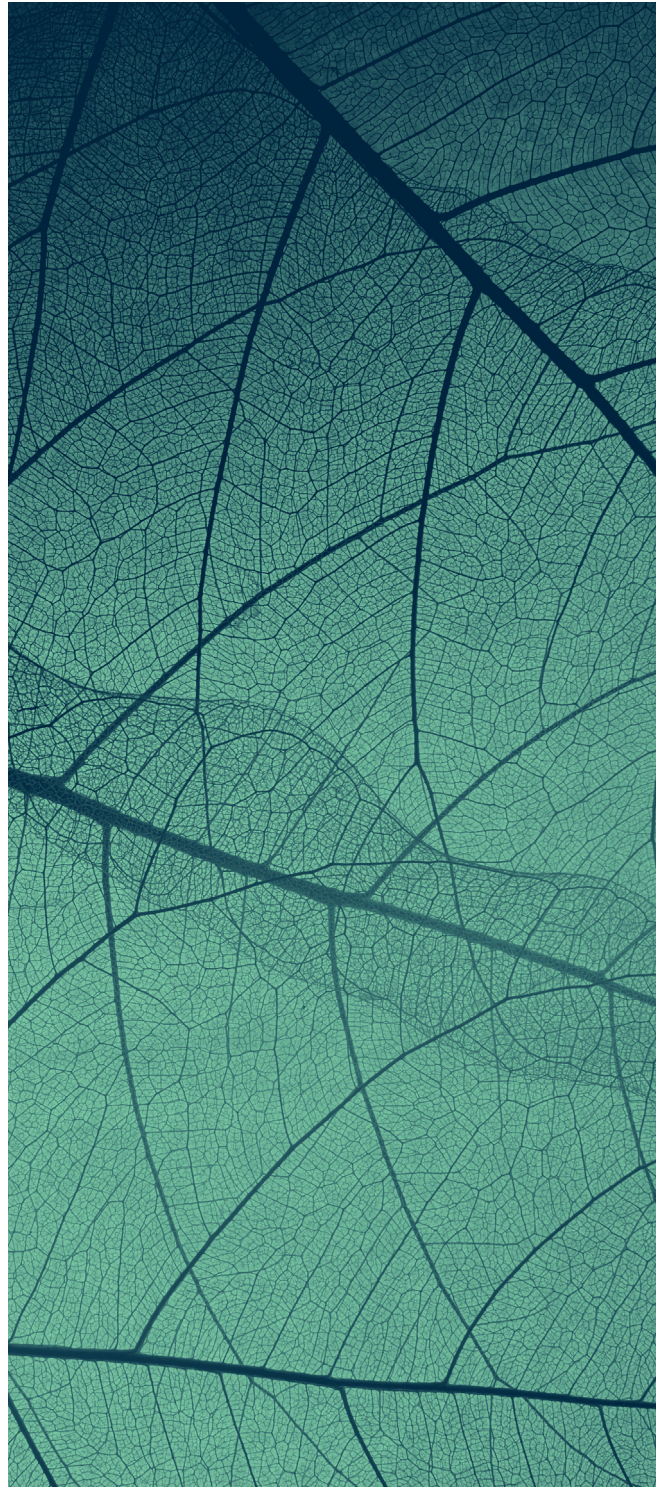
Different elements of this policy apply to different investment strategies, depending on where these sit within Newton's spectrum of capital. As an indirect subsidiary of The Bank of New York Mellon Corporation ('BNY'), Newton is also subject to BNY policies, including, but not limited to, the BNY Investments ESG, Responsible and Sustainable Investing Control Framework Policy.

In relation to RI assets under management (AUM), we take a range of approaches, led by client expectations. This may include the use of screening, which aims to align products to the values of clients. We also manage strategies with sustainability characteristics that seek a balance between the current and future requirements of stakeholders. They aim to encourage a better allocation of capital that leads to the generation of attractive investment outcomes for clients alongside guiding positive change for society and the environment. All of our active investments integrate ESG considerations, where ESG issues may be considered alongside other factors purely to the extent that these may affect financial returns,

We also manage non-RI AUM, defined as those investment strategies where ESG considerations are not systematically and explicitly incorporated into investment decisions. These are strategies that invest in certain types of investments that we do not currently view as presenting ESG risks or opportunities. These investments include cash, cash equivalents, currency positions, particular types of foreign direct investment and other non-issuer specific instruments. These strategies may also use quantitative-driven investment approaches or invest in index-based exchange-traded funds (ETFs), where we do not consider it practicable to take account of ESG factors.

Our approach to stewardship is applied across equity and fixed-income (corporate and sovereign bonds) strategies to varying degrees depending on their nature. Derivatives and cash instruments are out of scope. This approach is applied to relevant assets across each Newton entity.

¹ NIM and NIMNA were integrated in 2021.



STEWARDSHIP OF OUR CLIENTS' CAPITAL

RI has been a foundation of Newton's investment approach for over two decades, and throughout that period we have played a highly active role as the industry landscape has evolved.²

Key Principles and Commitments

- We are committed to an investment philosophy that integrates multidimensional research and active ownership as tenets of our investment processes where appropriate to the strategy.
- We assess a mosaic of issues to fully understand the financially material risks and opportunities influencing the economic value of the securities and instruments in which we invest on behalf of our clients. This includes, among others, any financially material ESG information.
- We emphasize substance over form, preferring to take an informed and focused approach to our research and stewardship activities, by acting on the most material issues in pursuit of the greatest meaningful long-term economic impact for our clients.
- Our core approach to investing is about engagement rather than exclusion, and about trying to mitigate risks that have the potential to cause material financial impact to our clients' best long-term economic interests. We prefer to engage with companies and support them to develop and enhance their practices or business models where appropriate, rather than using divestment or denial of capital as the only option.

To support the best long-term economic interests of our clients, we are currently a signatory to or a supporter of several industry principles and pledges and carefully selected initiatives. These include:

- **Principles for Responsible Investment (PRI)** – The PRI is an asset owner-led organization that promotes RI principles and helps administer members' specific RI activities. NIM has been a signatory to the PRI since 2007, and NIMNA became a signatory in 2022 following its integration with NIM. Collectively, we continue to embrace and strive to deliver against the principles under the PRI.
- **UK Stewardship Code** – NIM has been a signatory of the UK Stewardship Code since 2012. NIM and NIMNA currently comply with the UK Financial Reporting Council's 12 principles for stewardship expectations of UK investors.

Industry Collaboration

Where consistent with client objectives, products and legal requirements, Newton may also participate in select collective initiatives regarding thematic issues or concerning specific changes which present a risk of materializing over the medium to long term, where it considers these to be an efficient and effective means of raising concerns. When considering action and when acting collectively on a specific issue of concern with a company, we exercise caution in order to avoid unintentionally being in receipt of material non-public information or breaching concert party or competition rules. These collective engagements do not influence the voting process. We will refrain from collaborating with others where there is a misalignment of interests in relation to the underlying investment or principles that are driving an initiative. Further details are presented in our sustainability and stewardship annual report, available on our website at newtonim.com/responsibleinvestment. We carefully and diligently choose the initiatives we support to ensure they add value to our investment process for our clients and are consistent with proper standards of market conduct. Our participation in collaborative initiatives also aligns with the principles established by the PRI and the UK Stewardship Code.

² This applies to NIM and not to the NIMNA legal entity. NIMNA was established in 2021.

GOVERNANCE

Having an effective management and governance framework is an important part of our overall business strategy. As investors, we understand the value of effective leadership and accountability. This is closely linked to the culture of our business, as leadership and accountability have equal importance in Newton's governance. We have therefore established appropriate governance systems and controls to support our stewardship and RI policy. For example, within our UK legal entity, NIM, we have taken steps to harmonize our independent non-executive director board composition across the BNY Investments UK legal entities. 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)³ – 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.

- **NIM Board Risk Committee**³ – also plays a role in the governance of our sustainability and stewardship efforts for NIM; 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 center 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.

This policy is approved by the Newton Responsible Investment Advisory Group, and in the event of material changes, this would be notified to the Investment Oversight Committee and Board Risk Committee.

Our Net Zero Asset Managers (NZAM) Commitment

Our UK legal entity, NIM, is a signatory to the Net Zero Asset Managers (NZAM) initiative and is committed to supporting investing in line with the global goal of net-zero greenhouse-gas emissions where consistent with its fiduciary duties and, where applicable, client mandates, fund investment objectives and other legal obligations. 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.

³ Covers Newton Investment Management Limited (NIM) legal entity.

OUR APPROACH TO SELECT RI TOPICS

We draw from the tenets of key international codes seeking to manage social and environmental capital, such as the OECD (Organisation for Economic Co-operation and Development) Guidelines for Multinational Enterprises, which are endorsed by OECD countries including our main domains – the US and the UK. We also support the UN Global Compact.⁴ We incorporate into our analysis guidance established by internationally recognized governance principles, including the OECD Corporate Governance Principles⁵ and the International Corporate Governance Network (ICGN) Global Governance Principles.⁶ These organizations and codes reflect a shared understanding of expectations of businesses, which we can therefore consider within the nuances of a specific security or portfolio.

We describe below our position on key E, S and G issues and how we approach analysis of the companies in which we invest, where we consider the potential impact on the long-term economic value of an investment. This is a representative and non-exhaustive list outlining our position on select issues that we recognize to be material. We typically consider environmental and social issues on a sectoral basis, and governance issues regionally. These issues may vary in relevance and may play varying roles in different investment strategies, depending on the nature of an individual investment strategy and its objectives as part of a broader multidimensional approach.⁷

ENVIRONMENTAL

Physical climate risks

Physical climate risks arise from changes in weather patterns linked to climate change. These include acute risks, such as more frequent and severe extreme weather events (for example floods or storms), and chronic risks, such as long-term shifts in temperature, rainfall patterns, or sea levels. Because physical risks are location-specific, exposure depends on where a company's assets, operations, and supply chains are located. These risks can result in asset damage, impairment of asset values, and operational disruption, with potential impacts on costs, revenues, and long-term resilience.

Climate transition risk and net-zero strategy

Transition risks and opportunities relate to the shift towards a lower-carbon economy, driven by changes in regulation, technology, market dynamics, and consumer behavior. The scale and timing of these risks depend on the pace and direction of the transition and can vary significantly by sector and business model.

Transition risks may affect revenues, costs, capital expenditure requirements, and legal or compliance exposure. A company's net-zero or decarbonization strategy is a key factor in assessing how it is positioned for different climate transition pathways, including the extent to which its business model and products remain viable in a lower-carbon world.

Nature and biodiversity dependencies

Many companies depend on natural resources, either directly through their operations or indirectly through their supply chains. Disruption to the availability or affordability of these resources can arise from physical climate risks, environmental degradation, or increased competition for scarce inputs. Such disruption may lead to operational challenges, higher input costs, or reduced profitability. Companies that are able to reduce, substitute, or diversify their use of natural resources, or improve efficiency, may enhance operational resilience and manage costs more effectively.

⁴ The UN Global Compact is a voluntary initiative based on commitments to universal sustainability principles spanning human rights, labor, environmental and anti-corruption issues.

⁵ The OECD Corporate Governance Principles represent international corporate governance standards, intended to aid policymakers in evaluating and improving the legal, regulatory and institutional framework of corporate governance.

⁶ The ICGN Global Governance Principles serve as the ICGN's primary standard for what constitutes well-governed companies.

⁷ 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.

Nature and biodiversity impacts

Companies can also have material impacts on natural resources through their operations (for example pollution or discharges) and through the use or disposal of their products and services. These impacts are increasingly being internalized through regulation, legal frameworks, and shifting consumer expectations. Companies may face higher operating costs, constraints on certain products, or changes in input materials, with implications for profitability and business strategy.

Opportunities in environmentally friendly products and services

The transition to a lower-carbon and more resource-efficient economy also creates opportunities for companies that provide environmentally beneficial products or services. Demand for climate solutions, cleaner technologies, and more efficient or sustainable products may support stronger growth, more resilient revenues, or gains in market share.



SOCIAL

Cyber security and data privacy

Customer and employee data is valuable and therefore vulnerable to misuse, loss, or misappropriation. Regulation governing the collection, use, and storage of data continues to increase globally. Even where companies comply with legal requirements, failures in data governance or perceived misuse of data may result in reputational damage, legal exposure, and increased compliance costs.

Product safety and quality

Product safety and quality are central to customer trust and purchasing decisions. Products or services that pose risks to human health or safety, whether those risks are inherent, emerging, or the result of failures in quality control, may face increasing regulation, litigation risk, or shifts in consumer demand. Safety or quality failures can also be idiosyncratic, leading to product recalls, operational disruption, reputational damage, and potential revenue impacts.

Human capital management

Human capital refers to the skills, experience, and expertise that enable a company to operate effectively and deliver its strategy. Companies rely on their workforce across all aspects of their operations and must be able to attract, develop, retain, and engage employees. Poor employee engagement, unsafe working conditions, or weak labor practices can reduce productivity, increase turnover and costs, and disrupt operations. These factors can also impair a company's ability to attract talent, ultimately affecting long-term performance and resilience.

Opportunities in access to socially sustainable products and services

Policy developments, demographic trends, and rising levels of income can create opportunities for companies that provide products or services with positive social outcomes, such as access to education, healthcare, financial services, or essential goods. Under-penetrated markets or unmet social needs may support revenue growth, expansion into new markets or price points, and stronger brand positioning.

Human rights

Human rights are fundamental and universal, including rights related to labor standards, non-discrimination, and community wellbeing, guided by international norms and soft law. Company operations or sourcing in sensitive regions can give rise to heightened human rights risks, including impacts on local communities or workers within the value chain. Poor management of these issues may disrupt operations, delay projects, restrict access to licenses or permits, and result in legal, regulatory, or reputational consequences.

Supply chain risk management

Modern supply chains are often complex and lack transparency, increasing exposure to risks related to human rights, geopolitics, and operational resilience. Human rights risks frequently arise several tiers down the supply chain, making identification and oversight challenging. Failures in supply chain management may lead to higher compliance costs, legal exposure, reputational damage, and, in extreme cases, impacts on revenues.



GOVERNANCE

Board leadership

A company's board has oversight of the company's strategic direction and of management's operational execution. Directors are tasked individually and collectively to act in the best interest of the company and its shareholders and to give consideration to its other stakeholders (employees, customers, communities, etc.), although this scope may vary depending on the company's jurisdiction. The board has ultimate accountability for a company's governance arrangements, succession planning, corporate culture and risk-management systems, including the oversight and stewardship of the company's material risks and opportunities. It is therefore important that the board proactively manages these risks, in line with investor and stakeholder expectations, and that the board satisfies itself that its members have sufficient experience and an appropriate skillset to tackle those issues. We consider that boards are best able to provide this oversight when comprised of a majority of directors who are independent from management and other controlling shareholders.

Capital management

Ensuring that capital management is aligned with the overall strategic focus of the business is important for investors. We consider that a shareholder's voting rights should be proportionate to its economic interest in the company including the 'one-share, one-vote' principle. While acknowledging the need for a company to have flexibility and financial leeway, we look for general share issuances to offer protection for existing shareholders, notably by not being excessively dilutive and with any discount to market price substantiated by a robust rationale.

Anti-takeover mechanisms

We do not generally support the use of anti-takeover mechanisms, including uneven share structures, as such devices can lead to the entrenchment of a poorly performing management team and inhibit the creation of shareholder value. However, on a case-by-case basis, we may support proposals where the primary purpose appears to be to provide management with temporary or short-term insulation from outside influences.

Related-party transactions

We expect the disclosure of information around related-party transactions as well as the board or annual general meeting (AGM) process used for their approval, as these represent crucial information on insider movements and conflict-of-interest situations that we use in our analysis of the company's governance arrangements.

Reporting and audit

A company's financial reporting is a key element of its communication with its shareholders and the market. It should provide accurate, balanced and understandable financial and non-financial information relating to the fiscal year under review, as well as clarity on the assumptions made by management in order for stakeholders to be able to robustly assess the company's potential future performance and long-term prospects. The audit committee plays a key role in determining and overseeing internal control mechanisms, including providing challenge to management and maintaining the quality of the external auditors. We encourage all companies to provide a report to shareholders from the audit committee in their financial reporting disclosing any risks identified and the steps being taken, if any, to enhance practices.

Remuneration (executive pay)

Pay is critical for attracting, retaining and motivating executive leadership and senior management. We consider that the design of executive pay should support the execution of the business's strategy and align executives' interests to those of the shareholders and the broader stakeholders over the long term.

Transparency, accountability and shareholder rights

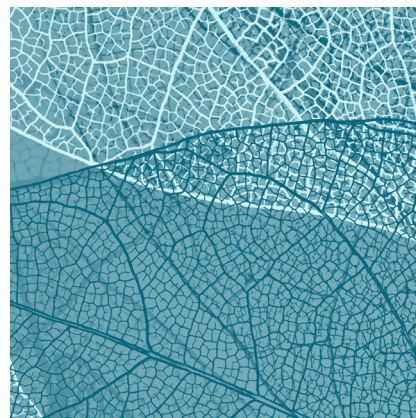
We expect companies to provide accurate and timely information to enable investors to make informed investment decisions. Companies should also provide transparency on their governance structures and the rights available to shareholders to hold boards and management to account. Crucial to these rights is the ability to vote on and approve the company's most important corporate decisions. These decisions can relate to bylaw/article amendments, and material corporate transactions including mergers, acquisitions, disposals and related-party transactions.

More information on our expectations on key governance issues that arise in proxy voting can be found in our governance principles and voting guidelines available on our website at newtonim.com/responsibleinvestment.

OUR APPROACH TO ESG INTEGRATION

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,⁸ we utilize ESG integration⁹ – assessing the financial materiality of environmental, social, and governance factors – while keeping the objective solely focused on financial returns.

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 policy 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.



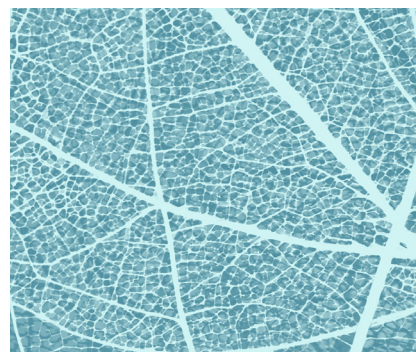
ESG Integration Processes

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, prioritizing 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.

Quantitative Processes

While ESG data reporting is becoming more prevalent, gaps and a lack of standardization continue to be a challenge for investors. This often means that only scores, or binary indicators, have sufficient coverage across a universe, and even this can vary. As a result of the aforementioned data gaps, reliable long-term back tests cannot be performed on ESG data. This limits our ability to fully integrate ESG considerations into our quantitative strategies or solutions, as we do not believe that one score alone, or yes/no questions, are able to capture the necessary detail or nuance within RI analysis to add to our investment decisions. Therefore, RI analysis is not currently conducted for our quantitative-driven strategies.



⁸ 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.

⁹ 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.

STEWARDSHIP AND ACTIVE OWNERSHIP

In seeking to be an active steward, Newton is committed to the responsible allocation, management and oversight of capital to create long-term economic value for our clients. We use three main stewardship tools to help us meet our commitment to our clients: engagement with issuers, voting at shareholder meetings, and advocacy within the wider marketplace.

Engagement: Setting an objective for company dialogue, seeking to reduce risk or unlock value in an investment, in partnership between the Newton RI and investment teams¹⁰

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, recognizing 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 UK Financial Reporting Council (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, recognizing that not all engagements yield immediate change.

We focus on impact over frequency: targeted, outcome-oriented engagement 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.



¹⁰ We do not acquire or hold securities for the purpose or effect of changing or influencing control of management for purposes of Rule 13d-1(b) and Rule 13d-1(c) of the Securities Exchange Act of 1934, as amended.

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 authorized, 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.

Further details can be found in our governance principles and voting guidelines, available on our website at newtonim.com/responsibleinvestment.

Advocacy: 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, prioritizing 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 dialogue with, investee companies
- Expand or utilize 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 and relevant market initiatives
- Provide informed feedback to the market, industry bodies, and regulators



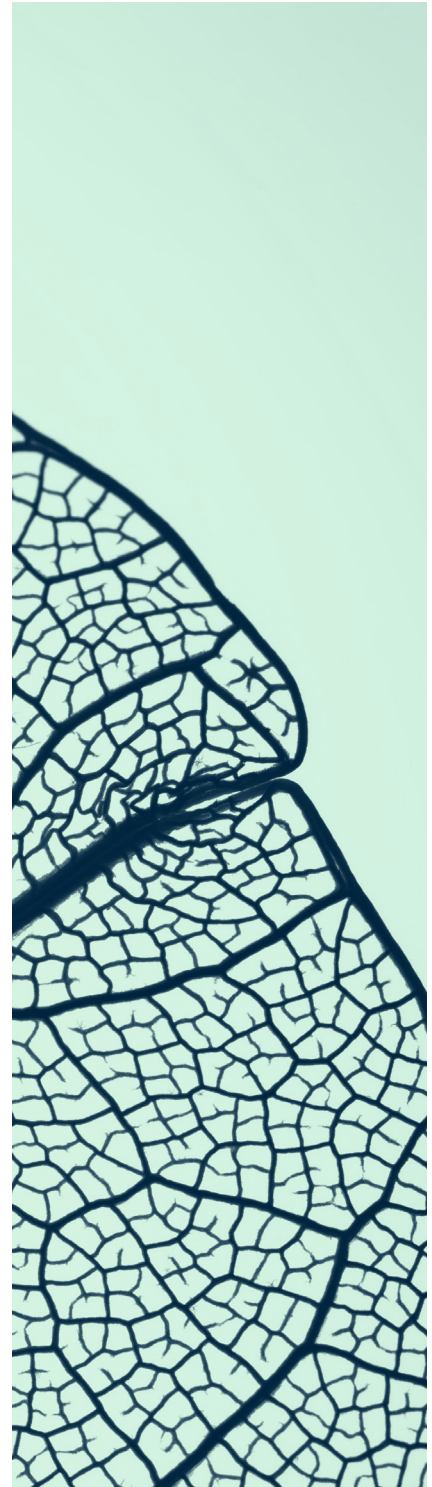
REPORTING AND TRANSPARENCY

We consider that transparency is important for effective stewardship. We report on our sustainability performance through several dedicated disclosures that are aligned with our voluntary commitments or required by regulation.

We produce an annual sustainability and stewardship report that provides details on our ESG integration efforts and stewardship activities, including engagement outcomes, an overview of our voting activity, and our advocacy efforts including through industry initiatives and collaborative engagements. This is aligned to UK FRC Stewardship Code standards.

We also produce a post-season voting report which takes a closer look at, and lays out our consideration of, trends observed during the season, as well as providing a deeper insight into our voting activities. Our voting record for selected portfolios is disclosed on our website.

In addition, we communicate with our clients on the sustainability characteristics of specific portfolios through both periodic and tailored reports. More broadly, we strive for timely responses to other stakeholders' reasonable information requests.



SUSTAINABLE INVESTMENT FRAMEWORK

Many of our clients seek investment strategies with sustainability characteristics that seek a balance between the current and future requirements of stakeholders. For these clients, 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
Combating climate change	Climate adaptation	Anticipating the adverse effects of climate change and taking appropriate action to prevent or minimize 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 utilizing 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	Enhancing the opportunities to realize full potential through education, safe and diverse and inclusive workplace and measures that support employee growth and wellbeing.
	Safe societal & economic infrastructure	Supporting the resiliency of communities through the development of its social infrastructure and ongoing protection from harms. Enabling participation in the economy through access to finance and digitalization.
Health and wellness	Health	Promoting a healthier society through access to healthcare, medical technologies, and drug development
	Wellness	Promoting 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 aim to document the underlying sustainable activity that demonstrates either the contribution to or alignment with sustainability theme(s) and activities.¹¹

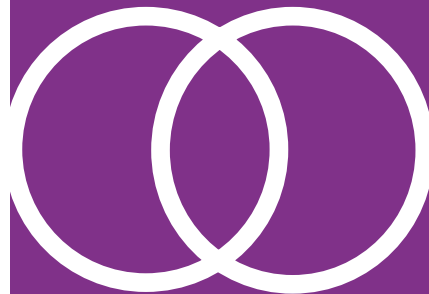
Contributors

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 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.

¹¹ This is typically done prior to purchase but there may be exceptions, such as for new issuances of corporate debt.

Sovereign Bonds

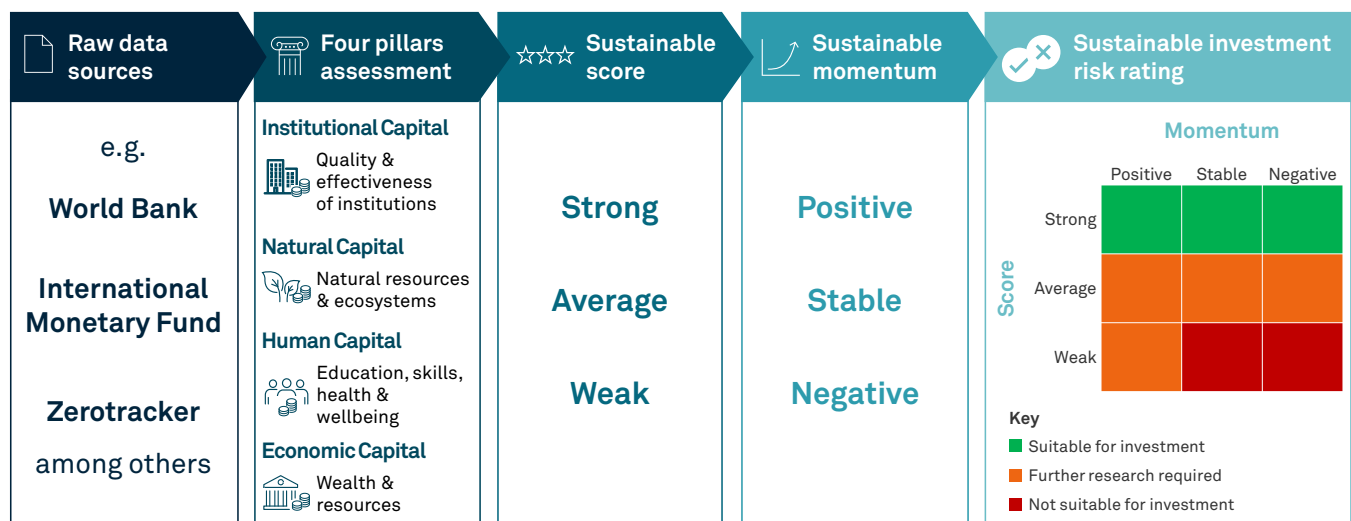
For sovereign bonds, the portfolio managers refer to the sustainable sovereign investment framework.

The framework for assessing sovereign sustainability is based on an analysis of four pillars of a country's capital: economic, natural, human, and institutional. Countries that allocate, and act as stewards of, these capital resources effectively are likely to experience stable long-term growth and show more economic resilience. We evaluate factors such as natural resource depletion, social cohesion and advancement, conflict, and institutional strength, in order to understand if the returns on offer from sovereign debt are justified given the risks attached. Each of the capital pillars is defined within the framework and assessed using data points sourced from international organizations.

Each issuer is assessed against the four pillars to determine how well it is performing from a sustainability perspective (its 'sustainable score') and how its management of key sustainability factors is progressing (its 'sustainable momentum'). These indicators are then combined to determine whether the sovereign security is suitable for investment.

Sovereigns are categorized to receive a classification of green, amber or red. The 'green' countries are suitable for investment in strategies with sustainability characteristics, while those identified as 'red' are not suitable. The 'amber' countries require a qualitative review to be performed and agreed between the fixed-income and RI teams to be classified as suitable for sustainable investment. This qualitative review is a mix of multiple factors based on research that highlights data gaps, risks to suitability, and other similar factors.

Newton's sovereign sustainability framework



GLOSSARY

Active management

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

Advocacy

The process by which individual shareholders, or a group of shareholders, seek to partner with relevant stakeholders, including policymakers, on systems-level issues which present a material risk that may crystallize in the medium to long term.

AGM (annual general meeting)

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

Alternatives (asset class)

An alternative is a financial asset that does not fall into one of the conventional investment categories, such as equities or bonds

Asset(s)

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

Asset allocation

An investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance, and investment horizon.

Asset class

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

Bonds

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.

Capital

Resources or money used or available for use in the production of more wealth.

Corporate bonds

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

Coupons

The interest paid on a bond by its issuer for the term of the security.

Default(s)

The failure to pay interest or principal on a loan or security when due.

Derivatives

Financial contracts, set between two or more parties, that derive their value from an underlying asset, group of assets, or benchmark.

Engagement

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.

ESG integration

The incorporation and analysis of the financial implications of environmental, social and governance (ESG) issues into the investment decision-making process.

EU Taxonomy

A framework established by the European Union to define which economic activities can be considered environmentally sustainable.

Exchange-traded funds (ETFs)

A type of investment fund that is traded on a stock exchange, typically tracks a stock index, a commodity, bonds, or a basket of assets.

Fixed income

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

Fundamentals

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. Economic fundamentals are factors such as inflation, employment, economic growth.

Government 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.

Index/Indices

A portfolio of investments representing a particular market or a portion of it. For example: The FTSE 100 is an index of the shares of the 100 largest companies on the London Stock Exchange.

Issuer

A legal entity that develops, registers and sells securities.

Liquid/Liquidity

The degree to which an asset or security can be quickly bought or sold in the market without affecting its price. Market liquidity refers to the extent to which a market, such as a country's stock market, allows assets to be bought and sold at stable prices.

Mergers and acquisitions (M&A)

The buying, selling, dividing and combining of different companies.

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.

Portfolio

A collection of investments.

Proxy voting

The process of casting votes on company matters on behalf of a shareholder. In an investment context, this usually means an investment manager (or its appointed proxy voting service provider) votes the shares held in a portfolio according to the manager's voting policy and assessment of each resolution.

Responsible investment (RI)

The overall strategy and practice of stewardship and the incorporation and analysis of the financial implications of ESG issues into the investment decision-making process.

Return(s)/Returned

The gain or loss from an investment over a stated period of time – expressed in either percentage or cash terms.

Risk-adjusted returns

A calculation of the profit or potential profit from an investment that takes into account the degree of risk that must be accepted in order to achieve it.

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.

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.

Sustainability

Meeting the needs of the present without compromising the ability of future generations to meet their own needs. For businesses, including Newton, this means seeking to do business without negatively affecting the environment, communities or society as a whole.

Sustainable investment

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

Valuation

A quantitative process of determining the fair value of an asset, investment, or firm.

Important Information

For Institutional Clients Only. Issued by Newton Investment Management North America LLC (“NIMNA” or the “Firm”). NIMNA is a registered investment adviser with the US Securities and Exchange Commission (“SEC”) and subsidiary of The Bank of New York Mellon Corporation (“BNY”). The Firm was established in 2021 and is part of the group of affiliated companies that individually or collectively provide investment advisory services under the brand “BNY Investments Newton” or “Newton” or “Newton Investment Management”. Newton currently includes NIMNA and Newton Investment Management Ltd. (“NIM”). In Canada, NIMNA is availing itself of the International Adviser Exemption (IAE) in the following Provinces: Alberta, British Columbia, Manitoba, and Ontario, including the foreign commodity trading advisor exemption in Ontario. The IAE is in compliance with National Instrument 31-103, Registration Requirements, Exemptions and Ongoing Registrant Obligations. 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).

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