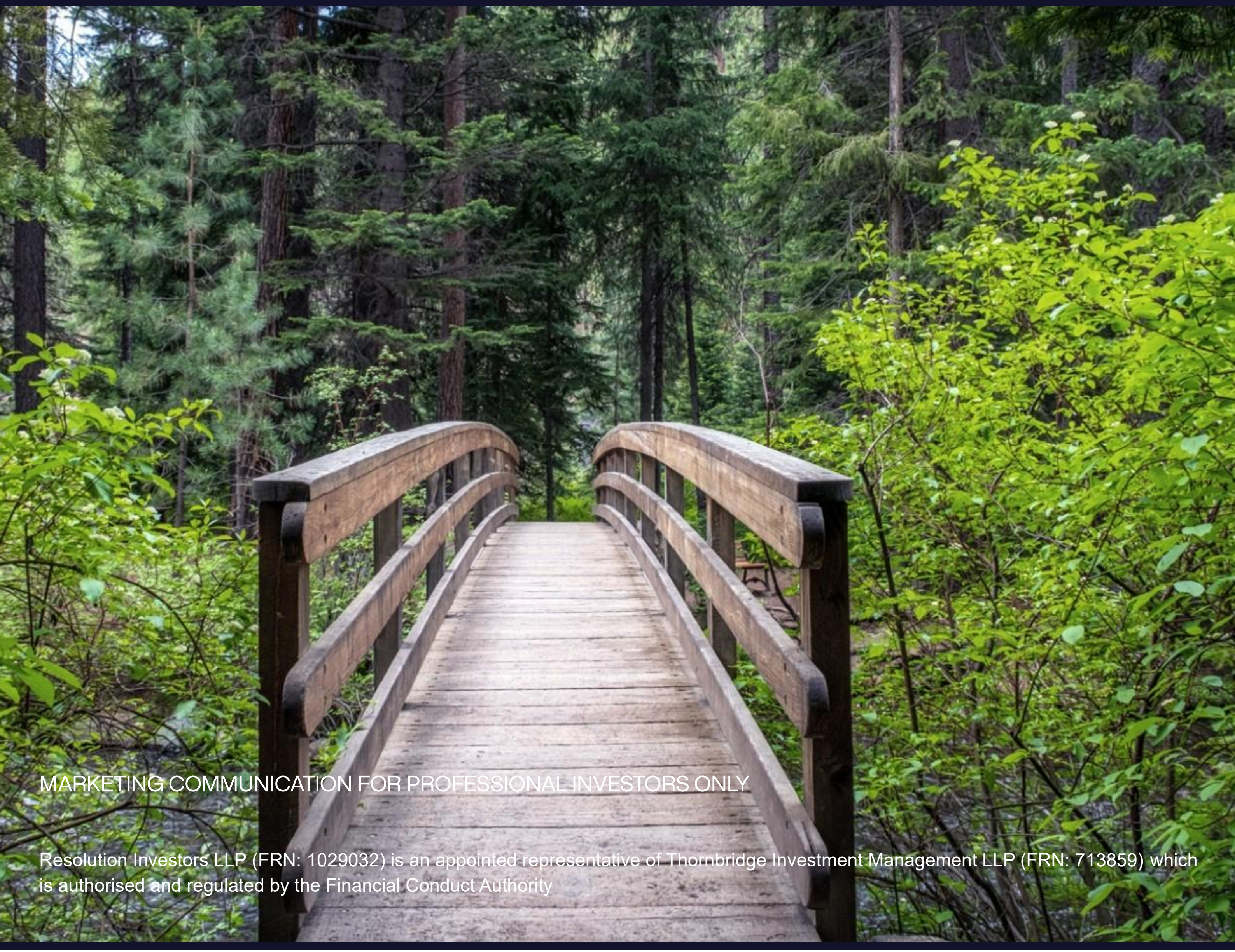
RESOLUTION INVESTORS

resolutioninvestors.com

Q1 2026

Resolution Investors

Quarterly Letter



MARKETING COMMUNICATION FOR PROFESSIONAL INVESTORS ONLY

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Introduction

Dear Friends,

Q1 was a reminder of how quickly markets can move. While periods like this can be uncomfortable, they often create the conditions for future returns, and it is important to separate what has changed in price from what has changed in underlying fundamentals.

This letter sets out our thinking: we discuss what drove performance and how we are thinking about the portfolio today, as well as where we are finding opportunities, particularly within what we describe as the ‘second order’ of AI beneficiaries, an area we believe remains underappreciated.

We also include our Sustainability and Stewardship section, which provides an overview of the portfolio’s sustainability metrics, a brief perspective on recent developments in the broader sustainability landscape, and case studies on Fortum, as a recent portfolio addition, and our recent engagement with Fortinet.

We appreciate your support, and, as always, welcome your questions and thoughts.

Best wishes

The Resolution Team

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Strategy Overview

In calendar Q1 2026, the strategy returned -7.75% net of fees and fund costs. Over the same period, the MSCI World Total Return Net USD returned -3.57%. Since inception on 30th September 2025 the strategy returned -5.20% net versus -0.57% for the MSCI World Total Return Net USD.

We continue to see the portfolio as attractively positioned and enter Q2 with conviction. Valuations have compressed to 21.9x forward P/E (vs. 18.3x for the MSCI World), while our assessment of underlying quality and long-term earnings power is unchanged. On our central case assumptions, this implies c.25% upside to fair value, without a commensurate increase in risk.

Top 10 Holdings

Company	Weight
TSMC	7.7%
WABTEC	5.2%
Becton Dickinson	5.1%
Fortinet Inc	4.5%
S&P Global Inc.	4.4%
Convatec Group plc	4.1%
Rentokil	4.1%
ASML Holdings	4.1%
Novonesis	3.8%
London Stock Exchange	3.8%
Total	**46.9%**

Sector Weights

Sector	Weight
Information Technology	25.6%
Industrials	24.3%
Financials	19.6%
Health Care	14.1%
Communication Services	7.6%
Consumer Discretionary	5.3%
Materials	3.8%
Utilities	3.5%
Cash & Cash Equivalents	-3.9%
Total	**100.0%**

Regional Weights

Region	Weight
North America	55.5%
Europe	22.0%
United Kingdom	18.7%
Asia	7.7%
Cash & Cash Equivalents	-3.9%
Total	**100.0%**

Currency Exposure

Currency	Weight
USD	71.9%
EUR	11.8%
GBP	7.4%
SEK	4.9%
DKK	3.9%
Total	**100.0%**

Source: HC Global Equity Fund, Northern Trust; portfolio holdings and characteristic data.
** Negative Cash may temporarily occur as a result of the timing differences between the settlement of shareholder subscriptions and the execution of the underlying portfolio trades to invest those subscriptions.*

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The portfolio comprised 32 holdings at the period end, with an 87% active share. Average EBIT margin stands at 25% and five-year historic sales CAGR at 14%, backed by high average scores against our proprietary Business and People & Management Checklists. Liquidity is good, with a weighted average market cap of $512bn and median of $59bn.

The portfolio is broadly balanced by sector and region, and well positioned across the AI opportunity, with meaningful exposure to the businesses we expect to benefit most, and sufficient balance to absorb ongoing sentiment volatility. The principal risk we are watchful of is a prolonged Iran conflict keeping the oil price elevated, though the recent, albeit clearly fragile, ceasefire has been a positive development.

Markets and Strategy Performance in Q1 2026

Markets: Rotation and Dislocation

The first quarter was defined by sharp rotations and unusually wide divergences across sectors. Sentiment shifts that might ordinarily have played out over months were compressed into weeks; in several parts of the market, multi-standard-deviation moves seemed to reflect fear and momentum as much as fundamental reassessment. Against this backdrop, the MSCI World declined -3.57% in USD terms.

The starkest contrast was between perceived AI winners and perceived AI losers. Within Semiconductors, Memory and Capital Equipment performed strongly, while Compute names, including Nvidia and Broadcom, gave back a portion of their substantial 2025 gains. Electrical Infrastructure benefited from rising data centre demand. Software and IT Services fared far worse, falling -24% as fears of AI-driven displacement weighed heavily on valuations - headlines even declared a SaaS-pocalypse - with Intelligence and Analytics businesses under almost as much pressure.

Energy and Oil & Gas was the quarter's standout performer, surging +37%. The move was driven initially by data centre electricity demand, before being turbo-charged in March by the war in Iran, which spiked the oil price and raised fears of broader supply disruption. Electricity generation Utilities benefited for much the same reasons.

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Running through all of this was a persistently elevated level of day-to-day volatility, fuelled by an unpredictable policy backdrop in Washington. Shifting signals on trade, regulation, and geopolitical positioning added noise to an already unsettled environment. On a positive note, periods of indiscriminate selling are where careful stock selection earns its keep, and Q1 offered more of those moments than most.

Strategy Performance: Hampered by sector drags

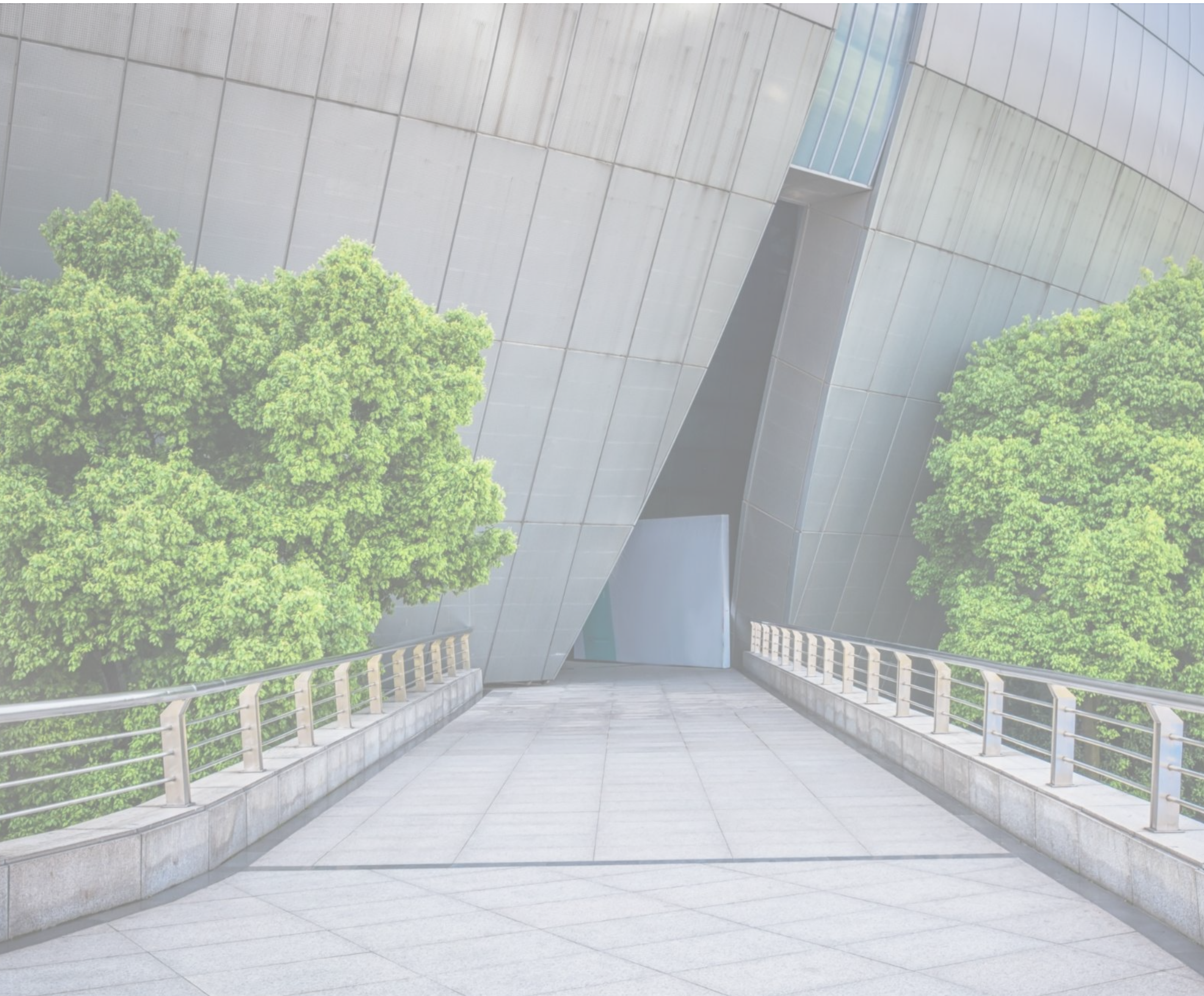
The strategy returned -7.75% net of fees and costs in Q1 2026, against the MSCI World Total Return Net USD -3.57%. Below we set out the principal drivers of that gap, before turning to individual contributors and detractors.

Underperformance is never welcome, and we want to be clear about what drove it. The outcome was largely a function of sector positioning in an environment of unusually sharp and compressed moves - one in which even modest overweights and underweights had an outsized impact. Specifically, two factors explain the majority of the gap.

The first was our structural absence from oil & gas, which cost the strategy almost -150 basis points of relative performance. This reflects a deliberate decision: we view the sector as structurally challenged, both by the scale of its environmental externalities and by the long-run trajectory of renewable energy costs, which we believe will become increasingly compelling relative to hydrocarbon generation over time (a point we return to in our Sustainability section). The moves in oil markets this quarter - with front-month Brent moving from c.$60 to c.$110 per barrel, longer-dated prices rising c.$20 per barrel, and unusually large moves in spreads between grades and refined products - was an extraordinary, geopolitically driven event; our longer-term view is unchanged.

The second was our moderate overweight to areas of the market perceived as AI losers. Four software holdings - Workday, Microsoft, Dassault and Salesforce - though accounting for just 7.2% of the portfolio weight on average, cost over -200 basis points of relative performance. Critically, our risk management processes led us to reduce positions early in the quarter, saving further downside. We discuss the example of Workday below. This pain was partially offset by our overweight to Semiconductor Equipment, which contributed positively on the other side of the same thematic move. We also discuss ASML below.

Turning to individual holdings, a busy results season painted, on balance, a more encouraging picture. The majority of our companies reported healthy operational and financial performances: aggregate portfolio earnings grew at a mid-teens rate in 2025, with similar growth expected in 2026. To the extent there is a common thread running through the quarter's results, it is that share price weakness was driven by de-rating rather than deterioration in business fundamentals - a distinction that, in our experience, tends to resolve itself over a reasonable investment horizon. It is this distinction that underpins our conviction as we enter Q2.



Notable Contributors and Detractors

Detractors: As noted above, perceived AI Losers saw pronounced weakness in Q1 - **Workday** and **S&P Global** were larger detractors to performance. We exited Workday by early February, preserving approx. 50bp of additional loss (sold at $175 versus the current share price of sub $120), while retaining our full position in S&P Global. The reasoning behind each decision is set out below.

Workday is a leading global provider of cloud-based human resources and financial management software.

Our decision to exit was driven by risk management. While we continue to see strategic value in Workday's position as a system of record, we judged that the near-term outlook for organic subscription growth had become more uncertain, and that we lacked sufficient visibility on whether this reflected a temporary pause or a more structural shift.

To understand why, it is helpful to consider the broader changes underway in enterprise software. AI is beginning to reshape how users interact with software, creating risk at the interface layer—where agents can bypass traditional workflows and execute tasks autonomously - while reinforcing the importance of underlying data. Systems of record such as Workday retain significant value through their proprietary data, but a weakening of the interface layer has implications for how that value is captured.

Workday, like many peers, has historically priced on a per-seat basis. As AI reduces the amount of human input required for many workflows, the relationship between headcount and software usage is likely to weaken. This raises uncertainty around whether future growth will be driven by increased usage of AI-enabled functionality or offset by pressure on seat-based pricing. The direction of travel is clear, but the balance between these forces remains uncertain.

This uncertainty is already evident in customer behaviour. While we do not believe Workday is at risk of displacement, it is less clear how contract values evolve - whether

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increased adoption of AI agents supports higher spend, or whether efficiency gains elsewhere limit overall expansion. Assessing how customers price and deploy agents, and which ecosystems they adopt, will be key to understanding the path forward.

Against this backdrop, we concluded that the risk-reward did not justify maintaining the position while this transition plays out. We continue to follow developments closely, with a particular focus on evidence of sustained organic subscription growth and clearer indications of how pricing is evolving in practice.

S&P Global

S&P Global is a financial data and analytics company whose products span credit ratings, market indices, and proprietary datasets that underpin much of the world's capital markets infrastructure.

Our decision to retain the position reflects a meaningfully different risk profile to Workday. S&P's products are deeply embedded in the regulatory and contractual fabric of global finance - a credit rating or index benchmark carries legal, regulatory, and reputational weight that cannot be replicated by an AI model. If anything, the rise of AI increases demand for exactly the kind of authoritative, structured, and trusted data that S&P produces: feeding models requires high-quality inputs, and S&P sits at the top of that hierarchy. Its revenue model is also less exposed to the headcount dynamic that concerns us in software: fees are tied to data licensing, issuance activity, and index usage, not to the number of people sitting at desks.

The Q1 sell-off, in our view, reflects sentiment rather than substance. The February full results were solid, reporting group revenue +9% with Ratings +12%, Indices +14%, while 2026 guidance of 6–8% organic growth is consistent with both management's typically cautious posture at the start of a year and our own long-term expectation of approximately 7%.

The concerns that drove further weakness - around private credit contagion and AI disruption - do not, on examination, threaten the core business in any material way. S&P's ratings revenue is largely insulated from private credit, which is typically unrated or handled by smaller agencies; while the AI disruption risk is largely contained within the desktop business, which represents just 6% of group revenue at below-average margins. The core franchise - ratings authority, index dominance, proprietary datasets - is as competitively entrenched as ever.

We retain the position and view the current valuation as an opportunity.

Contributors: The portfolio had a number of strong performers in Q1 - both among perceived AI winners, including **TSMC** and **ASML** (the latter discussed below), and among holdings where individual business momentum drove returns, including Rentokil, Westinghouse Airbrake, and **Deere** (again the latter discussed below).

ASML

One of the strongest contributors in the quarter was **ASML**, the Dutch semiconductor equipment company and sole global provider of extreme ultraviolet lithography machines, the tools without which the world's most advanced chips simply cannot be made. The holding added approx. 40 basis points to relative performance.

ASML occupies a uniquely privileged position in the semiconductor supply chain: every leading-edge chip, whether designed by Nvidia, Broadcom, or anyone else, must be manufactured on equipment that ASML alone produces. That monopoly, built over decades of extraordinarily complex engineering, creates a level of pricing power and reliability of demand that is rare anywhere in technology.

The company's results in the period reinforced confidence in the durability of that demand, with order book trends and management commentary both consistent with a multi-year capital expenditure cycle that shows little sign of moderation.

Our decision to size ASML as a larger position - alongside TSMC, which occupies an equally irreplaceable role as the world's sole manufacturer of leading-edge chips - reflects a deliberate view on where in the AI value chain risk is most appropriately rewarded. Nvidia and Broadcom are exceptional businesses, but the chip design layer carries inherent uncertainty: the competitive landscape shifts quickly, custom silicon from hyperscalers is eroding some of Nvidia's addressable market, and valuations had moved to reflect a good deal of the opportunity ahead. ASML and TSMC, by contrast, sit one layer deeper - the toll roads the entire industry must travel regardless of which chip designs ultimately prevail. In a period of genuine uncertainty about how the AI hardware landscape will shake out, owning the infrastructure behind the infrastructure feels like the more appropriate positioning.

JOHN DEERE

Deere, the largest manufacturer of agricultural machinery globally, was also a sizeable contributor, adding approx. 70 basis points to relative performance.

We wrote about Deere at length in our Q4 letter, setting out the investment case: a high-quality industrial franchise with structural demand tailwinds from increasing farm automation and labour scarcity, caught deep in a cyclical downturn with an eventual recovery that appeared underpriced by the market.

The shares performed very strongly in the quarter. Deere's Q1 results were better than expected, with management providing modestly upgraded full-year guidance - a meaningful signal given how cautious the tone had been through the preceding quarters of the downturn.

Beyond the results themselves, the broader narrative began to shift: dealer inventory levels have now largely normalised, US farm incomes are expected to improve through 2026 supported by a more favourable commodity price environment, and investor attention began rotating toward the magnitude of the earnings recovery that a volume rebound would imply. The shares re-rated accordingly - a reminder that conviction positions require patience, but the returns, when they come, can be swift.

With a meaningful portion of upside 'pulled forward', we trimmed our position somewhat, recycling into areas of the portfolio where the gap between price and value remains wider, several of which we discuss in the Thinking Aloud section below.

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Thinking Aloud: The Second Derivative of AI

How do you develop differentiated views on investments? Often, it lies in looking at things differently, either through a distinct analytical lens, or by thinking further down the chain of effects. At Resolution, we believe understanding a company's externalities reveals risks and opportunities that are frequently missed. The same logic applies to AI: with market attention concentrated on the most obviously and immediately affected businesses, many companies further down the chain are not receiving proper scrutiny. The result, in our view, is that some genuinely interesting opportunities are going unnoticed. We have been spending time asking a different question: not who are the first-order AI winners, but who are the second-order ones?

The caveat is that thinking ahead of the market means you can be early – but the compensation is the ability to enter positions at scale before valuations reflect the opportunity. We think that trade-off is favourable right now.

Two themes stand out.

Early, at-scale AI adopters

The first is the emergence of companies beginning to translate genuine AI capability into tangible operational efficiency and incremental revenue growth, not just a future promise, but a present reality.

C.H. Robinson, the transportation and third-party logistics company, is an example. Under CEO David Bozeman, the company has pursued what it calls "Lean AI" - combining lean operational principles with proprietary AI agents that automate the freight lifecycle, built on a dataset accumulated over decades that competitors cannot easily replicate. The financial impact has been large: operating income, earnings and cash generation have surged, headcount has fallen from over 14,500 to under 13,000, and throughput has increased - a genuine step-change in the cost-to-serve that the market has begun to reward with a meaningful re-rating.

A second, and in our view far less appreciated, example is **Zalando**. We have built a position here over time and added to it more recently, though it remains a relatively smaller holding, reflecting both its size and our mindfulness of its consumer and macro cycle exposures.

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What is striking about Zalando is the breadth of the AI benefits. At the front end, product discovery is becoming more intuitive and more personalised: customers are seeing more of what they want, more quickly, and engagement metrics are improving accordingly. In marketing, which represents over 9% of sales, Zalando has moved from virtually no AI-generated content to over 90% in a short period. Content that once took months to produce can now be created in days, and in a form far more tailored to the individual customer.

Behind the scenes, AI is improving the precision of operations, particularly in fulfilment, refining delivery timing and smoothing the post-purchase experience. Perhaps most importantly, it is beginning to address one of online apparel's most stubborn structural challenges: returns. With roughly 40% of returns driven by sizing issues, better recommendations are starting to reduce return rates, an approximately 8% reduction in size-related returns in 2025 alone, equating to around five million fewer returns and double-digit millions of pounds in savings.

Underpinning all of this is data. As a digital-native platform, Zalando has built a deep and structured understanding of its customers, its brands, and how the two interact - an advantage that traditional retailers will find difficult to replicate. With customer satisfaction improving and further efficiency gains still ahead, we see Zalando as a clear, if still underappreciated, beneficiary.

The acceleration of innovation

The second theme is broader, but potentially even more powerful. Across industries, a consistent pattern is emerging: AI is not just improving outcomes, it is shortening the time between idea and reality. In technology, developers using GitHub Copilot complete tasks materially faster; in healthcare, Moderna has described how processes that once took months can now be completed in weeks, and Pfizer has suggested AI could shorten drug discovery timelines by years. It is not unreasonable, we think, to contemplate a coming golden age of innovation.

Two holdings stand out for us in this context: Informa and Intertek.

Informa sits at the intersection of industries and ideas. Its core business - live events, trade shows and exhibitions - provides the physical venues where innovation is showcased, tested and commercialised. Physical gatherings retain a unique role at moments of rapid change: they are where industries convene to make sense of what is new, where buyers and sellers meet to transact at scale, and where emerging categories acquire the critical mass to become established ones.

Informa has a strong track record of identifying and building events in precisely these emerging spaces, from life sciences to advanced manufacturing to technology, and periods of accelerating innovation have historically translated into stronger underlying demand for its events portfolio. Faster AI-driven innovation cycles should therefore be a structural tailwind rather than a threat. Its academic publishing arm, Taylor & Francis, reinforces this: AI tools are lowering the barriers to research and accelerating the production of new knowledge, driving increased activity across the platform. Informa is not an AI company, but it is a business whose core value proposition strengthens as the pace of change accelerates.

Intertek's role is different, but equally applicable. As products evolve more quickly and grow more complex, the need for independent testing, certification and quality assurance increases. Faster innovation does not reduce the need for trust, if anything, it amplifies it. Every new product category, every reformulated material, every evolved supply chain configuration creates a fresh requirement for verification before it reaches the market. Shorter development cycles mean more frequent product iterations; more frequent iterations mean more testing events; and increasingly complex, multinational supply chains mean more points at which quality and compliance must be assured. Regulation, too, tends to follow innovation - and as governments and standards bodies respond to new technologies, the compliance burden on manufacturers grows, further deepening demand for Intertek's services. In a world of accelerating change, the value of a trusted, independent verifier does not diminish, it compounds.

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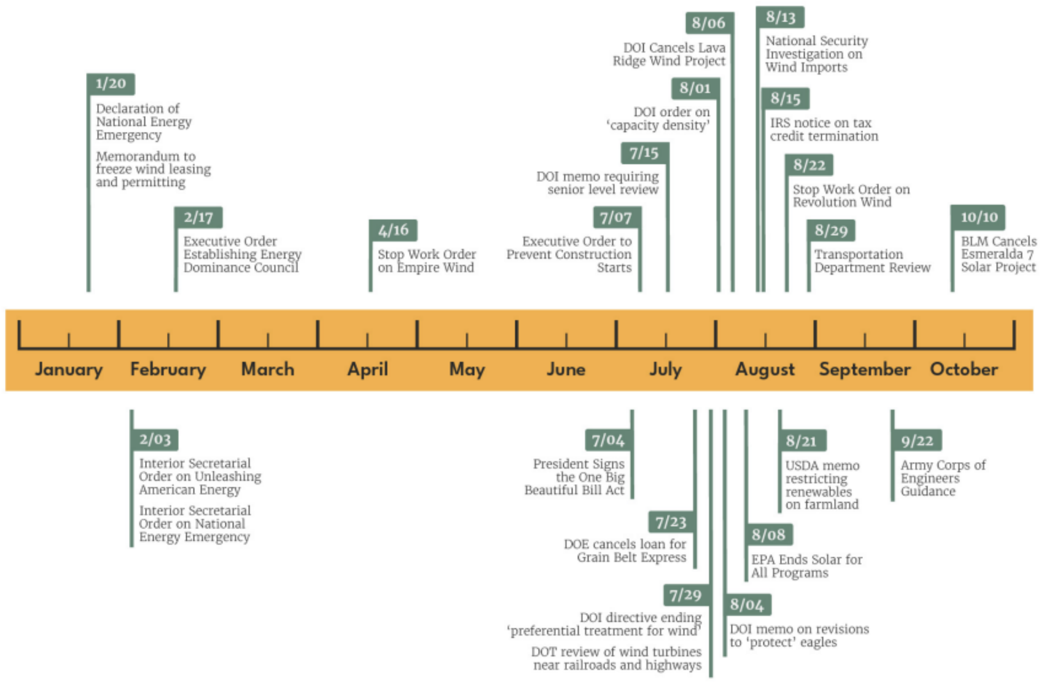
Sustainability and Stewardship

Policy Noise vs Structural Drivers in Decarbonisation

At the start of last year, our Insight piece, *Climate Investing in the Age of Uncertainty*, set out why we remain convinced in the long-term investment case for decarbonisation, despite a challenging US political backdrop. The central question was whether federal policy would overwhelm the economics of the energy transition, or whether structural drivers were becoming dominant in determining outcomes.

Our conclusion rested on five pillars: improving relative economics of renewable energy; structurally rising electricity demand, in part driven by AI; the importance of energy security and diversification; the increasing use of long-term power purchase agreements by corporates as a risk management tool; and the continued primacy of state and local policy alongside federal direction.

23 Administration Actions Targeting Wind and Solar
January to October 2025



Source: Third Way. "Trump's War on Solar & Wind: A Timeline of Recent Federal Actions." www.thirdway.org/memo/trumps-war-on-solar-wind-a-time-line-of-recent-federal-actions. Accessed 16 Oct. 2025.

Since then, US federal policy has become more explicitly hostile to the renewable energy industry. Within weeks of taking office, Secretary of the Interior Doug Burgum revoked all twelve of President Biden's executive orders supporting alternative energy production, and later - citing unspecified "national security concerns" - revoked federal leases underpinning five offshore wind projects off the coasts of Rhode Island, Massachusetts, Connecticut, New York, and Virginia. These were the most visible actions in a broader set targeting wind and solar development and associated permitting frameworks across the year.

While these measures have clearly contributed to short-term sentiment volatility, the judicial response has acted as an important counterbalance. Most significantly, a December court ruling found Trump's original executive order on wind energy to be "arbitrary and capricious" - effectively "a de facto suspension of the law." The subsequent lease revocations were similarly challenged and reversed, with leases reinstated for all five offshore projects. For investors, this distinction remains important: federal rhetoric can influence sentiment, timing, and capital flows, but project-level economics continue to be shaped more decisively by state-level regulation, permitting regimes, and legal outcomes.

At the same time, the structural drivers we highlighted previously have strengthened. Energy prices rose sharply during the quarter following the outbreak of war in Iran, reinforcing the value of diversified, low marginal cost generation. Meanwhile, electricity demand continues to accelerate, driven by AI-related infrastructure build-out and datacentre expansion - a trend increasingly shaping power markets directly.

Against this backdrop, corporate behaviour reflects pragmatic energy procurement rather than ideological positioning. Alphabet, a portfolio holding, is a case in point: in December 2025 it announced its acquisition of Intersect Power for nearly $5bn to access scaled behind-the-meter renewable assets, and followed in January this year with a 20-year, 1.2 GW carbon-free energy purchase agreement with Clearway Energy Group to support its datacentre expansion. These are not symbolic commitments, but infrastructure decisions driven by cost, reliability, and speed of deployment.

The key implication for investors is that decarbonisation is increasingly being driven less by policy alignment and more by system economics - specifically the interaction between rising demand, energy security needs, and relative cost competitiveness. For our portfolio, this reinforces two conclusions. First, that renewable generation and grid-enabling technologies remain structurally supported even through periods of political volatility. Second, that the most attractive opportunities are increasingly those where decarbonisation aligns with cost, reliability, or demand growth - rather than relying on subsidy regimes or policy continuity.

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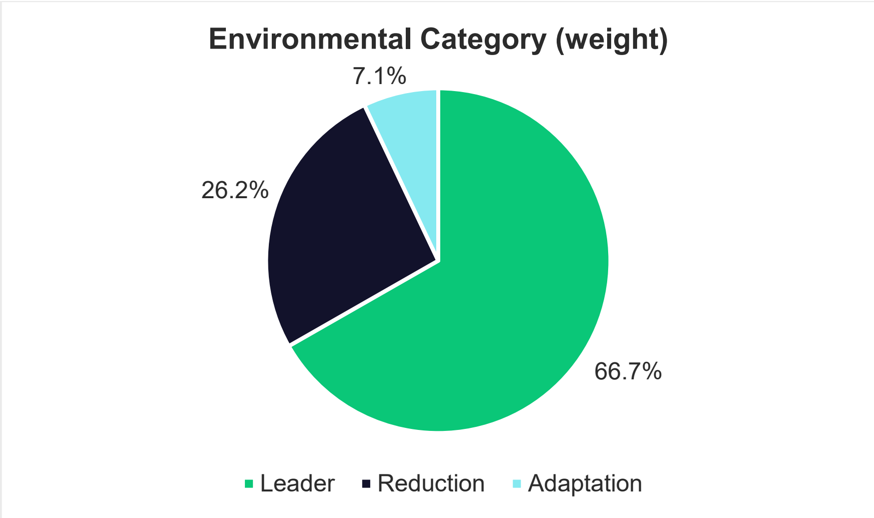
Climate – Strategy Characteristics

The strategy aims to offer investors a diversified and balanced exposure to the climate and energy transition. Portfolio companies fall into three categories: **Transition Leaders,** which we believe are progressing fastest toward more sustainable business models; **Adaptation Solutions,** which enable customers to manage the effects of climate change; and **Reduction Solutions,** whose products reduce their customers' emissions relative to the status quo.

As of Q1 2026, portfolio exposure across these segments was as follows:



Source: HC Global Equity Fund

We view SBTi as the current gold standard for emissions-reduction targets. All our Transition Leaders have SBTi-validated nearer-term targets aligned with a 1.5°C pathway, and many have also set long-term net-zero targets. Encouragingly, we believe that the majority of Transition Leaders, both on our target list and in our portfolio, are currently ahead of their required decarbonisation ambitions. In total, 38% of our investments have SBTi-validated long-term net zero targets, more than double the rate of our benchmark. The overall portfolio is shown below:

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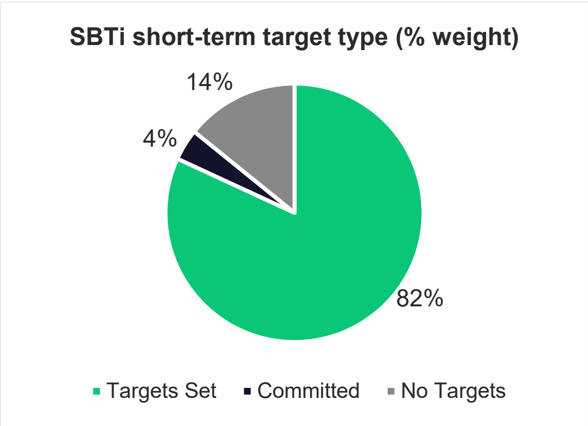
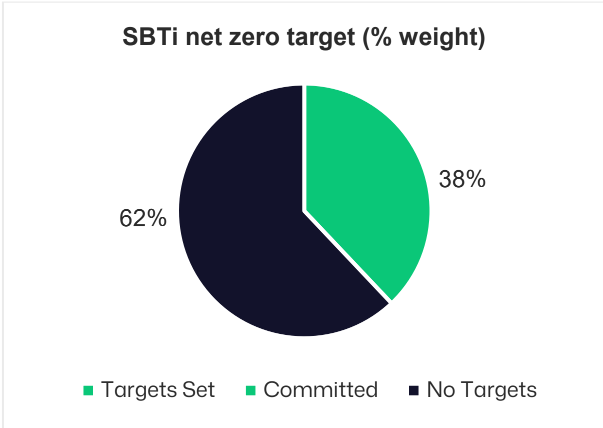
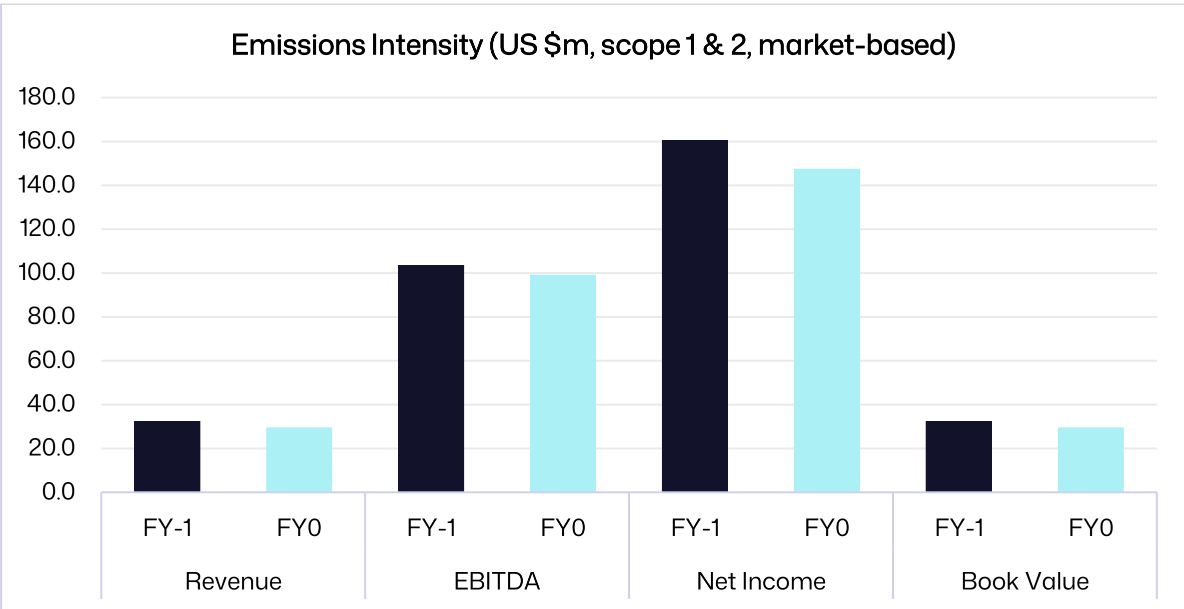




Source: HC Global Equity Fund

A final pleasing point for the portfolio is the direction of travel on emissions intensity. We are seeing consistent declines across revenue, profitability and book value measures. While no single metric is perfect in isolation, taken together they give us confidence the portfolio is moving in the right direction.



Source: S&P Capital IQ; FY0 represents most recently reported year, FY-1 represents the previous year

Climate – Company Case Study

In Q1 we initiated a new position in **Fortum Oyj**, the Finnish utility primarily engaged in clean electricity generation and retail across Nordic and European markets.

We view Fortum as a compelling power company with a structurally advantaged position in low-carbon electricity generation. We are attracted to its exceptionally clean generation mix, the potential to extend that footprint into higher-carbon European markets, and a disciplined approach to capital allocation within a capital-intensive sector.

Around 85% of Fortum's EBITDA is derived from electricity generation, with the remainder from consumer solutions, principally electricity supply to approximately 2.2 million customers across Europe. Its generation portfolio carries a specific emissions intensity of just 8 gCO_2/kWh, a figure that stands in stark contrast to a European power sector where 29% of generation was still fossil-fuelled in 2024, with a further 5% coming from biofuels.

While Fortum's core generation assets sit within the Nord Pool system, growing interconnection capacity (from 11.7GW today to over 13 GW by year end) allows it to export clean electricity into higher-carbon markets such as Germany and the UK, effectively extending its decarbonisation impact well beyond its domestic footprint.

Capital allocation is a central part of the investment case. Fortum's 2026–2030 investment plan totals €2.0bn, with €750m of committed growth capex directed at renewables, the Loviisa nuclear lifetime extension, district-heating decarbonisation in Espoo and Poland, and related flexibility investments. A further €2.5bn of non-committed potential capex provides optionality. Importantly, management has been explicit that renewables investment is limited to projects backed by secured PPAs - a level of discipline that matters in a sector with a long history of capital destruction. The small residual of coal assets, sub 5% of the generation base and effectively already in run-off, will be fully exited by 2027, completing the transition to a fully clean generation portfolio.

Taken together, Fortum is a transition-oriented utility where decarbonisation is not being pursued at the expense of capital discipline. For our portfolio, that combination - low-carbon generation, system-level leverage through exports, and disciplined reinvestment - is precisely what makes it an attractive holding.

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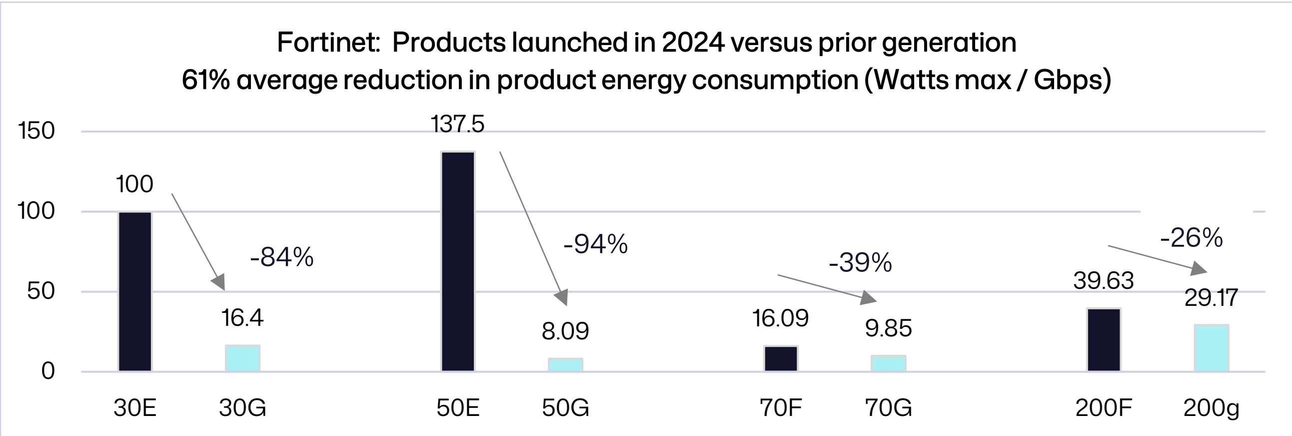
Stewardship – Engagement

Our investment process keeps us in continuous dialogue with portfolio companies, and in Q1 we had a substantive interaction with **Fortinet**, the leading global cybersecurity company, that is worth sharing in some detail.

Why we engaged. Scope 3 emissions, specifically *Use of Sold Products* represent the dominant but most difficult-to-measure component of carbon footprints across the technology sector, and for a cybersecurity company with products deployed across a vast global base, this is not a peripheral issue. We engaged Fortinet to assess the rigour of its measurement framework and understand its revision of longer-term Net Zero targets.

What we found. We came away encouraged. Fortinet has been investing since 2023 in the tools and methodology needed to measure its Scope 3 baseline with confidence, including a product carbon calculator that provides customers with lifecycle emissions transparency. Its decision to revise its longer-term SBTi target reflects a deliberate choice to prioritise accuracy over optics. The company is also tackling emissions at source: energy efficiency improvements deliver higher throughput per kWh consumed, while product design enhancements reduce transport and datacentre cooling requirements, both lowering emissions and reducing total cost of ownership for customers.

Ongoing work. We pressed Fortinet on its reliance on Renewable Energy Certificates where direct renewable procurement is not yet possible, expressing a clear preference for a transition toward direct PPAs or hourly-matched certificates as market infrastructure develops, an area where improving frameworks will work in Fortinet's favour over time.



Source: Fortinet 2024 Sustainability Report

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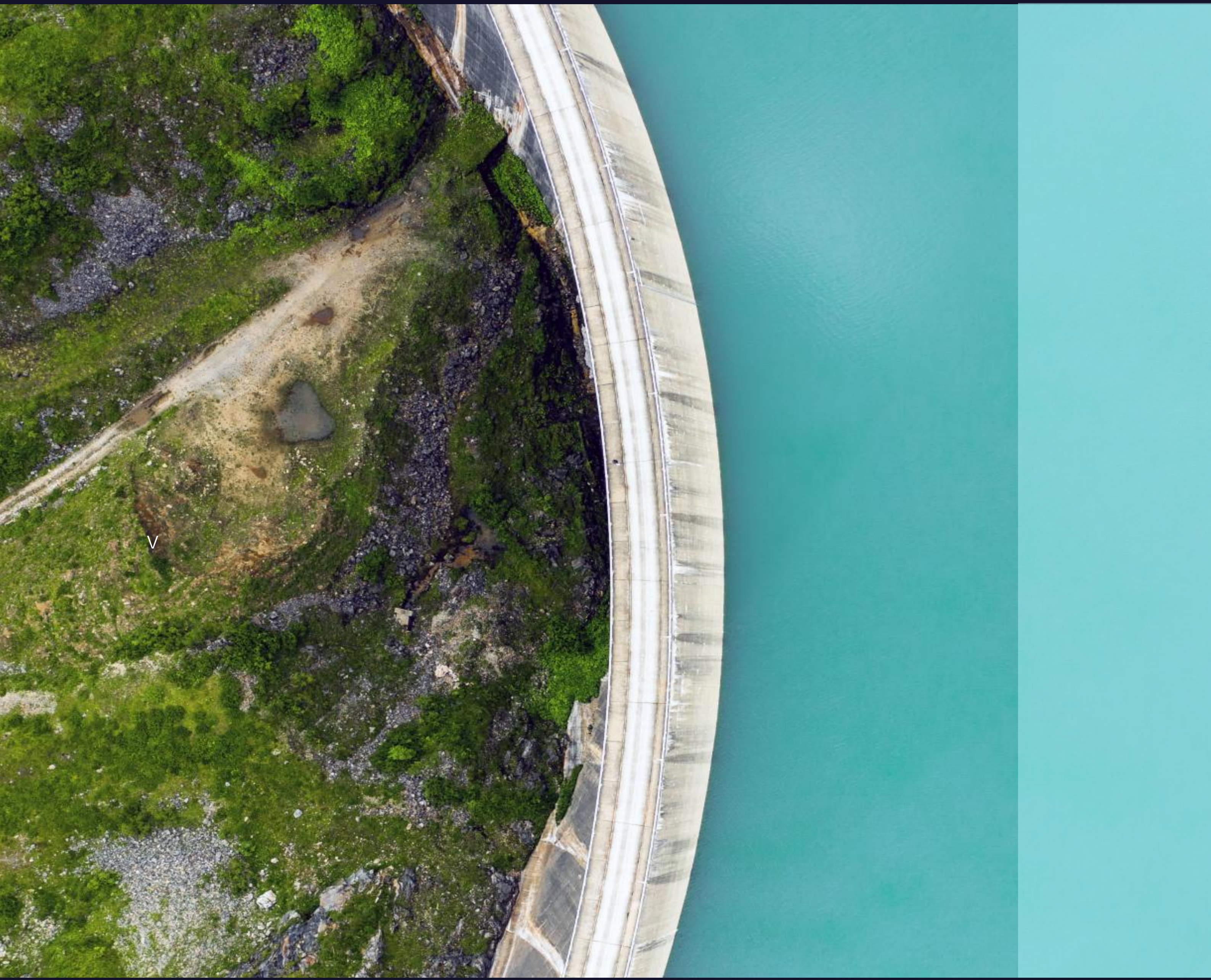

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