

Resolution Investors LLP

Sustainability & Stewardship Report 2026

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Dear Fellow Investors,

We are pleased to share Resolution Investors' inaugural Sustainability & Stewardship Report, covering the period from the launch of our strategy in October 2025 through to 30 June 2026.

At Resolution, our objective is to deliver attractive long-term returns for our clients, which we believe requires a thorough understanding of the businesses in which we invest and the factors that will shape their future earnings power.

We believe climate change and the transition to a lower-carbon economy are increasingly important to that assessment. We begin our report with an assessment of the factors at play as it relates to Climate Change today with our State of the Union. Unsurprisingly we believe that given the current forces at play Investors and Allocators need to pay more attention to risk and opportunities related to Climate Change.

Companies will face different risks and opportunities depending on their business models, their ability to adapt and the role they can play in the transition. We therefore consider climate alignment, alongside financial strength, governance and other material factors, as an integral part of our investment process.

Stewardship is an integral part of this approach. Through our engagement and proxy voting, we seek to understand companies better, encourage appropriate accountability and support decisions that are aligned with long-term shareholder value.

Following on from setting the stage with the State of the Union, we dive into how our strategy is constructed to produce enduring outcomes given the current state of play. The report is divided into two sections.

- i. The first section looks at how our strategy and the underlying principles have been applied in our portfolio since inception, including our climate and ESG analysis, proxy voting and engagement activities.
- ii. The second section sets out our investment approach, climate alignment framework and stewardship practices. This should hopefully enable the reader to understand the basis for the reported outcomes in the first section.

We hope the report provides a useful insight into how we think about sustainability and stewardship as long-term investors.

The Resolution Team

Section 1

Sustainability & Stewardship Report 2026

In this first section we present information across four areas for the strategy covering the 9 months since our inception to 30 June 2026:

- **Climate Alignment & Performance:** We review portfolio-level climate metrics and provide a breakdown of all companies held in the portfolio as of 30 June 2026.
- **ESG Assessments:** In line with the Principal Adverse Impact (PAI) and Do No Significant Harm (DNSH) criteria under SFDR Article 9, we present a selection of the most relevant sustainability metrics for the portfolio.
- **Proxy Voting:** We summarise our approach to proxy voting and provide initial observations from the 2026 proxy voting season.
- **Engagement:** Given the recency of the strategy launch, engagement activity is still developing. We include selected examples from our engagement to date, with further detail to be provided in future reports as this activity matures.





Climate: Current State of the Nation

The climate challenge is no longer primarily one of scientific consensus or technological possibility. The technologies needed to cut emissions are increasingly well understood and, in many cases, economically competitive. The harder questions are now about execution and capital allocation: how quickly clean generation, grids, storage, electrification and other abatement technologies can be deployed, and how businesses and infrastructure adapt to physical changes that are already occurring. Below, we discuss some of the dynamics defining this environment: the pace of renewable deployment relative to demand growth, the parallel need to build resilience to impacts already underway, and the system-level interactions – spanning deployment, resilience and geopolitics – that increasingly determine outcomes in both.

Deployment is scaling, but demand growth means the pace still has to increase

There has been substantial progress, but not yet enough to bend the global emissions curve down towards a Paris-aligned pathway. In 2025, a record 692 GW of renewable capacity was added globally and renewables accounted for 86% of new power capacity¹. Despite this, energy-related CO₂ emissions still rose by around 0.4% to a record 38.4 Gt². The two facts are not contradictory. Clean technologies are scaling rapidly, but growth in energy demand means that much of the new capacity is meeting additional consumption rather than replacing fossil fuels. The transition is real, but the pace of deployment still matters enormously – and the bar is rising, not falling. Global electricity demand is forecast by the IEA to grow by 3.6% a year between 2026 and 2030, with annual demand additions around 50% greater on average than during the previous decade, driven by industry, electric vehicles, cooling and data centres. In advanced economies, demand is rising again after roughly 15 years of stagnation. Sustaining today's deployment pace will not be enough on its own; it needs to accelerate to keep pace with a larger, faster-growing base of demand.

Companies need to adapt and build resilience to impacts that are already here

The physical backdrop is also becoming harder to ignore as the climate system responds to the stock of greenhouse gases accumulated over past decades. The World Meteorological Organization estimates a 91% probability that at least one year between 2026 and 2030 will be more than 1.5°C above the 1850–1900 average, and a 75% probability that the five-year average itself will exceed that level³. A temporary breach is not the same as exceeding the Paris Agreement's long-term temperature goal, but it does imply greater exposure to the conditions associated with a warmer climate. The IPCC already finds widespread observed impacts from heat, heavy rainfall, drought and fire on food and water security, infrastructure and economic activity⁴.

¹ IRENA, Renewable Capacity Statistics 2026

² IEA, Global Energy Review 2026

³ World Meteorological Organization, Global Annual to Decadal Climate Update 2026–2035

⁴ IPCC, Sixth Assessment Report, Working Group II: Impacts, Adaptation and Vulnerability



For companies, these effects are best understood as a change to the operating environment itself, rather than a narrow theme sitting alongside core strategy. Can a factory operate through heat or water stress? Is a supply chain concentrated in regions exposed to flood, drought or wildfire? Will an electricity network remain reliable as both demand and weather volatility rise? Can an insurer continue to price coverage economically? These effects compound one another: heat raises cooling demand and reduces labour productivity; drought constrains both hydro and thermal generation as well as industrial water use; and extreme rainfall disrupts logistics and other infrastructure. Climate risk is becoming less separable from traditional analysis of operating resilience, asset quality and capital requirements. Yet adaptation remains a largely unmet investment need: UNEP estimates that developing countries alone will require \$310–365bn a year of adaptation finance by 2035, compared with \$26bn of international public adaptation finance in 2023⁵.

Deployment complexity, required resilience and geopolitics increasingly interact, amplifying the scale of the challenge and the required solutions.

The two themes above do not sit side by side so much as collide – most visibly in electricity, where mitigation and resilience questions increasingly meet. The impact of climate change on conventional electricity generation is becoming more visible, such as increasingly frequent constraints from low river levels affecting thermal-plant cooling and fuel transport. At the same time, the constraints on the energy transition are shifting from the availability of generation technology towards the ability of the wider system to accommodate it. More than 2,500GW of generation, storage and large-load projects are currently stalled in connection queues globally. The IEA estimates that annual grid investment needs to rise by roughly 50% from today's c.\$400bn by 2030, while new transmission can take five to fifteen years to plan, permit and build⁶. This impacts the investment opportunity: renewable generation remains important, but so do transmission and distribution equipment, storage, grid software, demand management, interconnection and reliable baseload availability. The transition is becoming less a simple substitution of one power source for another and more a question of designing a larger, more flexible and more resilient electricity system – where deployment pace and resilience form the engineering problem.



Geopolitics adds a further layer to this system-level view, and has become a more visible driver of energy strategy in its own right. Import-dependent fossil-fuel systems remain exposed to interruptions in fuel supply, sanctions and geopolitical price shocks. Wind and solar avoid that recurring fuel requirement once built.

⁵ UNEP, Adaptation Gap Report 2025

⁶ IEA, Electricity 2026



Clean energy is not risk-free – it still depends on minerals, equipment, permitting, and grid infrastructure – but it does change the nature of the risk from fuel importation to more manageable and more local industrial and capital-goods dependencies. The IEA estimates that, without the non-hydro renewables deployed since 2010, fuel-importing countries would have spent around \$1.3trn more on coal and gas imports through 2023⁷. Stronger grids, storage, diversified generation and greater domestic energy supply all reduce this vulnerability, and recent geopolitical volatility has sharpened the case for treating energy security as a first-order input into deployment and resilience planning, not a separate consideration.

For investors, this broadens the climate question. It is not enough to only identify companies with lower emissions and strong de-carbonisation platforms; or those selling effective abatement technologies. We also need to understand which businesses can operate reliably as physical conditions change; which provide products that make their customers more resilient; and which are exposed to the large amounts of capital required to expand and reinforce the energy system. Mitigation, adaptation and energy security are increasingly overlapping rather than separate investment themes.

The commentary and data in this report are intended to provide a clearer view of emissions trajectories, transition readiness, and adaptation & mitigation exposure across the portfolio. That lens remains important as climate change becomes increasingly relevant to long-term business resilience and capital allocation.



⁷ IEA, Renewables 2025

1: Climate Alignment & Performance

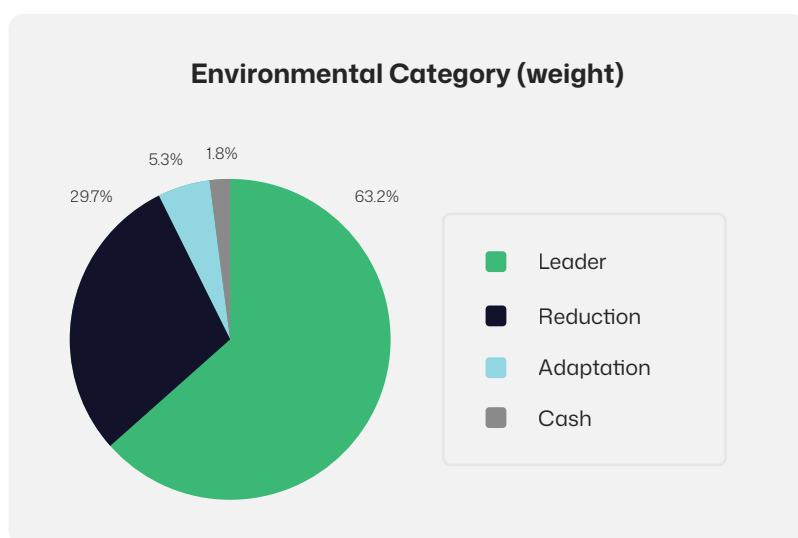
The Climate Alignment Framework, which is detailed in Section 2, sets out how we assess climate alignment at company level, including the criteria we apply to Transition Leaders, Carbon Reduction Solutions and Adaptation Solutions, and the climate data we use in our analysis. This section shows how that framework translates into the portfolio as at 30 June 2026, and how the climate characteristics of our holdings have evolved over time.

We focus on three aspects: the current climate positioning of the portfolio, progress in absolute emissions and emissions intensity over time, and the portfolio's position relative to the MSCI World. Overall, the portfolio has a substantially lower carbon footprint than the MSCI World Index, while emissions and emissions intensity across the majority of holdings have also improved over the past year. Progress is not uniform, however, and we continue to assess individual companies where emissions performance or transition plans warrant further engagement.

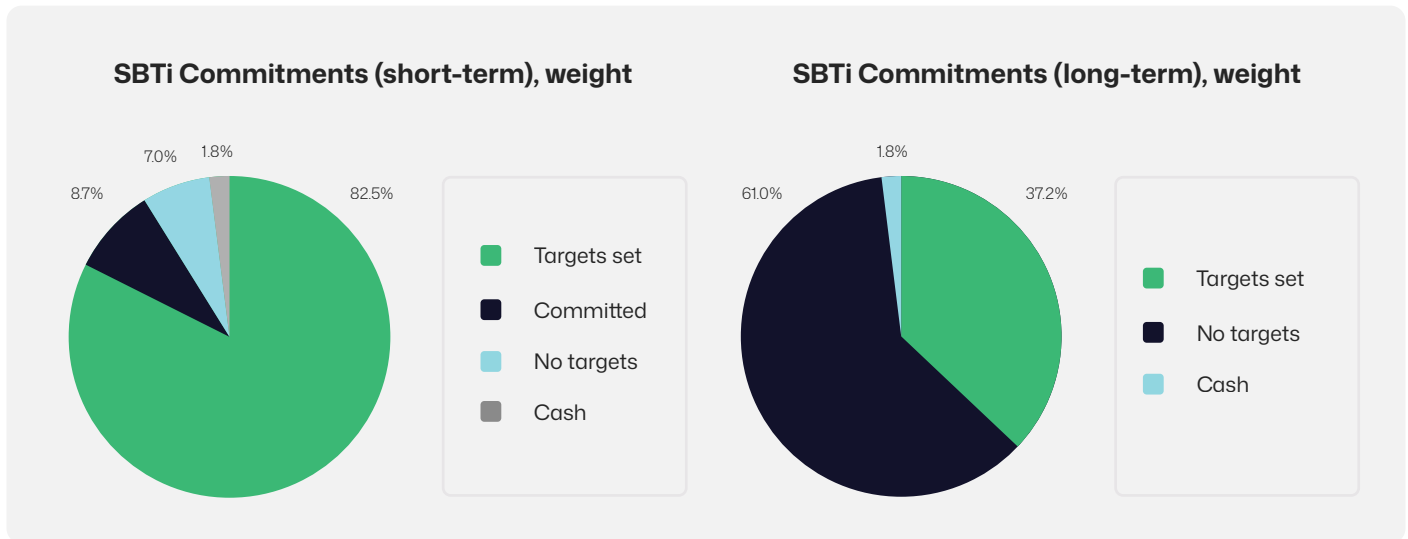
Portfolio Level Climate Statistics

The portfolio currently skews towards Transition Leaders, with Carbon Reduction Solutions and Adaptation Solutions representing a smaller proportion of the portfolio.

The majority of the portfolio is invested in companies with short-term emissions reduction targets validated by the Science Based Targets initiative (SBTi), in line with our Climate Alignment Framework. An SBTi-validated target is not a formal requirement for companies classified as Carbon Reduction Solutions or Adaptation Solutions, although a number of companies in these categories also have SBTi-validated targets.



Source: Resolution Investors, HC Global Equity Fund 30 June 2026



Source: Resolution Investors; Science Based Targets Initiative

Climate Performance Over Time

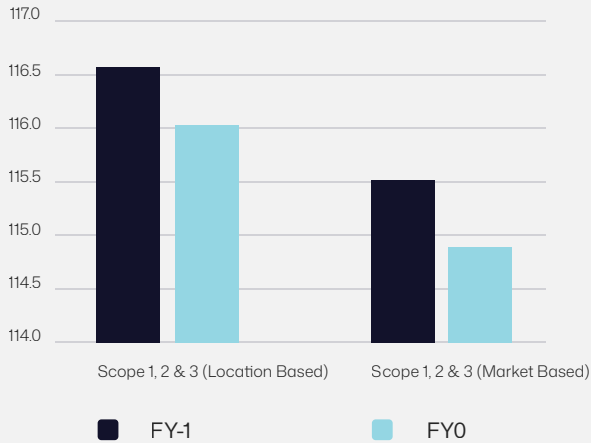
We assess climate performance both at portfolio level and across individual holdings. The portfolio-level carbon footprint and emissions intensity have both declined over the period, while the distribution of company-level performance shows that emissions reductions have been achieved across the great majority of the portfolio by weight. Progress is not universal, however, and some companies have recorded increases in emissions or emissions intensity.

For assessing a company's own progress over time, we generally use company-reported emissions where a substantial majority of the relevant emissions are covered and the data is sufficiently complete and reliable. Third-party estimates, particularly for Scope 3 emissions, can be subject to significant changes in methodology and can therefore make year-on-year comparisons less meaningful. For comparisons between companies and against portfolio benchmarks, we use S&P Trucost data to provide greater consistency across the portfolio. FY0 represents the most recent financial year for which emissions data is available, generally FY2025. Because companies have different financial year ends, the reporting periods do not always align precisely.

Company-level analysis is an important part of this process. Changes in emissions performance, the credibility of transition plans and developments in corporate climate strategies can identify areas for further engagement, as well as inform our assessment of a company's continuing eligibility within the Climate Alignment Framework.



Carbon footprint - Scope 1, 2 & 3 Emissions per \$1m invested

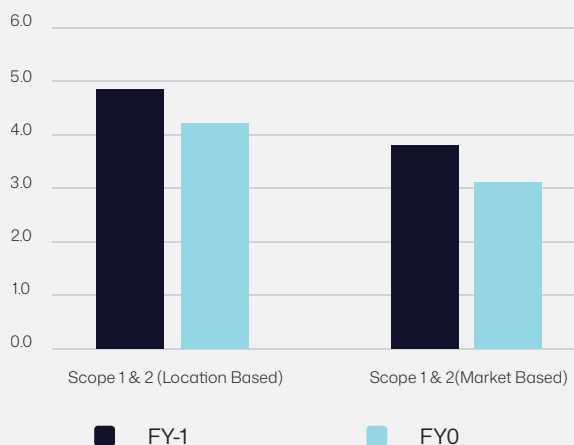


Source: Company data; CDP data; S&P Trucost; S&P Capital IQ; Resolution Investors

We measure the portfolio's carbon footprint as tonnes of CO₂e per \$1 million invested, consistent with the methodology used for the SFDR Principal Adverse Impact indicators. Emissions are attributed to the portfolio based on the value of each investment relative to the company's enterprise value including cash (EVIC), and then aggregated across the portfolio. The portfolio's Scope 1 and 2 carbon footprint declined between FY-1 and FY0 on a location-based basis. Including Scope 3 emissions, the improvement was smaller but remained positive.

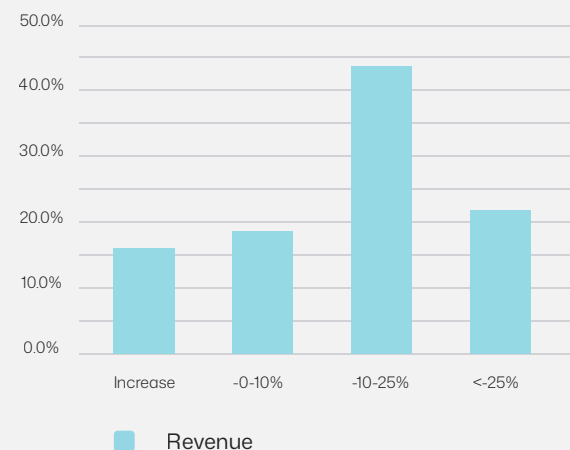
The reductions shown are calculated for the holdings as at 30 June 2026, so the change reflects company emissions rather than portfolio turnover. As with all portfolio-level measures, the result should be considered alongside the underlying company-level data rather than viewed in isolation.

Carbon footprint - Scope 1 & 2 Emissions per \$1m invested



Source: Company data; CDP data; S&P Trucost; S&P Capital IQ; Resolution Investors

Scope 1 & 2 Carbon Intensity Change FY0 vs FY-1 (weight ex-cash)



Source: Company data; CDP data; S&P Trucost; S&P Capital IQ; Resolution Investors



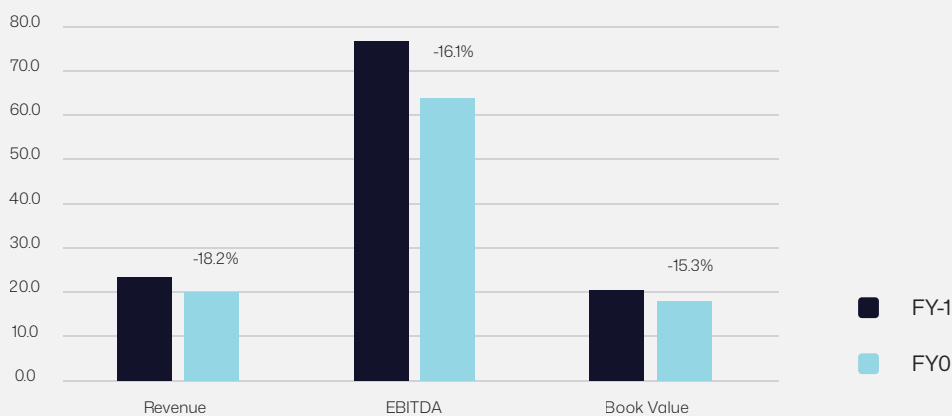
Emissions intensity

We also assess emissions relative to the economic scale of each company. Scope 1 and 2 emissions intensity fell by 18.2% relative to revenue, 16.1% relative to EBITDA and 15.3% relative to book value in FY0.

The improvement was broad-based. Approximately 85% of the portfolio by weight reduced its Scope 1 and 2 emissions intensity relative to revenue, with around 65% reducing intensity by more than 10% and just over 20% reducing it by more than 25%. Approximately 15% of the portfolio by weight recorded an increase.

Looking at emissions relative to EBITDA and book value provides a further perspective on the relationship between emissions and the underlying scale of the businesses in which we invest. Across all three measures, more than half of the portfolio by weight recorded a reduction in intensity.

Emissions intensity (\$USm, scope 1 & 2 market based)



Sources: Company data; CDP data; S&P Trucost; S&P Capital IQ; Resolution Investors



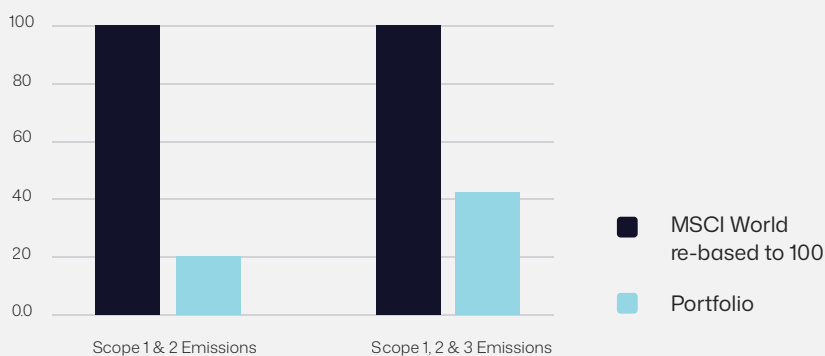
Comparison with MSCI World

The portfolio has a substantially lower carbon footprint than the MSCI World Index. On a Scope 1 and 2 basis, the portfolio's carbon footprint is approximately one-fifth that of the benchmark. Including Scope 3 emissions, it is a little over two-fifths of the benchmark.

The difference is less pronounced when emissions are measured relative to revenue. The portfolio's Scope 1 and 2 emissions intensity is approximately 70% of the MSCI World level, falling to less than 60% when Scope 3 emissions are included.

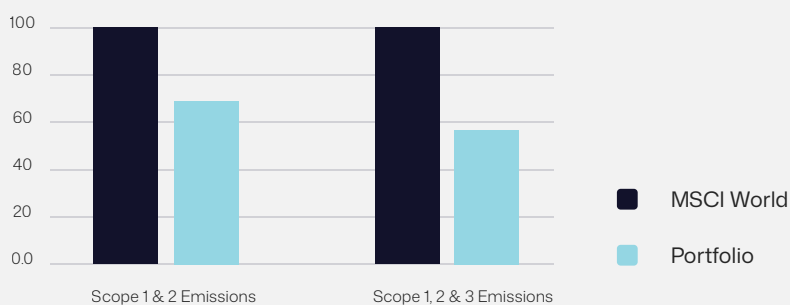
We do not manage the portfolio to a specific carbon footprint or emissions-intensity target. These relative measures are instead an outcome of the companies we select and, in particular, the emphasis our Climate Alignment Framework places on sector leadership, credible transition plans and companies providing solutions to climate-related challenges.

Carbon Footprint per \$1m invested (re-based)



Source: S&P Trucost; S&P Capital IQ; Resolution Investors

Emissions Intensity to revenue (MSCI World re-based to 100, S&P Trucost)



Source: S&P Trucost; S&P Capital IQ; Resolution Investors

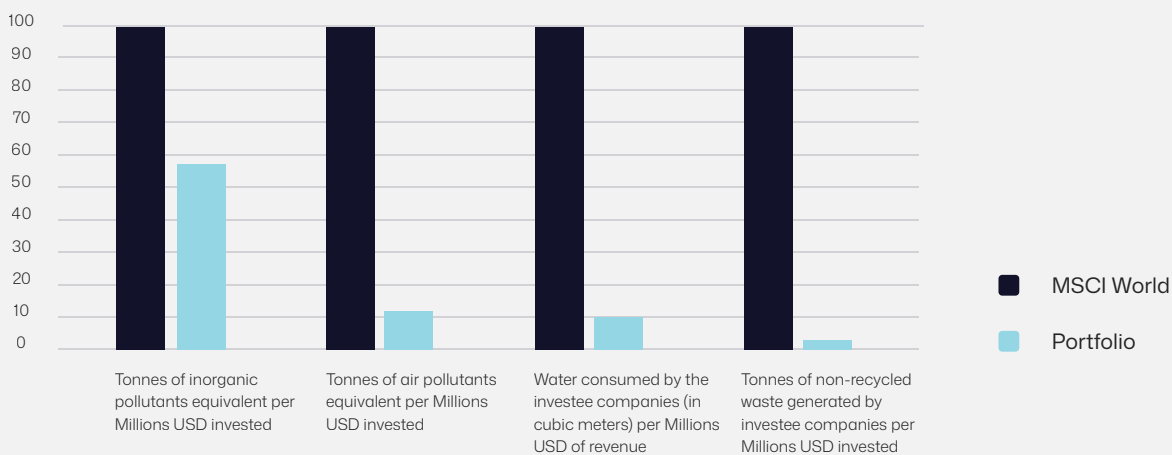


Additional Environmental Factors

We also monitor a broader range of environmental indicators as part of our assessment of portfolio-level environmental performance. On the optional SFDR Principal Adverse Impact indicators, the portfolio is below the MSCI World Index for inorganic pollutants, air pollutants, water use and non-recycled waste.

These indicators provide additional context on the environmental characteristics of the portfolio, but are considered alongside rather than in isolation from our company-level assessment of climate alignment.

Selected Optional Climate PAIs (MSCI World re-based to 100)



Source: S&P Trucost; S&P Capital IQ; Resolution Investors





Individual Company Analysis

We assess each Target List company on its individual merits rather than taking a portfolio-average approach. We review the underlying data regularly, alongside corporate reporting cycles and our engagement schedule, allowing us to identify changes in emissions performance, target-setting, disclosure and the credibility of companies' transition plans.

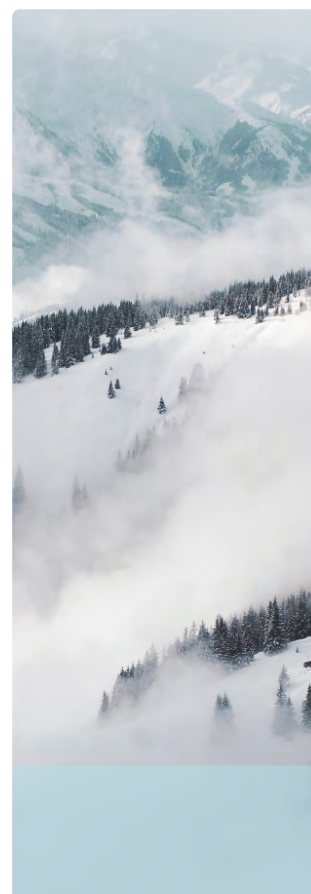
This analysis also helps determine where further engagement may be warranted. During the period, recurring themes included:

- **Companies completing their original SBTi short-term targets.** Where companies are approaching the end of their initial target period, we seek to understand their progress and encourage the setting of appropriate new targets. Examples include Mastercard and S&P Global.
- **Companies undergoing significant acquisitions or disposals.** Major changes to the composition of a business can require emissions baselines and reduction targets to be appropriately re-based. We engage with companies including Becton, Dickinson & Company, Aon and Fortum where this is relevant.
- **Incomplete public disclosure.** Where material emissions data is not publicly available, we seek greater transparency, including through public CDP disclosure or publication of internally estimated emissions. Examples include Vertiv, Fortinet and Analog Devices.
- **Supply-chain or customer target coverage.** We monitor the proportion of relevant suppliers and customers with SBTi-validated targets, particularly where this is material to a company's ability to reduce its Scope 3 emissions. Examples include MSCI and Microsoft.

These themes are not exhaustive. They illustrate how our company-level climate analysis feeds into the engagement process, helping us identify specific areas where further dialogue may improve the quality of climate disclosure, target-setting and transition planning.

In the Appendix we provide a summary of portfolio positions as at 30 June 2026, together with the key data used to classify each company as a Transition Leader, Carbon Reduction Solution or Adaptation Solution. The detailed criteria for each category are set out in the Climate Alignment Framework in the second section.

Below we give you a flavour of the analysis that helps validate companies for each of our Categories described in Section 2 in greater detail. This, along with the Climate Alignment Framework and other parts of our Investment Process, help give us conviction that we are picking the right assets to create enduring returns for your Portfolio.





John Deere - Adaptation Solution



John Deere was founded in 1837 as an Illinois plough-maker and is now the world's largest manufacturer of agricultural machinery. Over the past decade, it has increasingly repositioned itself from an equipment manufacturer towards a precision agriculture company, combining machinery with sensors, software and data to help farmers apply the right input, in the right place, at the right time.

The agricultural challenge

Climate change is making agricultural production more variable and difficult to manage. The challenge is not simply higher temperatures or lower rainfall, but greater volatility in planting and harvest windows, more erratic rainfall and greater season-to-season swings in pest and weed pressure. Precision technology can help farmers absorb this variability while protecting yields and using key inputs including fuel, seed, fertiliser and crop protection more efficiently.

The scale of the challenge is increasingly visible. This summer's drought and heat across Europe cut EU cereal production by an estimated 9% year-on-year, with maize output down 13%, its lowest level since 2007, while France's maize crop fell 35% to its lowest since 1980. The European Commission's Joint Research Centre estimated that summer-crop yields in the hardest-hit regions were as much as 14% below the five-year average. As global food production needs to expand on a fixed and increasingly climate-stressed base of arable land, technologies that improve field-level resilience through better data, more accurate application and connected machinery have an important role to play.





John Deere's solutions

Three Deere product lines illustrate how its technology can help farmers adapt:

- **“See & Spray”** uses AI-powered cameras mounted on sprayer booms to distinguish individual weeds from crop plants in real time, applying herbicide only where it is needed. In 2025, Deere reported up to a 50% reduction in herbicide use across more than one million treated acres. Beyond the direct efficiency gain, this gives farmers greater flexibility as weed pressure and herbicide resistance become less predictable under changing climatic conditions.
- **“ExactShot”** applies a similar principle to fertiliser, placing liquid fertiliser directly onto the seed at planting rather than along the entire furrow. Individual customer cases have reported reductions in liquid fertiliser use by as much as 60%. Using less fertiliser reduces farmers' exposure to input-cost and supply shocks, while also making the timing and application of fertiliser more precise when weather conditions are less predictable.
- **“John Deere Operations Center”** is a cloud-based platform that combines field, soil, weather and machine data to help farmers make better-informed decisions about when to plant, spray or harvest. Combined with Deere's increasingly autonomous and automated equipment, it can also allow time-critical operations to be completed faster and with less dependence on scarce skilled labour. This becomes particularly valuable as planting and harvesting windows become narrower and less predictable.



These technologies do not make farming immune to climate volatility, and Deere acknowledges that penetration of its digital services and connected machinery still has significant room to grow. However, its ambition to help customers “do more with less” is becoming an increasingly important part of the business model. Many of these capabilities are now also sold through data and software subscriptions rather than being embedded solely in equipment. The case for Deere as a climate-adaptation enabler therefore rests not on one transformative technology, but on cumulative gains in efficiency, resilience and timeliness: reducing waste, tightening the margin for error and giving farmers more scope to respond as growing conditions become less predictable.



Reducing the impact of its equipment

Deere is also working to reduce the environmental impact of its machinery. This forms part of its SBTi-validated short-term plan to reduce emissions from the use of products sold by 30% by 2030. Successive emissions standards in Europe and North America have driven lower particulate and NOx emissions and improved fuel efficiency, while Deere is selectively electrifying equipment where battery economics are viable. Its majority ownership of Austrian battery manufacturer Kreisel Electric has supported the development of high-density battery packs and charging infrastructure, and Deere has introduced electric and hybrid models across turf care, compact utility tractors and Construction & Forestry.

Electrification remains concentrated in lower-horsepower equipment, where battery weight and cost are more manageable. For higher-horsepower row-crop machinery, Deere is pursuing diesel-efficiency improvements alongside renewable-fuel- and hydrogen-compatible engines, reflecting the current limitations of battery technology at scale. Since November 2025, its entire Tier 4 engine line has been factory-approved for blends of up to B30 biodiesel, while older Tier 3 engines are cleared for up to B100.

These initiatives are complementary to our Climate Adaptation classification. The investment case principally rests on Deere's ability to help farmers maintain output, use scarce inputs more efficiently and respond more quickly as climate volatility makes agriculture harder to manage.





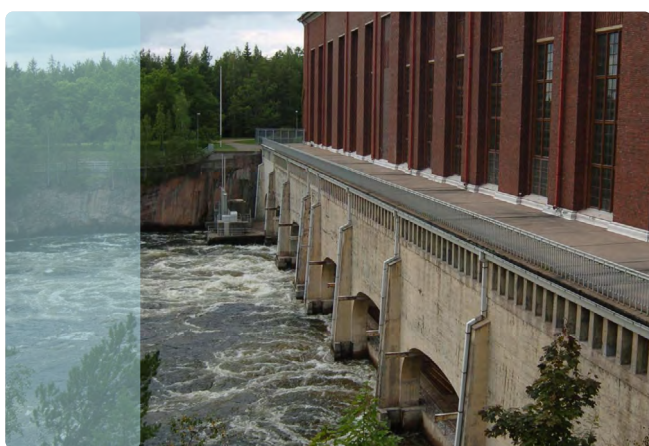
Fortum - Reduction Solution



Fortum was formed in 1998 from the combination of Finnish power utility Imatran Voima and Neste and remains 51% owned by the Finnish state. Since parting ways with Uniper, it has refocused on its core Nordic electricity business, where we believe it has a structurally advantaged position in low-carbon generation. Around 85% of EBITDA comes from electricity generation, with the balance principally from consumer solutions serving approximately 2.2 million customers across Europe. We believe Fortum is well positioned to benefit from rising demand for low-carbon electricity, while helping to displace more carbon-intensive generation across Europe. Since investing, we have remained in regular dialogue with the company on strategy, capital allocation and how it plans to meet rising electricity demand while maintaining its highly decarbonised generation mix.

Fortum's portfolio & operating environment

Fortum's generation portfolio is among the cleanest in Europe. In 2025, 99% of its electricity generation came from renewable or nuclear sources: 24.2TWh of hydro, 20.4TWh of nuclear and 1.3TWh of wind. Power-generation emissions were just 8gCO₂/kWh, around 96% below the EU average of approximately 210gCO₂/kWh in 2025 (Ember Global Electricity Review 2026). On normalized generation capacity of circa 47TWh, this implies around 9.5MtCO₂ of avoided emissions relative to the average European power mix. This gives Fortum a significant structural advantage as electricity demand rises and customers increasingly seek low-carbon power.



The Nordic Power market is particularly attractive. Abundant hydro, nuclear and growing wind and solar resources provide low-carbon electricity, while rising demand from data centres, steel, hydrogen, aluminium and batteries creates a growing market for clean power. Interconnection capacity also allows Nordic generation to displace higher-carbon electricity in markets such as Germany and the UK. Increasingly, the constraint is grid access rather than the availability of low-carbon resources.

The recently announced agreement with Google to supply its forthcoming Finnish data centre campus illustrates this opportunity. Google specifically sought nuclear power and signed a 22-year agreement covering half of Loviisa's output, helping underpin Fortum's approximately €1bn programme to extend the plant's life to 2050. The agreement also includes potential future renewable supply, flexible electricity management and optimisation of a 94MW battery alongside Google's planned Kajaani data centre. More broadly, the deal demonstrates how rising AI-related electricity demand can support long-term investment in carbon-free generation.



The generation pipeline

Fortum has approximately 8GW of Nordic wind and solar development opportunities and aims to have 1.2GW ready to build by the end of 2028. Importantly, these are options rather than committed projects: management has stated that investment will proceed only where PPAs provide sufficient economic certainty. Fortum is also targeting 2.5GW of new flexibility services and generation assets by 2028, including batteries, demand response and pumped hydro.

The company is retaining further nuclear growth options, including discussions with the Swedish state around a potential 1.2–3.4GW project at Oskarshamn. Finland and Sweden provide supportive frameworks for nuclear investment, with mature safety regimes and established approaches to waste management and long-term disposal.

Fortum's 2026–2030 plan directs growth investment towards renewables, the Loviisa extension, district-heating decarbonisation and flexibility, while residual coal assets are scheduled to be fully exited by the end of 2027. The company also has SBTi-validated targets for net zero across its value chain by 2040, including an 85% reduction in Scope 1 and 2 emissions intensity from electricity and heat generation by 2030, a 69% reduction in emissions intensity associated with electricity sold and a 55% absolute reduction in Scope 3 emissions from sold fossil fuels by 2033, all against a 2023 baseline.

Progress and areas for engagement

Progress is strongest in Fortum's own generation fleet: power-generation emissions intensity has halved from 16g CO₂/kWh in 2023 to 8g in 2025. Electricity and heat generation intensity is 18% below baseline and electricity-sales intensity 14% lower.

The principal area requiring further attention is Scope 3. Emissions from sold fossil fuels were 47% above the 2023 baseline, largely reflecting higher gas retail sales. A significant proportion of Fortum's Scope 3 footprint also arises from gas and electricity purchased from third parties and resold to customers, meaning acquisitions such as Orange Energia can increase reported emissions without necessarily representing deterioration in the underlying generation mix. We are engaging with the company on how it intends to reduce these emissions and ensure that changes to the business are reflected appropriately in its targets and reporting.

Fortum therefore combines an exceptionally clean existing generation base with significant options to add further renewable, nuclear and flexible capacity. We believe this positions the company to benefit from structurally rising demand for low-carbon electricity while contributing to the decarbonisation of the wider European power system. The key to the investment case is that Fortum can grow its low-carbon generation selectively, where long-term demand and contractual arrangements provide attractive economics, rather than relying on growth for its own sake.



ASML - Transition Leader

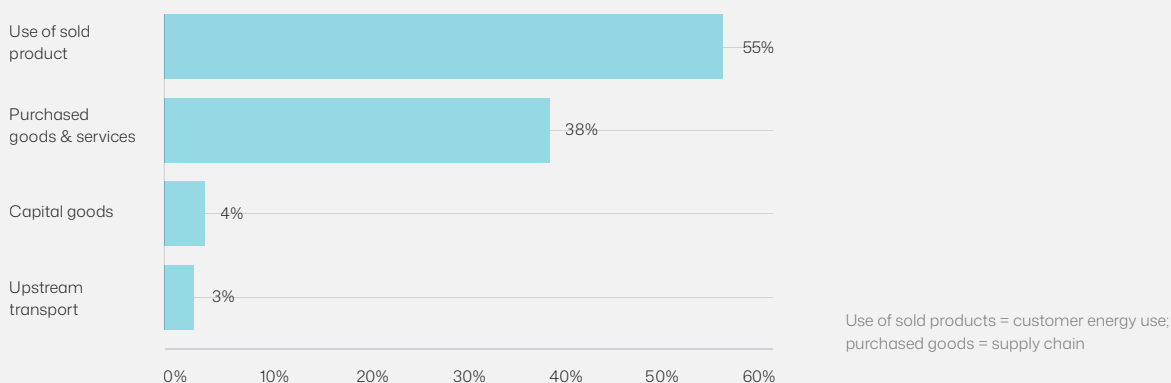


ASML was founded in 1984 as a joint venture between Philips and ASM International and is now the world's leading supplier of semiconductor lithography equipment. It has a near-monopoly in extreme ultraviolet (EUV) lithography, the technology used to print the smallest features on advanced semiconductors, and approximately 83% of the wider lithography equipment market. ASML generated €32.7bn of revenue in 2025, of which 75% came from new systems and 25% from servicing and upgrading its installed base.

ASML's baseline emissions

ASML's emissions footprint sits overwhelmingly outside its own operations. Scope 3 accounted for 99.8% of gross emissions in 2025, while gross Scope 1 and 2 emissions were just 26ktCO₂e. Around 55% of Scope 3 emissions come from electricity consumed by ASML systems in customers' semiconductor fabs and 38% from purchased goods and services. The two key challenges are therefore the energy efficiency of its machines and the carbon intensity of a specialised and relatively concentrated supply chain, including critical optics and other components supplied by Carl Zeiss SMT (whose parent ZEISS had its emissions-reduction targets validated by SBTi in 2026).

ASML Scope 3 mix, 2025



Source: ASML emissions disclosures, 2025

Reduction targets & progress

ASML has made substantial progress in its own operations. Gross Scope 1 and 2 emissions fell from 60ktCO₂e in 2019 to 26kt in 2025, comfortably exceeding its original SBTi target. Its current targets require a 75% absolute reduction by 2030 and 90% by 2040, both against a 2019 base year.

Progress on Scope 3 has also exceeded its original target, with emissions per €m of gross profit reduced by 53% in 2025 against a target of 35.3%, both measured against a 2019 base year. Its new targets require a 55% reduction by 2030 and 97% by 2040, alongside an ambition for its supply chain to be GHG neutral by 2030.

The more important challenge is the electricity consumed by ASML's equipment after it has been sold. EUV lithography is inherently power intensive, but ASML has reduced energy consumption per wafer pass by 57% since its first high-volume EUV machine shipped in 2018 and is targeting a further 30–40% reduction over the next five to ten years. As semiconductor manufacturing becomes more advanced and compute demand grows, continued efficiency gains are critical to limiting the associated increase in electricity demand.



This creates an important tension between efficiency and growth. ASML's EUV installed base could nearly double by 2030, while High-NA systems are estimated to consume around 1,400kW versus roughly 1,170kW for existing Low-NA tools – around 20% more per machine. Energy use per wafer therefore needs to improve sufficiently to offset both a larger installed base and the higher power requirements of newer systems. Reducing product-use emissions will depend on both machine efficiency and the electricity grids supplying customers becoming less carbon intensive.

The direction of travel is encouraging. Using ASML's latest restated emissions data, Scope 1+2+3 emissions fell from approximately 13.6MtCO₂e in 2023 to 11.6Mt in 2025, while revenue increased from €27.6bn to €32.7bn, reducing total emissions intensity by around 28%. Our calculations also show a sharp decline in Scope 1+2 intensity over the past three years and place ASML in the top quartile for emissions-intensity performance within its GICS Industry Group, Semiconductors & Semiconductor Equipment, relative to both revenue and operating income and for both Scope 1+2 and Scope 1+2+3 emissions.

Future hurdles and engagement

We have not yet engaged directly with ASML, but there are three areas we would like to explore: whether its 2030 supply-chain commitment can be matched by a nearer-term absolute target for product-use emissions; how the transition to High-NA affects the trajectory for energy consumed per wafer; and, given that ASML has achieved net GHG neutrality in its own operations, the scope to reduce residual emissions further and increase direct renewable-energy procurement.



ASML combines a dominant position in advanced semiconductor manufacturing with a strong record of reducing the environmental impact of its technology. Its own emissions are small and falling, its supply chain has a defined decarbonisation pathway and, most importantly, energy use per wafer has fallen 57% since 2018. The key test is whether these efficiency gains can continue to outpace growth in the installed base and the higher power requirements of increasingly advanced lithography systems. If they can, ASML can enable continued semiconductor innovation while reducing the environmental intensity of the industry's growth.



2: ESG Assessment

Beyond our focus on Climate and Emissions, we undertake broader ESG assessments of companies. We apply the Do No Significant Harm (DNSH) principle across our investment process and review Principal Adverse Impact (PAI) indicators as part of both our initial screening and ongoing due diligence. All mandatory PAIs are assessed, alongside a number of relevant voluntary PAIs, helping to ensure that investments do not undermine environmental or social sustainability.

We believe companies that consistently fall short of broader Environmental, Social and Governance standards may be building significant risks to their future earnings power. As such, companies with poor performance or significant, unmitigated adverse impacts are excluded from our coverage. For companies on our Target List, we continue to monitor relevant sustainability metrics using both financial and non-financial data sources.

Selected PAI observations

The analysis below highlights selected climate and social PAIs that we consider particularly relevant to the portfolio. For each indicator, we outline the portfolio's exposure and, where relevant, the key factors driving that exposure. PAI reporting is also included in the Fund's financial statements in accordance with SFDR Article 9 requirements, available on request.

Mandatory PAI 4 – Exposure to companies active in the fossil fuel sector

For a long-term investor, fossil fuel exposure can create significant transition and stranded asset risks, as increasing regulatory pressure, carbon costs and structural changes in demand affect the long-term value of assets and earnings. We therefore consider fossil fuel exposure carefully when assessing the resilience of a company's long-term business model and valuation. Where exposure exists, there should be a clear, company-specific rationale for why the business is positioned to benefit from, rather than be disadvantaged by, the transition.

As of end June 2026, none of our investments had material direct exposure to the fossil fuel sector.

Mandatory PAI 14 – Exposure to controversial weapons

This PAI measures the share of investments in companies involved in the manufacture or sale of controversial weapons, including weapons whose use is widely restricted or prohibited. No businesses with such exposures pass our exclusionary thresholds and, as such, the portfolio has no identified exposure to controversial weapons.



Optional Climate PAI 1 – Emissions of inorganic pollutants

This PAI measures the tonnes of inorganic pollutants emitted by investee companies, apportioned to the portfolio and normalised per US\$1 million invested. Inorganic pollutants can contribute to poor air quality, environmental degradation and adverse health outcomes for people. Emitters face risk of regulatory penalties, remediation costs, operational restrictions, litigation and reputational damage.

Overall portfolio inorganic emissions are very low. However, several companies have individually material emissions.

- Becton Dickinson, Thermo Fisher and Convatec have some exposure due to their high-volume healthcare consumables. Each is working to reduce its footprint through lower packaging use, greater recyclability and use of recycled materials; and reduced reliance on high-impact materials.
- Within our Industrials and Semiconductor investments, TSMC, Assa Abloy and ASML also have some exposure. Our due diligence indicates that each is best-in-class in terms of its operational footprint.

Optional Social PAI 6 – Protection of whistleblowers

This PAI measures the share of investments in companies that do not have policies protecting whistleblowers. Effective whistleblower policies support accountability and allow employees to report suspected misconduct or unsafe practices without fear of retaliation. Poor reporting mechanisms can allow misconduct to remain undetected which can result in operational disruption, reputational damage, and litigation and fines.

Based on S&P Capital IQ data, all companies in the portfolio have appropriate whistleblower protection policies. We look to independently verify these in our conversations with companies.





Optional Climate PAI 6 – Water usage

This PAI measures the average amount of water consumed by investee companies, in m³ per \$1m of revenue. Water consumption can be financially material for companies operating in water-intensive industries or in regions facing water scarcity, creating potential exposure to rising costs, tighter regulation and physical constraints. We therefore consider water usage alongside the location and nature of a company's operations, with particular attention to businesses in sectors such as Industrials, Agriculture, Semiconductors, and Food & Beverage. A high or deteriorating water-use intensity, particularly in water-stressed geographies, can highlight emerging operational and margin risks that may not yet be fully reflected in company valuations.

As of end-June 2026, the companies with the highest water-use intensity in the portfolio were Deere and Westinghouse Air Brake Technologies, both in the Capital Goods sector. While this is broadly consistent with the water requirements of their operations, we continue to monitor how these metrics evolve. The next highest water-use intensities were recorded for Novonisis, TSMC and Rentokil Initial.

Optional Social PAI 1; 4; 5; and 15 – Occupational Health Safety (OHS) Governance Score; Supplier Code of Conduct Score; Systems/Procedures Score; and Anti-Bribery & Anti-Corruption Score

These PAIs assess companies' management of key social and conduct risks, including occupational health and safety, supplier conduct, codes of conduct, and anti-bribery and anti-corruption. For our analysis, we use the corresponding company-level assessments provided by S&P Capital IQ, which evaluate the strength of policies, controls and procedures. Weaknesses can, for example, result in fines, operational disruption, supply-chain issues or reputational damage. The assessments therefore provide an additional lens through which we evaluate the resilience and sustainability of a company's operating model.

At the portfolio level, we use the scores to monitor exposure to social and conduct risks, while at the single-name level, a low score can prompt deeper due diligence and engagement. Overall, the portfolio performs reasonably well across these indicators, with all four weighted-average scores above 50, suggesting that these issues are generally being satisfactorily addressed.

OHS Governance is the weakest of the four scores at an aggregate level. Further due diligence on the companies contributing most to this result - with only MSCI, Aon and Fortinet scoring below 25, indicating potentially unaddressed concerns - identified no material issues. None of our investments had an Anti-Bribery & Anti-Corruption Score or Systems/Procedures Score below 25.

3: Proxy Voting in Action

The principles set out in Section 2 guide how we assess individual proxy resolutions, but the most useful test of any voting framework is how it is applied in practice. During the period, we voted across a broad range of resolutions, with our decisions reflecting the specific circumstances of each company rather than a mechanical application of predefined rules.

Our approach is deliberately judgement-based. The principles around board composition, remuneration, climate strategy and other governance matters provide a framework for identifying issues that warrant scrutiny, but they do not determine the vote in isolation. We consider the company's circumstances, the rationale presented by management, and any information obtained through engagement before reaching our final decision. As the Deere and Aon examples illustrate, this can mean that engagement changes our initial view – including from an intention to vote against management to a decision to support a proposal.

Voting activity

Since inception to June 2026, we cast 466 votes across 29 of the 31 company meetings which we were eligible to vote⁸. We voted against management on 59 resolutions, or 12.7% of all votes cast.

Director elections accounted for more than half of all resolutions, reflecting the number of individual director elections typically presented at each meeting. They were also the largest source of votes against management, with 42 of our 258 director votes (16.3%) opposed.

Theme	Total Votes	% of Total	Against Mgmt.	% Against Mgmt.
Director elections	258	55.4%	42	16.3%
Audit-related	54	11.6%	4	7.4%
Remuneration	49	10.5%	3	6.1%
Articles / governance	34	7.3%	4	11.8%
Capital structure /issuance	30	6.4%	0	0.0%
Other	20	4.3%	3	15.0%
Routine business	10	2.1%	0	0.0%
ESG / shareholder proposal	9	1.9%	3	33.3%
Transactional / capital	2	0.4%	0	0.0%
Total	466	100.0%	59	12.7%

⁸ At the inception of the Fund, an administrative omission by our service partner resulted in us not being able to vote in 2 company meetings. We have subsequently fixed this problem and do not expect a reoccurrence.



What drove our votes?

Our approach to director elections follows directly from the principles set out in our Stewardship Policy. We look for a balance between continuity and board refreshment, including an average director tenure of around five years, alongside a majority-independent board and directors who demonstrate strong engagement and attendance. Where a director's tenure extends materially beyond this without a clear countervailing rationale, we are inclined to vote against re-election. This was the principal driver of our opposition in director elections during the period, including at Deere and Aon.

Our approach to remuneration is similarly grounded in long-term value creation. We favour incentive structures that combine operational measures such as free cash flow per share and return on invested capital, climate-related measures where relevant, and market-based measures such as total shareholder return relative to peers. We are less supportive of structures that rely too heavily on simpler earnings-based metrics. Where we voted against management on remuneration during the period, it was generally because the proposed long-term incentive framework did not meet these standards. At Aon, for example, we pressed for the operational metrics used in the CEO's one-time grant to be extended to the broader executive incentive programme.

Climate-related shareholder proposals were the largest individual category within ESG and shareholder proposals, accounting for four of the nine proposals we voted on. We voted against management on three of these four. Our opposition was not driven by a general preference for greater disclosure: in each case, we identified a specific gap in the information required to assess progress against a company's stated climate objectives. In particular, we looked for clearer disclosure of key emissions categories and greater detail on the pathway to achieving stated targets, including annual milestones for the underlying reduction measures. Where existing reporting already provided sufficient information, we supported management; for example, we voted with management on a proposal seeking further reporting on the return on investment of emissions-reduction goals.

Voting as an engagement tool

A vote against management is rarely the end of the process. The covering analyst, together with our Stewardship & Climate Committee, follows up directly with the company to explain our rationale and understand its response. Where appropriate, we use subsequent engagement to assess whether the issue has been addressed and whether our voting position should change in future.

This approach means that our voting record is not simply a measure of how often we disagree with management. It is also a record of where we have identified issues that warrant further discussion with the companies in which we invest. We are actively engaged with a number of companies where we opposed management during the period and will report on the progress and outcomes of those engagements in future updates.

4: Engagement in Action

Our principles around Engagement shape not only when we engage, but also how we engage and what we seek to achieve. Our objective is not engagement for its own sake, nor to pursue a high volume of company interactions. We focus our efforts where an issue is material to our investment assessment, where we have a clear objective, and where constructive dialogue can provide either an opportunity to influence outcomes or information that improves our understanding of the company.

Engagement is therefore both an investment and stewardship tool. It allows us to test our assumptions, understand management's perspective and, where appropriate, encourage actions that we believe can strengthen a company and enhance long-term shareholder value. It also provides a mechanism through which our views can evolve: we may become more supportive of management where its response addresses our concerns, or maintain our position where we believe further progress is required. Where an issue remains unresolved, engagement can in turn inform our proxy voting and, where appropriate, escalation.

The examples below illustrate this approach in practice. We focus on four engagements from the period across our two principal areas of formal engagement - climate and environmental performance, and governance - showing the issue we identified, how we engaged with the company, and what we concluded as a result.





Climate Case Studies

Fortinet



The issue. For a global cybersecurity company with products deployed across a vast customer base, Scope 3 emissions – specifically emissions from the use of sold products – represent the dominant and hardest-to-measure component of its carbon footprint. We therefore wanted to understand the rigour of Fortinet's emissions measurement and the rationale behind its recent revision of its longer-term Net Zero targets.

Our engagement. Our covering analyst and Head of Climate Research held direct dialogue with Fortinet's management, reviewing the company's approach to measuring its Scope 3 baseline and the methodology behind it, including the product carbon calculator it has developed to provide customers with lifecycle emissions transparency.

Outcome. We came away encouraged by the progress Fortinet has made since 2023 in developing the tools and methodology required to establish its Scope 3 baseline with greater confidence. We also viewed its decision to revise its longer-term SBTi target as a deliberate choice to prioritise measurement accuracy over maintaining a more ambitious headline target.

Fortinet is also addressing emissions at source through energy-efficiency improvements and product design changes that reduce transport and data-centre cooling requirements. One area remains a focus of our engagement: the company's reliance on Renewable Energy Certificates where direct renewable procurement is not yet possible. We have expressed a preference for a transition towards direct power purchase agreements or hourly-matched certificates as market infrastructure develops, and will continue to engage with Fortinet as its approach matures.

Svenska Handelsbanken



The issue. Handelsbanken has made tangible progress on its own operational footprint and has embedded climate considerations into its lending decisions, but has chosen not to seek validation of its targets from the Science Based Targets initiative (SBTi). We wanted to understand the robustness of its process-based approach to climate alignment and, in particular, whether it provided sufficient evidence that the bank's lending portfolio would follow an SBTi-equivalent trajectory.



Our engagement. Our dialogue began before the SBTi question arose. We first met the Head of Investor Relations to discuss business prospects and strategy, followed by a meeting with the Head of Operational Sustainability to review the bank's wider sustainability policy. Following Handelsbanken's announcement that it would not pursue SBTi validation, we held a further meeting with both functions to understand the rationale and its implications.

Outcome. We recognise the genuine limitations of financed-emissions data and the tension between centrally imposed targets and Handelsbanken's branch-led model. However, we concluded that a credible process does not by itself demonstrate that the bank's lending portfolio will follow an SBTi-equivalent trajectory.

Before considering an investment, we would therefore need to assess Handelsbanken's financed-emissions performance directly and determine whether its lending processes and sector pathways are delivering outcomes consistent with SBTi-aligned targets. We continue to monitor the company and keep its eligibility as a Transition Leader under review.

Governance

John Deere



The issue. Ahead of Deere's annual meeting, we identified two directors, Greg Page and Sheila Talton, whose board tenure exceeded the threshold set out in our Stewardship Policy. We were therefore minded to vote against their re-election, but wanted first to understand the company's rationale for their continued service.

Our engagement. We wrote to Deere's investor relations team ahead of the proxy vote to ask which board members were due to retire in the near term and raised our concerns regarding tenure directly.

Outcome. Deere confirmed that both directors were approaching the company's mandatory retirement age of 75, with Mr Page, aged 74, due to retire the following year and Ms Talton, aged 73, due to retire within two years, and that both would be duly replaced.

This provided a clear path to board refreshment without requiring intervention through our vote. Given the highly relevant experience both directors bring to Deere, we therefore voted in favour of both directors' re-election. We will continue to monitor the board's refreshment as these retirements take effect.

Deere illustrates the interaction between engagement and proxy voting described in the preceding section: we were prepared to vote against management, sought further information, and changed our voting decision when the company provided a credible explanation and timetable for addressing our concern.



Aon



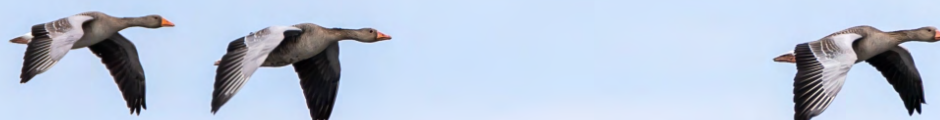
The issue. Ahead of Aon's annual meeting, we identified two areas of concern. First, four directors, including the Chair, had served on the board for more than 20 years, well beyond the tenure we typically look for. Second, we wanted to understand why the metrics used for the CEO's one-time long-term incentive grant - organic revenue growth, operating margin and free cash flow growth - were not also applied to the company's regular long-term incentive awards for the CEO and other named executives. We therefore engaged to understand the company's reasoning on both issues before determining our voting position.

Our engagement. We wrote to Aon's investor relations team ahead of the AGM to set out our questions and held a call with the company's Global Chief Counsel, Director of Compensation and Head of Investor Relations to discuss them directly.

Outcome. On board tenure, the company argued that a long-serving Chair provides continuity and the standing to challenge a similarly long-tenured, successful CEO, and that longevity, alongside geographic and functional diversity, has helped preserve institutional memory through a long period of M&A and divestitures. It also noted that average board tenure had already fallen from 14 to 10 years.

We were sympathetic to this reasoning in the case of the Chair and voted in favour of his re-election. We did not believe, however, that the same rationale extended to the company's other long-tenured directors and voted against three of them. We also recommended that the board develop a more structured process for transferring institutional knowledge to newer directors, rather than concentrating it in one individual, and consider adding a senior technology executive to help the board navigate the opportunities and risks presented by AI.

On compensation, the company did not provide a clear rationale for excluding the CEO's one-time-grant metrics from its regular incentive awards, citing that earnings-based measures are easier for a broad employee population to relate to. We voted in favour of the overall compensation proposal, but reiterated our request that the operational metrics used in the CEO's one-time grant be incorporated into future long-term incentive awards. We will follow up with the company on this issue in the next voting season.



Section 2

About Resolution

Introduction to Resolution Investors

Resolution Investors LLP, founded in 2024, is an independent, founder-owned asset management firm.

Our aim is to provide clients an active sustainable global equity strategy that can deliver healthy risk-adjusted returns through disciplined company analysis, clear portfolio construction, and engaged ownership. We aim to do this while offering better diversification and lower tracking error than many traditional climate-focused equity strategies.

Our investment team consists of experienced analysts and portfolio managers who assess companies through detailed fundamental research. We believe that companies combining strong fundamentals with strong climate alignment and responsible governance are well placed to deliver attractive long-term returns.

Stewardship is integrated into our investment approach: it is part of how we assess companies, monitor risk, vote proxies, and engage with management teams and boards.

Our Approach to Investing

Our **Investment Philosophy** is guided by six core beliefs:

- Leading, climate-aligned companies are positioned to outperform over the long term
- Seeking returns and managing risk are equally important
- Clearly defined and repeatable processes matter
- Proactive engagement can add value
- Culture and incentives drive execution
- Consistent improvement is critical

Our Investment Process begins with a broad global equity universe. We apply exclusionary criteria, financial quality screens, climate alignment analysis, ESG and governance assessment, and valuation work to identify a Target List of approximately 90 companies. From this Target List, we construct a portfolio of approximately 30 holdings at any one time. To identify the Target List, we follow a four-step exclusionary screening process, and then a bottoms-up inclusionary analysis process.



Initial Exclusions

We apply the following four exclusions based on a consideration of environmental and social factors, on an initial financials screening, and on trading liquidity.

- **Financial Quality.** We exclude companies that fail our financial quality screen, which assesses profitability, returns on capital, balance sheet strength or historic growth.
- **Liquidity.** We exclude companies below our liquidity and market capitalisation requirements.
- **Climate-Alignment.** We exclude companies that do not provide adequate climate disclosure or do not demonstrate credible carbon reduction ambitions.
- **Material Negative Externalities.** Consistent with the SFDR's notion of 'Principal Adverse Impacts' and the EU Taxonomy's notion of 'Do No Significant Harm', we aim to exclude companies who generate material negative externalities, either climate or societal.

Identifying Leading Companies

We assess companies across two broad dimensions: Business and People & Management fundamentals. Our detailed checklists include analysis of competitive positioning, market structure, financial returns, growth prospects, balance sheet resilience, capital allocation, governance, culture, incentives and management execution track record.

Identifying Strong Climate Credentials

Climate alignment is a requirement. Companies on our Target List must fit into one of our defined climate investment categories: **Transition Leaders, Carbon Reduction Solutions or Adaptation Solutions**. These categories are described in more detail later in this report.

ESG Evaluation

Each company also undergoes an ESG assessment designed to identify both material sustainability risks and long-term opportunities. This includes consideration of Principal Adverse Impact (PAI) indicators and applies the Do No Significant Harm (DNSH) principles.

Modelling & Valuation

For each Target List company, we run full financial models with detailed forecasts and scenario analysis. We use these to derive a Central Case, as well as Bull and Bear scenario, Fair Values. The corresponding up/downside to the share price sits alongside our checklist scores as critical factors in our investment decisions.



Portfolio Construction and Risk Management

Portfolio construction is designed to balance conviction and diversification. The portfolio typically holds around 30 companies, with position sizes usually ranging from 2% to 8%. We do not manage mechanically to sector or geographic benchmark weights, but we remain benchmark-aware and monitor concentration, liquidity and factor exposures.

Risk management is reinforced by our focus on company fundamentals, climate alignment, diversification, liquidity, valuation discipline and ongoing monitoring. We also maintain a stop-loss framework that requires formal review and portfolio action when a holding underperforms materially.

Climate Alignment Framework

Climate alignment is central to Resolution's investment approach. We believe the transition to a lower-carbon economy will create risks and opportunities across almost every sector. Companies that manage this transition should benefit from stronger customer relationships, better access to capital, regulatory tailwinds, innovation opportunities and market share gains. Companies that fail to adapt may face higher costs, stranded assets, reputational damage, regulatory pressure and declining competitiveness.

We see three distinct ways companies can respond to climate change: by abating operational emissions, by reducing customer emissions through the provision of lower-carbon alternatives, and by products and services that support adaptation to the physical consequences that can no longer be avoided. These three responses give us a simple, comprehensive lens for identifying where climate-related investment opportunity sits in the economy, and map directly to the three categories of companies we target.

Our climate alignment framework is designed to identify companies that are well positioned for this changing environment, while avoiding those whose business models or actions are inconsistent with our climate objectives.

Categories of Climate Aligned Companies

We identify and classify our investable companies into three categories: **Transition Leaders**, **Carbon Reduction Solutions** and **Adaptation Solutions**. These categories provide clarity about why a company qualifies for the Target List and how its climate contribution should be assessed.



Transition Leaders

Transition Leaders are companies that lead their sectors in emissions efficiency and have credible, material, publicly disclosed carbon reduction plans. These companies may operate in a wide range of industries. For all, we look for evidence that they:

- Have lower emissions intensity than relevant peers
- Disclose Scope 1, Scope 2 and material Scope 3 emissions
- Have credible emissions reduction targets
- Have science based SBTi-validated targets or equivalent plans
- Demonstrate progress against targets
- Integrate climate objectives into strategy and capital allocation
- Maintain strong governance and oversight of climate risk

Carbon Reduction Solutions

Carbon Reduction Solutions are companies whose products or services help customers reduce or avoid greenhouse gas emissions relative to a credible counterfactual. Examples may include businesses involved in energy efficiency, electrification, industrial automation, building efficiency, grid infrastructure, technology enabling resource optimisation. For these companies, we consider the emissions the company itself generates alongside the net emissions reductions of the products and services they provide. This requires a lifecycle approach. We consider the emissions generated in producing, distributing and using the product, and compare those emissions with the emissions that would likely have occurred without the product or service. Where possible, we use company reporting, industry data, government and regulatory sources, academic research, external consultants, trade bodies and non-governmental organisations to test company claims. We are cautious of overstated avoided emissions claims. We look for evidence that the product or service provides a real, measurable and material emissions avoidance benefit.

Adaptation Solutions

Adaptation Solutions are companies whose products or services help societies manage and adapt to the physical consequences of climate change. Climate change is already increasing the need for adaptation across water, agriculture, health, infrastructure, temperature control, and other areas. Companies that provide effective adaptation solutions will play an important role in improving resilience.





Examples may include companies involved in water management, irrigation, agricultural productivity, healthcare and diagnostics, pest control, cooling systems, resilient infrastructure or other areas where products and services help manage physical climate risks. For Adaptation Solutions, we assess the materiality of the adaptation benefit and the evidence supporting the impact claimed by the company.

Climate data

We track climate data at both the individual company and the aggregate portfolio level. Our aim is to use data that are material, reliable, comparable and decision-useful. While climate data present significant challenges, systematic tracking is essential for disciplined investment and stewardship. We therefore focus on indicators that are meaningful, relevant and as reliably accurate as possible. The indicators we track include, but are not limited to:

- Scope 1, Scope 2 (location-based and market-based) and Scope 3 greenhouse gas emissions
- Emissions intensity relative to revenue, units sold or other relevant operational denominators
- Emissions progress over time
- Short-term and long-term emissions reduction targets, including whether targets have been validated by the Science Based Targets Initiative targets
- Climate disclosure quality
- Transition plan credibility
- Capital expenditure alignment with climate objectives
- Use of renewable energy
- Product-level avoided emissions, where relevant
- Lifecycle emissions, where relevant
- Exposure to physical climate risks
- Qualitative indicators, including management accountability for climate targets, board oversight of climate strategy, consistency of disclosure, credibility of assumptions, and evidence that climate objectives are integrated into capital allocation and, ideally, into management remuneration

For Transition Leaders, particular emphasis is placed on the credibility of emissions reduction targets, the quality of disclosure, progress against targets and relative performance versus peers. For Carbon Reduction Solutions, we assess both the emissions generated by the company and the emissions reduced or avoided through the use of its products or services. This requires careful analysis of lifecycle emissions and counterfactual scenarios.

For Adaptation Solutions, we assess the evidence that the company's products or services help mitigate the consequences of climate change, such as water scarcity, agricultural stress, heat exposure, disease burden or infrastructure resilience.



Sources & data quality control

Sustainability analysis is constrained by the quality and consistency of available data. Emissions may be estimated, restated or calculated using different methodologies. Scope 3 emissions can be particularly challenging: upstream emissions may sit outside of a company's control or visibility; downstream emissions often rely on assumptions about product usage; methodologies are frequently revised; and double counting of emissions is inevitable.

Some of these challenges can be addressed through company action. For example, companies on our Target List frequently seek commitments from suppliers to set emissions targets and apply for SBTi validation, extending climate management beyond their direct operations. Other challenges require careful assessment of the sources and methodologies we use.

Data can also vary in timeliness, particularly where companies report climate information separately from their annual report, as is common practice in the US. We therefore use a range of sources to gather the highest quality information, including:

- Company-disclosed data, including annual reports and ESG or similar reports
- CDP reports
- Private databases, principally S&P Trucost ESG Analysis alongside Morningstar Sustainalytics

We use emissions data both to track a company's progress and to compare its efficiency with peers. For peer and benchmark analysis, we use S&P Trucost ESG Analysis as our primary data provider. This provides consistency in methodology across companies and over time. Trucost provides estimates of current and historical emissions for companies that do not disclose them, and its historical estimates have generally compared well with subsequent company disclosures. We use Morningstar Sustainalytics on a supplementary basis to cross-check Trucost data and investigate material discrepancies. When assessing a Target List company's progress against its own GHG emissions reduction goals, typically its SBTi targets, we use the company's disclosed emissions where these are sufficiently complete and reliable.

Using Trucost as our primary data source may result in differences between our emissions estimates and those produced by other data providers, including when comparing our portfolio with its benchmark or other funds. We nevertheless believe that using a consistent primary source is important for comparability. By combining consistent third-party data with company disclosures, and considering the timeliness and reliability of each source, we seek to make the best possible judgement of a company's environmental performance.



Science Based Targets initiative (SBTi)

We regard SBTi as the best, cross-industry adjudicator of targets for sustainable investment. While SBTi are not perfect, and not all sustainable businesses choose to engage with the initiative, there are several characteristics that we value:

- SBTi are becoming the global standard for setting emissions targets aligned with the Paris Agreement
- SBTi requires short-term targets, reducing the risk that companies rely solely on distant 2050 ambitions
- SBTi provide industry-specific frameworks, allowing targets to reflect the different decarbonisation pathways required across sectors
- SBTi take a considered approach to carbon offsetting, only allowing scope 2 adjustments through purchasing local renewable electricity

We do not use SBTi as a substitute for our own analysis. Rather, we use it as an important external reference point. SBTi validation provides useful evidence that a company's targets have been structured according to recognised methodologies, cover relevant emissions scopes and are aligned with recognised decarbonisation pathways. Our assessment, however, does not stop at whether a company has an SBTi-validated target. We also consider:

- Progress against targets
- Whether reported emissions are falling in absolute and/or intensity terms
- Whether targets cover the most material parts of the emissions footprint
- The credibility of the company's transition plan
- Whether capital allocation is consistent with stated climate objectives
- Whether disclosure is sufficiently detailed and consistent
- Whether management incentives and governance structures support delivery

In most cases, we prefer companies to have registered with SBTi or to have SBTi-validated targets. In some cases, however, we may conclude that a company's internal reporting, target-setting and climate management practices meet a similarly rigorous standard without formal SBTi validation.

Where a Target List company withdraws from the SBTi process, fails to renew its targets, or appears to weaken its climate commitments, we will seek to engage directly with the company and review its Target List status.



Stewardship Practices

Stewardship is integrated into how we assess companies and monitor risk. We set out below a summary of our Stewardship practices and are happy to share our full policy on request.

We define stewardship as the responsible oversight of the companies in which we invest, using research, voting and engagement to encourage corporate accountability, support long-term value creation and contribute to better real-world outcomes. We seek to understand how companies are governed, how they manage material risks, how they allocate capital, and how they are preparing for the transition to a lower-carbon and more resource-constrained economy. We focus on areas where we believe we have expertise and where the connection to long-term shareholder value is clear. These include:

- **Climate Alignment** – ensuring portfolio companies are positioned for the transition to a low-carbon economy
- **Social Impact and Governance Practices** – promoting fair, inclusive, and responsible business practices that support long-term resilience
- **Proxy Voting** – using our voting rights to support sound governance and sustainable performance
- **Engagement** – conducting constructive dialogue with companies to encourage better outcomes
- **Conflicts of Interest** – maintaining integrity and transparency in everything we do
- **Reporting & Disclosure** – holding ourselves accountable through clear and honest communication with clients and stakeholders

We aim to concentrate our efforts where they are material, where we have a clear view, and where we believe our actions can contribute to better outcomes.

We report to clients on stewardship activity to provide transparency and accountability, including on proxy voting records, engagement case studies, progress against objectives, and discussions of material conflicts of interest where relevant.

Proxy voting principles

Proxy voting is a core stewardship tool and an extension of our investment process. We vote proxies ourselves and do not outsource voting decisions to proxy advisors. We may use third-party research, company materials, investor guidance and our own analysis to inform decisions, but the final voting decision rests with Resolution.



Our voting approach is guided by our assessment of long-term shareholder value, company quality, climate alignment and governance standards. We seek to support proposals that improve accountability, strengthen shareholder rights, enhance transparency and encourage sustainable long-term performance.

We pay particular attention to votes relating to board composition, executive remuneration, climate strategy, capital allocation, shareholder rights and audit quality.

Board composition

As minority shareholders, we rely on boards to represent shareholder interests and provide effective oversight of management. We therefore favour boards that demonstrate independence, competence, relevant experience, diversity of thought, appropriate tenure and meaningful engagement with shareholders. We also expect boards to have appropriate oversight of climate and sustainability risks where those risks are material to the business. This may include board-level responsibility for climate strategy, transition planning, risk management and disclosure.

Executive remuneration

Executive incentives are a critical part of our assessment of management quality. We support remuneration structures that help attract and retain high-quality leadership while aligning management with long-term shareholder outcomes. We favour remuneration plans that are transparent, stretching and linked to genuine value creation.

Climate strategy

We expect portfolio companies to have credible, time-bound and publicly disclosed climate plans. We look for targets supported by measurable action, operational accountability and transparent reporting.

Capital Allocation

We look carefully at how businesses spend the free cash flow they generate. We want to see capital directed towards safeguarding and growing future earnings power, including through an appropriate level of investment in R&D and, where relevant into acquisitions. We also assess whether companies have appropriate mechanisms in place to evaluate the returns generated by the capital they allocate.

Shareholder rights

We support proposals that protect or enhance shareholder rights. This includes support for equal voting rights, appropriate minority shareholder protections, independent board oversight, transparent reporting and robust audit practices. We are cautious of governance structures that entrench management, weaken accountability or reduce the rights of ordinary shareholders.



Engagement principles

The investment analysts engage directly with companies to improve our understanding of their strategy, risks and opportunities, and to encourage actions that we believe can enhance long-term value. We believe engagement are best managed by the analysts who know the companies best, and they also inform our investment decisions, valuation assumptions and proxy voting.

Our engagement activity is focused rather than high-volume. We do not believe that the number of meetings alone is a useful measure of stewardship quality. Instead, we seek to conduct engagements where the issue is material, our objective is clear, and we believe there is a reasonable prospect of influence or insight.

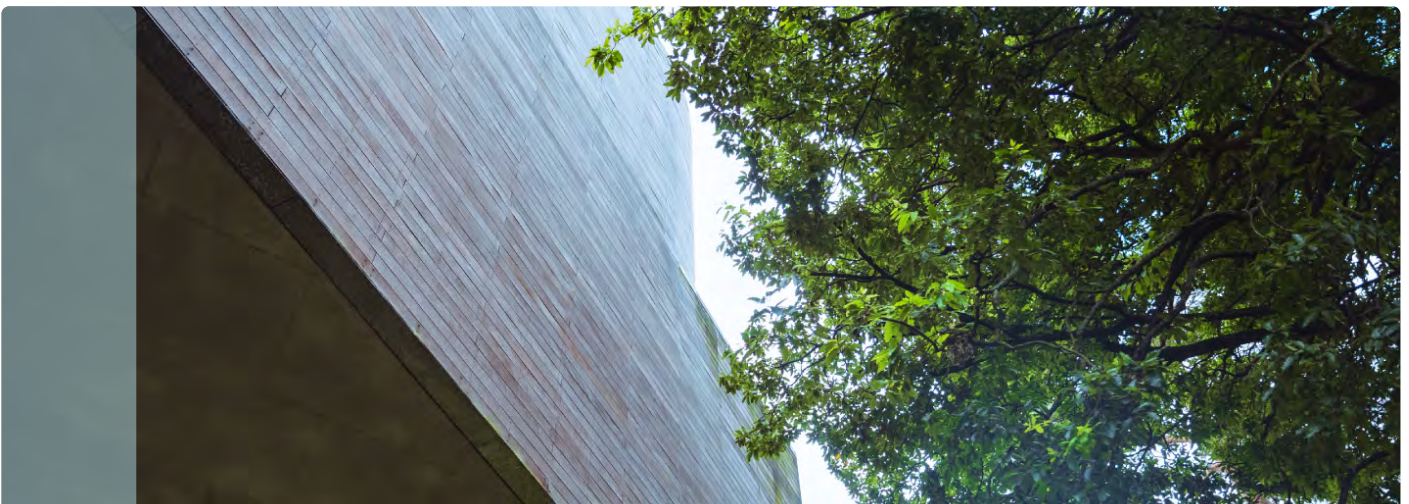
We may engage where we identify:

- A material climate, governance or strategic concern
- A deterioration in disclosure or performance
- A controversy or adverse incident
- A remuneration structure that appears misaligned with long-term value
- A capital allocation decision that raises questions
- An opportunity for the company to improve its quality, resilience or climate alignment

Our preferred approach is constructive dialogue. We seek to understand the company's perspective, test our own assumptions and communicate clearly where we believe improvement is needed.

Engagement may take the form of meetings with management, meetings with board members, written correspondence, collaborative engagement with other investors where appropriate, or escalation through proxy voting.

Where an engagement is formal, we aim to define the objective, track progress and assess outcomes over time. Escalation may be considered where a company is unresponsive, where progress is inadequate, or where the issue is sufficiently material to require a voting response.



Appendices

This document is intended for Professional Investors only. Your attention is drawn to the disclaimer Resolution Investors LLP (FRN: 1029032) is an appointed representative of Thornbridge Investment Management LLP (FRN: 713859) which is authorised and regulated by the Financial Conduct Authority





Becton, Dickinson & Company - Transition Leader

Latest Emissions Data:		2025	Baseline Year:	2019
Company Description	Becton, Dickinson and Company is a global medical technology company focused on devices, instruments, and systems used across healthcare settings. Its portfolio spans medication delivery, diagnostics, biosciences, infection prevention, and interventional products, serving hospitals, laboratories, life sciences researchers, and other healthcare providers.			
SBTi Targets and Progress:				
Scope 1+2 Target:	Reduction of 50% by 2030	Scope 3 Target:	75% of suppliers and customers by emissions covering purchased goods and services, capital goods, upstream transportation and distribution, use of sold products and end- of- life treatment of sold products, will have SBTi validated targets by 2028 6.1%	
Scope 1+2 Progress	Reduction of 24%	Scope 3 Progress:	c.40% of suppliers by emissions have now committed to or already have set science-based “aligned” targets	
Assessment and Monitoring:	As of 2025, they had reduced their Scope 1+2 carbon emissions by 24%. Whilst this is slightly behind a linear schedule, we believe that their targets are achievable, particularly as they continue to drive a transfer to usage of renewable electricity within their business. Their long-term, 2050 target, is to have Scope 1+2 decline 90% (from a 2019 base year) and Scope 3 intensity per unit product sold by 97% (from a 2019 base year and they have achieved 21.9% so far). Disclosure around customers’ SBTi commitments is limited and could be improved. The recent completion of the Reverse Morris Trust disposal of their biotech business with Waters will substantially change the footprint of the business and require re-basing of targets for next year.			

Convatec Group PLC - Transition Leader

Latest Emissions Data:		2025	Baseline Year:		2021
Company Description	Convatec is a global medical products and technologies company focused on chronic care and wound management. Its main areas include advanced wound care, ostomy care, continence care, and infusion care, with products designed to improve quality of life for patients managing long-term conditions.				
SBTi Targets and Progress:					
Scope 1+2 Target:	Reduction of 70% by 2030		Scope 3 Target:	Reduction of 52% of GHG emissions from purchased goods and services, upstream transportation and distribution, and waste generated in operations per product sold	
Scope 1+2 Progress	Reduction of 64%		Scope 3 Progress:	Reduction of 16%	
Assessment and Monitoring:	Progress on Scope 1+2 emissions is well on track. Progress on Scope 3 is ongoing and accelerating, with a strong (19%) improvement in 2025 and their campaign to get suppliers covering 60% of their Scope 3 Category 1 emissions to commit to set SBTs by end of 2026 well underway (approximately a third complete by end of 2025). Scope 3 is clearly the at risk target, but the strong acceleration in performance in 2025, combined with their internal manufacturing investments make this appear achievable to us for now.				

London Stock Exchange Group PLC - Transition Leader

Latest Emissions Data:		2025	Baseline Year:		2019
Company Description		London Stock Exchange Group is a global financial markets infrastructure and data company. It operates capital markets venues, clearing and post-trade infrastructure, and a large financial data and analytics business, serving banks, asset managers, corporates, governments, and other financial institutions.			
SBTi Targets and Progress:					
Scope 1+2 Target:		Reduction of 50% by 2030	Scope 3 Target:		Reduction of 50% by 2030 (covering fuel and energy related activities, business travel, and employee commuting)
Scope 1+2 Progress		Reduction of 86%	Scope 3 Progress:		Reduction of 62%
Assessment and Monitoring:		Current performance against targets and benchmarks has been very strong. The company has been investing significant growth capital over the past few years, so we will get a clearer picture of steady-state emissions as the investment phase normalizes. 56% of Scope 3 purchased goods and services emissions come from suppliers with science-based targets, up from 48% in 2025 and they target 67% by the end of 2026.			



Mastercard Inc. - Transition Leader

Latest Emissions Data:	2025	Baseline Year:	2016
Company Description	Mastercard is a global payments technology company that connects consumers, merchants, banks, governments, and businesses through its card and digital payment networks. Rather than lending money itself, Mastercard earns fees by enabling secure electronic transactions, data services, fraud prevention, and value-added payment solutions.		
SBTi Targets and Progress:			
Scope 1+2 Target:	Reduction of 38% by 2025	Scope 3 Target:	Reduction of 20% by 2025
Scope 1+2 Progress	Reduction of 44%	Scope 3 Progress:	Reduction of 46%
Assessment and Monitoring:	Mastercard successfully met their principal 2025 short-term targets. We expect announcement of new short-term targets in due course. We will seek to engage with the company ahead of the announcement of their new targets and discuss the nature and timeliness of their disclosure. Additionally, Mastercard have a corporate 2040 net-zero goal across Scope 1+2+3 emissions and 76% of top-emitting suppliers have or have committed to science-based targets (up from 71% in 2024).		

MSCI Inc. - Transition Leader

Latest Emissions Data:		2024	Baseline Year:		2019
Company Description	MSCI Inc. is a financial data and analytics company best known for its equity indexes, including widely used global and regional benchmarks. It also provides portfolio analytics, ESG and climate data, private asset tools, and risk-management solutions for institutional investors and asset managers.				
SBTi Targets and Progress:					
Scope 1+2 Target:	Reduction of 80% by 2030		Scope 3 Target:	Reduction of 50% by 2030	
Scope 1+2 Progress	Reduction of 92%		Scope 3 Progress:	Reduction of 13%	
Assessment and Monitoring:	Scope 1+2 emissions reduction goals have been achieved well ahead of their target year of 2030, but the Scope 3 Progress is running somewhat behind, having achieved only a quarter of their 2030 goal in the first half of the target period. To counter this, MSCI are targeting reductions in business travel (c.12% of Scope 3 emissions) and reducing commuting based emissions (c.9% of Scope 3 emissions). However, by far the largest piece of Scope 3 emissions are Category 1: purchased goods and services, representing c.73% of Scope 3 emissions. To reduce these, MSCI is actively engaging their suppliers to set climate goals. MSCI have a milestone for 60% of suppliers by spend to have science-based targets by 2025 - this was 41% in 2022 and 55% in 2023, and the 2024 CDP filing has this in a range of 51-75% so progress is good.				

S&P Global Inc. - Transition Leader

Latest Emissions Data:		2025	Baseline Year:		2019
Company Description		S&P Global is a financial information, analytics, and benchmarks company serving investors, corporates, governments, and commodity-market participants. Its businesses include credit ratings, market intelligence, commodity price reporting, index provision, and data analytics used across global capital and commodity markets.			
SBTi Targets and Progress:					
Scope 1+2 Target:		Reduction of 25.2% by 2025		Scope 3 Target:	
				Reduction of 25% by 2025 (covering business travel) and 81% of its suppliers by spend covering purchased goods & services and capital goods will have science-based targets by 2025.	
Scope 1+2 Progress		Reduction of 87%		Scope 3 Progress:	
				Reduction of 31% of business travel emissions and 55% of suppliers had net reduction targets (extended from SBTi to include other organisations, such as Race to Zero, SME Climate Hub and The Climate Pledge)	
Assessment and Monitoring:		Targets for their own emissions were comfortably met, however supplier engagement has disappointed and the accepted range of organisations suppliers can commit to has been extended beyond SBTi. Whilst they have limited power over their suppliers and the improvement is strong (having reached 55% from a 15% base), we would like to see this momentum to continue in the next set of short-term targets. We expect new short-term GHG emissions targets after the spin-off of the Mobility business, due to complete this year. We will look to engage with them before these targets are released and we expect these new targets to be consistent with their 2040 SBTi-validated net-zero target.			



Thermo Fisher Scientific Inc. - Transition Leader

Latest Emissions Data:	2025	Baseline Year:	2018
Company Description	Thermo Fisher Scientific is a global life sciences tools and diagnostics company supplying instruments, consumables, reagents, software, and services to pharmaceutical, biotech, academic, industrial, and healthcare customers. Its products support scientific research, drug development, clinical diagnostics, bioproduction, and laboratory operations.		
SBTi Targets and Progress:			
Scope 1+2 Target:	Reduction of 50.4% by 2030	Scope 3 Target:	90% of its suppliers by spend covering purchased goods and services, capital goods, and upstream transportation and distribution will have science-based targets by 2027.
Scope 1+2 Progress	Reduction of 40.9%	Scope 3 Progress:	Suppliers with science-based targets reached 46% by the end of 2025 and another 13% had committed to setting one - up from 28% in 2024
Assessment and Monitoring:	Thermo Fisher is currently on trajectory to meet their short-term Scope 1+2 GHG emissions targets. Their disclosure through CDP is high quality and the company actively engages with suppliers directly to improve their Scope 3 emissions (for example, through their 2024 Virtual Supplier Summit). The big step-up in suppliers with science-based targets by 18% in 2025 is good, but they need an additional 22% p.a. to meet their goals (or 15.5% p.a. if we give them the benefit for the 13% of their suppliers who are committed). This is potentially achievable, but requires a maintained level of strong momentum. Thermo Fisher commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2050 from a 2018 base year. Thermo Fisher also commits to reduce absolute scope 3 GHG emissions 90% by 2050 from a 2021 base year. Scope 3 emissions have fallen by 33% since the 2021 baseline.		

Airbnb - Transition Leader

Latest Emissions Data:		2024	Baseline Year:		2019		
Company Description		A global online marketplace that connects travellers seeking short-term lodging and experiences with local hosts.					
SBTi Targets and Progress:							
Scope 1+2 Target:		Reduction of 78.4% by 2030		Scope 3 Target:		Reduction of Scope 3 Emissions Intensity (MTCO2/\$1 million gross profit) by 55% by 2030	
Scope 1+2 Progress		Reduction of 82%		Scope 3 Progress:		Reduction in emissions intensity of approximately 60%	
Assessment and Monitoring:		Airbnb has met its SBTi Reduction Targets for Scope 1+2+3. The vast majority of its emissions however come from Scope 3 Category 1 Purchased Goods and Services (~90%) and these are still increasing. Airbnb has been engaging this problem through its Supplier Sustainability Program, increasing transparency of emissions data (suppliers representing 78% of emissions data participated in CDP disclosures) and supplier commitments (suppliers representing 49% of Airbnb emissions have committed to reduce their emissions intensity). Airbnb have made a commitment to reach Corporate Net Zero by 2030, however this is not an SBTi-validated Net-Zero Standard target. As such, we will look to engage with them to get clarity on how this will be achieved and how much of the journey will come from operational emissions reduction versus carbon credits and related mechanisms.					

Analog Devices - Transition Leader

Latest Emissions Data:		2025	Baseline Year:		2019
Company Description	A leading global semiconductor company specializing in high-performance analog, mixed-signal, and digital signal processing integrated circuits.				
SBTi Targets and Progress:					
Scope 1+2 Target:	Reduction of 50% by 2030		Scope 3 Target:	66.7% of suppliers by spend will have SBTi targets by 2025	
Scope 1+2 Progress	Reduction of 42%		Scope 3 Progress:	No update	
Assessment and Monitoring:	Analog Devices is on track to meet its Scope 1+2 Targets. Scope 3 emissions represent 90% of total emissions and within that Category 1 and 2 represent 89% of Scope 3 emissions. Category 1 and 2 emissions were up 4% versus the previous report mainly due to supplier specific emissions factors and better data quality. The company now has a target to reduce the upstream emissions intensity of Scope 3 emissions intensity relative to revenue by 30-35% by 2030 from a 2022 baseline and so far have achieved a 18% reduction in emissions intensity. Whilst this good to have, we would like to see the data on the number of suppliers that have signed up to SBTi commitments - even if they have not yet reached their 2025 goals.				



Aon plc - Transition Leader

Latest Emissions Data:		2025 (Scope 1+2) / 2024 (Scope 3)		Baseline Year:		2019	
Company Description		A premier global professional services firm providing a broad range of risk, retirement, and health solutions, including insurance brokerage.					
SBTi Targets and Progress:							
Scope 1+2 Target:		Reduction of 55% by 2032		Scope 3 Target:		81% of suppliers by spend will have SBTi targets by 2027	
Scope 1+2 Progress		No longer reported against the original baseline, post the NFP acquisition. Rebased to 2023, Scope 1+2 emissions have fallen by 11%		Scope 3 Progress:		No update	
Assessment and Monitoring:		Following the NFP acquisition, which changed its emissions inventory by >5%, Aon rebased its emissions to 2023. The latest CDP disclosure explicitly describes its replacement target of net-zero Scope 1 + market-based Scope 2 by 2030 as not science-based and says that it does not anticipate setting an SBT within the next two years. This contrasts with the previously validated 2019-based SBTi targets and requires monitoring. Operational emissions are moving in the right direction, however. Aon is increasing renewable electricity procurement, improving building efficiency through LED/HVAC upgrades and plans to electrify its vehicle fleet; renewable sources still represented only 19% of office electricity in 2025, leaving significant further opportunity. Scope 3 represents ~90% of total emissions, but we will not have progress data for 2025 until they file their next CDP report. In 2024, purchased goods & services represented 60% of Scope 3, employee commuting 15%, capital goods 12% and business travel 8%, together representing ~96%. Total Scope 3 fell ~8% YoY, largely due to lower business travel, while purchased-goods emissions increased slightly. Supplier engagement therefore remains the key long-term lever, but Aon no longer reports progress against its former 81% SBTi supplier target.					

ASML Holding NV - Transition Leader

Latest Emissions Data:		2025		Baseline Year:		2019	
Company Description		A Dutch innovation leader and the world's sole manufacturer of Extreme Ultraviolet (EUV) lithography machines used to print advanced microchips.					
SBTi Targets and Progress:							
Scope 1+2 Target:		Reduction of 75% by 2030		Scope 3 Target:		Reduction of 55% per €m gross profit by 2030	
Scope 1+2 Progress		Reduction of 56% in 2025		Scope 3 Progress:		Reduction of 53% per €m gross profit	
Assessment and Monitoring:		ASML is on track to meet both short-term SBTi targets, alongside long-term targets of a 90% Scope 1+2 reduction and 97% Scope 3 intensity reduction by 2040. Scope 1+2 emissions have fallen from 60kt to 26kt since 2019, helped by renewable electricity and an energy-efficiency programme including heat pumps, waste-heat reuse, solar panels and HVAC/chiller upgrades. Scope 3 represents 99.8% of total emissions and is concentrated in two areas: use of sold products represents 55% and purchased goods & services/ capital goods 41%, together accounting for ~97% of Scope 3. Scope 3 intensity has already fallen 53% versus the 55% 2030 target, although absolute Scope 3 emissions have risen from 7.6Mt in 2019 to 11.6Mt as the business has grown. Product efficiency is therefore important: EUV energy use per wafer has fallen 57% since 2018, although ASML missed its 60% 2025 target and has extended this to a 63% reduction by 2027. Supply-chain progress is weaker: only 32% of its top-80% suppliers by emissions had committed to reducing their footprint by 2030, versus a 75% 2026 target. Supplier emissions remain above the 2019 baseline and ASML is moving from spend-based estimates toward supplier-specific data.					

Fortinet - Transition Leader

Latest Emissions Data:		2025	Baseline Year:		2021		
Company Description		A major global cybersecurity corporation that develops and markets enterprise security software, appliances, and services.					
SBTi Targets and Progress:							
Scope 1+2 Target:		Reduction of 58.8% by 2029		Scope 3 Target:		60.5% of suppliers by spend and 69.24% of customers by revenue to have science-based targets by 2029	
Scope 1+2 Progress		Reduction of 62%		Scope 3 Progress:		Not publicly accessible (disclosed via CDP)	
Assessment and Monitoring:		Fortinet has met its SBTi Reduction targets for Scope 1+2. The vast majority of its emissions however come from Scope 3 Category 1 and Category 11 emissions (97%) and these are still increasing. We engaged with the company earlier this year to understand their efforts in these areas which also relate to their Scope 3 targets and came away re-assured by their efforts on driving product energy efficiency, driving transparency for customers via product carbon lifecycle calculators and enabling lower emissions via offering cloud based options. We intend to continue engaging on this topic.					



Microsoft - Transition Leader

Latest Emissions Data:		2025	Baseline Year:		2017
Company Description		A multinational technology giant best known for its software, consumer electronics, personal computers, and extensive Azure cloud computing services.			
SBTi Targets and Progress:					
Scope 1+2 Target:		Continue annually sourcing 100% renewable electricity through 2030.	Scope 3 Target:		Reduce Scope 3 emissions intensity per unit of revenue by 30% by 2030 and avoid growth in absolute Scope 3 emissions.
Scope 1+2 Progress		100% of annual electricity consumption matched with renewable energy in 2025	Scope 3 Progress:		Reduction of 42% in emissions intensity vs 2017, exceeding the 30% target; absolute Scope 3 emissions are ~59% above the 2017 baseline
Assessment and Monitoring:		Microsoft achieved its Scope 2 to annually sourcing 100% renewable electricity and reducing its Scope 3 emissions intensity, but has failed to reduce its absolute emissions from the baseline year. 86% of total emissions are Scope 3 and datacentre expansion is increasingly driving the footprint: capital goods represent 52% of Scope 3 and purchased goods & services 29%. Microsoft is addressing this through lower-carbon steel and concrete, hardware reuse, supplier renewable-energy programmes and new requirements for suppliers to reduce emissions attributable to Microsoft goods and services by 55% by 2030. We like that Microsoft is raising the bar for its suppliers to embrace carbon reduction targets as well as helping scale renewable energy sourcing for AI through its own commitments. We will be engaging the company on whether it can provide more quantitative granularity on supplier commitments, data centre efficiency and a timeline for this consistent with its SBTi commitments.			

Nvidia - Transition Leader

Latest Emissions Data:		2025	Baseline Year:		2023
Company Description	A pioneer in programmable graphics processing units (GPUs) and accelerated computing infrastructure that powers modern artificial intelligence.				
SBTi Targets and Progress:					
Scope 1+2 Target:	Reduction of 50% by 2030		Scope 3 Target:	Reduction of 75% in emissions from use of sold GPU products per PFLOP by FY2030	
Scope 1+2 Progress	Reduction of ~85%		Scope 3 Progress:	Will report progress on FY 2026	
Assessment and Monitoring:	We were pleased that Nvidia validated its SBTi targets in Fiscal 2026. Whilst it already had internal targets this was a positive step towards increased transparency and independent validation. Nvidia has already achieved its Scope 1+2 reduction targets and we look forward to data on its Scope 3 Targets and further transparency on its Scope 3 emissions. As part of our proxy voting we voted in favour of a shareholder proposal that called for more detail on Nvidia's plan to achieve Net Zero.				

Alphabet - Transition Leader

Latest Emissions Data:	2025	Baseline Year:	2019
Company Description	A leading global technology company operating Google Search, YouTube, Android, Google Cloud, autonomous driving and other digital services, with rapidly growing AI and data-centre infrastructure.		
SBTi Targets and Progress:			
Scope 1+2+3 Target:	Reduction of 50% by 2030		
Scope 1+2+3 Progress	Emissions increased 81% since 2019		
Assessment and Monitoring:	Alphabet's overall emissions trajectory has been disappointing. Scope 1+2 emissions have increased ~234% since 2019 and Scope 3 emissions have increased ~62% over the same time period. The increase in Scope 1+2 has been driven by Scope 2 emissions, with Scope 1 itself declining versus 2019. Rapid growth in datacentre electricity demand, increasingly accelerated by investment and growth in AI, has been the main driver of Scope 2 emissions growth. Alphabet has outlined several initiatives to reduce its Scope 2 emissions – more energy-efficient datacentres as measured by Power Usage Effectiveness (PUE), and procuring more clean energy to power its datacentres, with the moonshot ambition to have all this energy truly carbon free. Separately, lower-carbon datacentre construction is an important initiative for reducing Scope 3 emissions, particularly capital goods. While we believe these are the right focus areas, the company needs to do more in quantifying and committing to how each of these initiatives will help them achieve their ambitions and we look forward to engaging the company on this.		



American Express Company - Transition Leader

Latest Emissions Data:	2024	Baseline Year:	2019
Company Description	American Express is a global payments and premium lifestyle company, operating an integrated card-issuing, merchant-acquiring and payments network. It serves consumers, SMEs and large corporates through cards, payments, lending, travel and related services.		
SBTi Targets and Progress:			
Scope 1+2 Target:	Reduction of 60% by 2033	Scope 3 Target:	Reduction of 35% by 2033; 75% of membership rewards redemption partners and cobrand partners by emissions covering beyond the minimum boundary emissions from purchased goods and services will have science-based targets by 2028.
Scope 1+2 Progress	Not fully quantifiable: AmEx is recalculating its 2019 baseline following methodology changes and target progress will be updated once that work is complete. Using the old methodology, absolute Scope 1+2 emissions are down 14% since 2019.	Scope 3 Progress:	Not currently quantifiable: AmEx reported 1.902mtCO ₂ e of Scope 3 in 2024, principally purchased goods & services (795kt), investments (572kt) and capital goods (227kt); partner engagement is already ahead of target: ~81% of relevant Membership Rewards/cobrand emissions were associated with partners with science-based targets in 2024.
Assessment and Monitoring:	“AmEx sourced 99.9% of global electricity from renewable sources in 2024 and maintained Carbon Neutral certified operations, although the latter relied partly on 132ktCO ₂ e of carbon offsets and AmEx explicitly distinguishes this from its SBTi net-zero pathway. Emissions progress currently requires monitoring, because AmEx is recalculating the 2019 baseline and has materially expanded its Scope 3 calculated inventory. Scope 1+2 emissions reduction targets are a little below target, based on the un-calibrated 2019 baseline (-14% over five years with another nine years to reach 60%). The key monitoring point is publication of the restated baseline and demonstrated absolute reductions thereafter, particularly Scope 3, which overwhelmingly dominates the footprint (99% of total emissions). The 81% partner figure is encouraging and already exceeds the 2028 target, although AmEx’s definition includes partners that describe targets as science-based themselves as well as targets validated by SBTi, so the quality of that metric should also be monitored.”		

Applied Materials, Inc. - Transition Leader

Latest Emissions Data:	2025	Baseline Year:	2019
Company Description	A semiconductor manufacturer of wafer fab equipment that is used to produce virtually every semiconductor chip in the world. Applied holds a leading market position across the breadth of its product portfolio.		
SBTi Targets and Progress:			
Scope 1+2 Target:	Reduction of 50% by 2030; increase renewable electricity sourcing from 36% to 100% by 2030	Scope 3 Target:	Reduction of 55% per \$m of value added in Category 11 use-of-sold-products emissions by 2030.
Scope 1+2 Progress	Increase of 0.1%; 75% of electricity was renewable	Scope 3 Progress:	The company has achieved a 31% intensity based reduction in emissions from use of sold products and is on target to meet its Scope 3 targets.
Assessment and Monitoring:	Applied Materials Scope 1 emissions have grown by 19,000 MT, offset by a commensurate decline in Scope 2 emissions. The company is evaluating a transition to non-natural gas equipment such as electric boilers and heat recovery systems to help with Scope 1 emissions and this is something to monitor in terms of impact. On Scope 2 emissions, electricity consumption is the largest source of emissions and the company is progressing well towards 100% of emissions being renewable. Although progress vs baseline is not good, the company has decreased Scope 1+2 steadily since 2022, with them down 6.3% over that period and emissions intensity per unit revenue is down 49% since 2019. On Scope 3 emissions, the company is on target to reduce the emissions intensity from the use of sold products. However total emissions continues to increase. Applied Materials' Net Zero 2040 playbook targets Net Zero and we need to monitor how realistic this playbook is when assessed against current progress.		



Epiroc - Transition Leader

Latest Emissions Data:		2025	Baseline Year:	2019
Company Description	Epiroc supplies mining and infrastructure customers with drilling, excavation and construction equipment, tools and aftermarket services, alongside automation, digitalisation and electrification solutions. Mining represented 79% of orders in 2025, and aftermarket represented 66%, making the installed equipment base particularly important to both its business model and emissions footprint.			
SBTi Targets and Progress:				
Scope 1+2 Target:	Reduction of 50% by 2030		Scope 3 Target:	Reduction of absolute Scope 3 Category 11 emissions from use of sold products by 50% by 2030; reduction of 50% in transport emissions.
Scope 1+2 Progress	Reduction of 44%		Scope 3 Progress:	Reduction of 6% of use-of-sold-products emissions; reduction of 24% of transport emissions.
Assessment and Monitoring:	Scope 1+2 performance is strong: a 44% reduction means the 50% 2030 goal is close to completion. The key monitoring issue is Scope 3 use of sold products, which represents >80% of Epiroc's footprint and has fallen by just 6% since 2019; Epiroc itself says it is currently not on track to achieve this target. Its pathway depends heavily on customers adopting battery-electric/zero-emission mining equipment, and management acknowledges that market adoption has been slower than anticipated: the full emissions-free product-range ambition has been postponed from 2025 to 2030, and its 2026 use-phase emissions target actually permits emissions to rise materially to 772MtCO ₂ e as organic growth and slow electric uptake offset efficiency improvements. AS the market leader in BEV mining equipment, their Scope 3 emissions depends more on customer uptake than items within their direct control - they are making investments to improve the product offering to drive this. Supplier emissions also merit monitoring, with purchased-goods emissions 12% above the baseline. Longer term, Epiroc states an ambition to reach net-zero CO ₂ e across its value chain by 2050, but this is not an SBTi validated target.			

ASSA ABLOY AB - Transition Leader

Latest Emissions Data:		2025	Baseline Year:		2019		
Company Description		ASSA ABLOY is the global leader in access solutions, supplying mechanical and electromechanical locks, doors and door hardware, entrance automation, access-control and identification systems and related services. 2025 sales were SEK 152.4bn, with Entrance Systems representing 33% of external sales, Americas 28%, Global Technologies 17%, EMEA 17% and Asia Pacific 5%.					
SBTi Targets and Progress:							
Scope 1+2 Target:		Reduction of 50% by 2030		Scope 3 Target:		Reduction of absolute Scope 3 emissions by 28% by 2030	
Scope 1+2 Progress		Reduction of 34%		Scope 3 Progress:		Reduction of 13.6%	
Assessment and Monitoring:		Scope 1+2 performance is strong: market-based emissions fell 34% from 413ktCO ₂ e in 2019 to 271kt in 2025, ahead of the pathway to the 50% 2030 target. ASSA ABLOY installed >5.5MWp of renewable capacity at its sites in 2025, including 4.5MWp in China. Scope 3 is progressing well, but remains the main monitoring issue, accounting for 95% of total emissions. To date, it has fallen 13.6%, from 5.64MtCO ₂ e to 4.87Mt, against the 28% 2030 target. Purchased goods and materials account for >72% of Scope 3 and fell 5% in 2025, but use-of-sold-products emissions rose 6% and end-of-life emissions 22%. Meeting the 2030 target requires a further c.17% reduction from 2025, or c.3.6% p.a.; key levers are material efficiency, lower-carbon materials, supplier decarbonisation and product redesign. The 2030 programme targets 80% of revenue being covered by its product-sustainability process.				Comparability requires monitoring. Scope 1+2 history was restated for all acquisitions between 2019 and 2024, including HHI; Scope 3 was restated for acquisitions only where data are available and excludes HHI. Scope 3 also relies partly on estimated weights/materials and secondary emission factors, creating measurement uncertainty.	



adidas AG - Transition Leader

Latest Emissions Data:	2025	Baseline Year:	2022
Company Description	adidas is a leading global designer and marketer of athletic footwear, apparel and accessories, with production largely outsourced to independent manufacturers. 2025 net sales were €24.8bn, comprising 57% footwear, 35% apparel and 7% accessories; wholesale represented 60% of sales and direct-to-consumer 40%.		
SBTi Targets and Progress:			
Scope 1+2 Target:	Reduction of 70% by 2030	Scope 3 Target:	Reduction of absolute Scope 3 emissions by 42% by 2030, excluding Category 11 use of sold products
Scope 1+2 Progress	Reduction of 22%	Scope 3 Progress:	Reduction of 5%
Assessment and Monitoring:	Scope 1+2 performance is slightly behind a simple linear pathway: market-based emissions fell 22% from 164ktCO₂e in 2022 to 128kt in 2025 against a 70% reduction target; a further c.62% reduction from 2025 is required. Location-based Scope 1+2 emissions were 188kt in 2025 versus 186kt in 2022, showing that market-based progress depends materially on renewable-electricity procurement. Target-scope emissions are only 5% below baseline against the 42% target and rose 19% in 2025. Purchased goods, c.90% of target-scope Scope 3, also rose 19%. Meeting the target requires a further c.39% reduction from 2025 by 2030. Product carbon intensity improved 9%, from 6.45kgCO₂e to 5.87kg per product, meeting the 2025 target and we feel the progress here is promising. The group in Scope 3 emissions was more than driven by supernormal volume growth, which we expect to normalise in future years. Key levers remain supplier renewable energy and efficiency, coal phase-out and lower-carbon materials. Suppliers in adidas' environmental programme sourced 26.4% of electricity from renewables in 2025; rooftop solar supplied 8% of key-supplier electricity. Most supplier sites targeted for coal phase-out had transitioned or exited the supply base, and 99% of polyester sourced has been recycled polyester since 2023. Category 11 use of sold products is excluded from the near-term SBT boundary and was 1.13MtCO₂e in 2025.		

Zalando SE - Transition Leader

Latest Emissions Data:	2025	Baseline Year:	2022
Company Description	Zalando is a leading European technology platform for fashion and lifestyle, connecting 62m active customers with more than 7,000 brands across 29 markets following the acquisition of ABOUT YOU. Its consumer businesses comprise Zalando, ABOUT YOU and Lounge by Zalando, while ZEOS, Tradebyte and SCAYLE provide logistics, marketplace and software infrastructure to brands and retailers. 2025 GMV was €17.6bn and revenue €12.3bn.		
SBTi Targets and Progress:			
Scope 1+2 Target:	Reduction of 55% by 2033	Scope 3 Target:	Reduction of absolute Scope 3 Category 1 purchased-goods-and-services and Category 4 upstream-transportation emissions by 33% by 2033
Scope 1+2 Progress	Reduction of 17%	Scope 3 Progress:	Reduction of 10.6%
Assessment and Monitoring:	Progress against the current SBTi targets is on track: Scope 1+2 emissions are 17% below 2022 against the 55% 2033 target, while targeted Scope 3 Categories 1 and 4 are 10.6% lower against the 33% target; both are slightly ahead of a simple straight-line pathway. Categories 1 and 4 represent c.92% of 2025 reported Scope 3 emissions, so delivery depends mainly on fashion production and logistics. Supplier progress remains mixed: 74.1% of suppliers within the legacy engagement target had SBTs in 2025, including 72.9% of brand-partner emissions, 92.5% of packaging partners and 90.1% of last-mile partners. Within the legacy target boundary, Zalando has maintained 100% renewable-electricity sourcing since 2020. This does not mean total energy is fossil-free: group-reported energy in 2025 was 73.2% renewable and 26.8% fossil, versus 69.3%/30.7% in 2024; the year-on-year mix is affected by consolidation of ABOUT YOU from July 2025. Reusable intralogistics boxes avoided 1,417t of packaging in 2025, excluding ABOUT YOU. Performance against the ambitious legacy 2025 targets was mixed: Scope 1+2 fell 80.8% versus 2017, exceeding the 80% target, while private-label emissions intensity fell 36.8% versus a 40% target and supplier SBT coverage reached 74.1% versus 90%. Comparability requires care. Current SBT targets use an operational-control boundary and exclude ABOUT YOU in 2025; Scope 1+2 target coverage is only 39% of the 2025 ESRS inventory. ABOUT YOU is due to be integrated during 2026. Zalando also restated 2024 total Scope 3 down 39.3% following methodology changes. Long-term validated targets are a 90% Scope 1+2 reduction by 2040 and 90% targeted Scope 3 reduction by 2050.		



TSMC - Reduction Solution

Latest Emissions Data:	2025		
Company Description	The world's largest dedicated independent semiconductor foundry, manufacturing the vast majority of the world's advanced microchips.		
Climate Solution Relevance	Our world today is increasing its digital footprint and related intelligence. Semiconductors are the building blocks of this movement and TSMC is the leading manufacturer of semiconductor chips. TSMC is therefore highly relevant to ensuring a low carbon world by enabling the production of more energy efficient semiconductors and also ensuring that its own production processes are energy efficient. Products produced at TSMC create significant avoided emissions - by TSMC's calculations about 1.8 times TSMC's own operational carbon footprint. In addition, the carbon emissions per wafer produced on its mature advanced nodes has dropped by 9% and 46% respectively demonstrating TSMC's ability to drive efficiency in its own manufacturing footprint.		
Carbon Emissions Data	2025 vs 2024	% of Total Emissions	Notes
Scope 1 Emissions Intensity*:	Reduction of 4%	4%	* Emission intensity (tCO2e/12" wfr-layer)
Scope 2 Emissions Intensity*:	Reduction of 17%	22%	* Emission intensity (tCO2e/12" wfr-layer)
Scope 3 Emissions*:	Increased by 341%	73%	* Increase due to broadening of scope to include Capital Goods and Upstream Leased Assets & Investments
Assessment and Monitoring:	As a Reduction Solution, TSMC products help avoid emissions-ITRI calculates a roughly 7x multiplier on avoided emissions per unit of energy consumed by TSMC.In 2025 TSMC announced its commitment to SBTi in line with SBTi's Corporate Net Zero Standard which is a huge step for a manufacturing company. Its main commitments include 2025 being its peak year of emissions, reducing emissions to 2020 levels by 2030, using 60% Renewable Energy by 2030 for its own operations, and working with suppliers that represent 90% of its supply chain emissions to achieve 85% use of Renewable Energy in Taiwan by 2030. In addition it introduced specific Scope 1,2, and 3 SBTi compliant targets for 2026 and 2030 using 2025 as a base year. We are encouraged by these commitments and look forward to reporting progress.		

Novonesis - Reduction Solution

Latest Emissions Data:		2025	Baseline Year:	2018
Company Description	Novonesis is a world-leading biosolutions and enzymes producer. The company leverages microbiology and science to develop industrial enzymes and microbial solutions that transform global production and consumption across 30+ industries, including food, health, and agriculture.			
Climate Solution Relevance:	Through improving various aspects of product functionality enzymes effectively reduce waste of either biological and agricultural materials or energy. These enzymes are continuously refined to improve functionality and increase efficiencies, such as making bread so that it lasts longer post baking or washing detergent that can clean effectively at lower water temperatures. These performance improvements result in much less food waste or energy consumption for household activities like washing. Annual savings from its biosolutions facilitating the use of biofuels produced from plant materials vs fossil fuels in 2025 amounted to 80m tCO2e saved through the avoided burning of fossil fuel derived gasoline.			
SBTi Targets and Progress:				
Scope 1+2 Target:	Reduction of 75% by 2030; source 100% renewable electricity by 2025 and maintain through 2030.		Scope 3 Target:	Reduction of 35% by 2030 in absolute emissions from purchased goods & services, fuel- and energy-related activities, upstream transportation & distribution, waste generated in operations and business travel.
Scope 1+2 Progress	Reduction of 67%		Scope 3 Progress:	Reduction of 9%. Purchased goods & services 0%, fuel & energy -64%, upstream transportation -27%, waste -22% and business travel 0% vs 2018
Assessment and Monitoring:	Novonesis is well on track on Scope 1+2, having achieved a 67% reduction against the 75% 2030 target and exceeded its interim 65% 2025 target. Market-based Scope 1+2 emissions have fallen from 489kt in 2018 to 159kt in 2025. The reduction is largely driven by Scope 2, which has fallen 87%, while Scope 1 is 20% above baseline. The company achieved 100% renewable electricity in 2025, and further reductions are planned through heat pumps, energy reuse, biogas from fermentation waste, process electrification and reductions in N2O emissions. Scope 3 progress is less advanced, with emissions down only 9% versus the 35% reduction required by 2030. Purchased goods & services represent 84% of 2025 Scope 3 emissions and are essentially unchanged from 2018, making procurement the critical remaining lever. By contrast, fuel- and energy-related emissions have fallen 64%, transport 27% and waste 22%. Novonesis launched its PAVE to Zero supplier programme in 2025 and engaged more than 200 suppliers, while also shifting raw materials such as ammonia and liquid nitrogen toward lower-carbon alternatives and moving freight from air to sea. Overall, operational decarbonisation is strong, but Scope 3 requires material acceleration, particularly in purchased raw materials.			



Wabtec - Reduction Solution

Latest Emissions Data:	2025	
Company Description	Wabtec is a leading global provider of locomotive braking systems, electrical equipment and digital systems for the freight and transit rail industries. The company focuses on accelerating the future of transportation by developing sustainable technologies, such as battery-electric locomotives, and providing comprehensive lifecycle services for rail networks worldwide.	
Climate Solution Relevance	Rail transport is inherently more carbon-efficient than road and air travel. A passenger mile by rail emits approximately 80% less carbon than a passenger mile by car, while rail freight transport produces approximately 76% fewer emissions than road freight. By increasing rail adoption, Wabtec supports the decarbonisation of the transport sector. The expansion of high-speed rail networks in Europe and Asia and new private passenger rail developments in the US contribute to further emissions reductions. Its global in-service fleet of more than 23,000 locomotives collectively rode over 1.8 billion miles, and helped end-customers eliminate over 138 million metric tons of CO ₂ emissions by choosing rail over road transportation.	
Carbon Emissions Data	2025 vs 2024	% of Total Emissions
Scope 1 & 2 Emissions:	Reduction of 6%	0.4%
Scope 3 Emissions:	Increase of 8%	99.6%
Assessment and Monitoring:	Wabtec revenues grew over 7.5% from 2024 to 2025 and despite this was able to show a reduction in its core Scope 1+2 emissions. Wabtec has been able to substantially increase its on site renewable energy utilisation by 57% helping to drive down emissions. Since 2019, Wabtec is focused on reducing scope 1+2 emissions through improving the energy efficiency of its own manufacturing processes and through procuring more renewable energy. Scope 3 emissions reductions are being addressed through improving the emissions of the locomotives it makes through its product innovation strategy which is working on battery powered locomotives (FLX drive) as well as hydrogen and biodiesel powered locomotives.	

Vertiv - Reduction Solution

Latest Emissions Data:	Emissions not reported externally	
Company Description	Vertiv is a global provider of critical digital infrastructure, principally supplying power management, thermal management/cooling, switchgear, busbar, modular infrastructure, monitoring software and lifecycle services for data centres and other mission-critical applications.	
Climate Solution Relevance:	Vertiv reduces the non-compute electricity required to operate data centres, principally through more efficient cooling, power conversion and system optimisation. Higher-temperature liquid cooling can improve cooling efficiency by >3% for each 1°C increase and potentially reduce cooling power by 50–60%; for a 1MW IT load this equates to approximately 500–1,100MWh of electricity saved per year. Their more efficient power architecture can save a further ~100–200MWh/MW/year, while software, controls and services can save ~50–200MWh/MW/year, giving an indicative total saving of ~650–1,500MWh per MW of IT capacity annually versus less-efficient conventional infrastructure. On our 2026 estimates, this equates potential avoided emissions 800–2,200kt of CO ₂ , based on full implementation of their technologies. Vertiv's CoolLoop Trim Cooler can deliver up to 79% lower annual heat-rejection energy consumption and zero-water heat rejection in applicable installations. Vertiv is also transitioning its cooling portfolio toward lower-GWP refrigerants and improving operational efficiency through energy efficiency and renewable-energy projects.	
Carbon Emissions Data		
Scope 1 & 2 Emissions:	Vertiv calculates Scope 1 and Scope 2 emissions under the GHG Protocol using an operational-control approach. It is pursuing reductions through energy-efficiency projects, renewable-energy investments, operational improvements and transition toward lower-GWP refrigerants.	
Scope 3 Emissions:	Vertiv calculates relevant Scope 3 emissions for climate-risk assessment and decision-making and is working to improve data quality for priority categories, but does not publicly disclose an absolute Scope 3 inventory.	
Assessment and Monitoring:	Strong Reduction Solution case, but weak corporate emissions disclosure. Vertiv's products address one of the largest sources of non-IT data-centre electricity consumption: cooling and power infrastructure. The relevance is increasing as AI raises rack power density and cooling requirements; approximately 85% of Vertiv revenue now comes from data centres. Key monitoring points are: (1) continued evidence that new liquid-cooling and power products deliver material energy savings versus prevailing alternatives; (2) whether system-level PUE improvements keep pace as AI power densities rise; and (3) improvement in Vertiv's own climate disclosure. Vertiv currently publishes neither absolute Scope 1–3 emissions nor time-bound corporate GHG-reduction targets and states that it is still evaluating methodologies for future target setting.	



Fortum - Reduction Solution

Latest Emissions Data:		2025	Baseline Year:	2023
Company Description	Fortum is a Nordic electricity utility focused predominantly on low-carbon power generation, complemented by a scaled electricity retail/customer business serving ~2.2m customers. It generates ~42TWh annually from a ~9.3GW portfolio dominated by hydro and nuclear, with around 85% of EBITDA derived from electricity generation.			
Climate Solution Relevance:	Fortum has an exceptionally low generation emissions intensity of 8gCO ₂ /kWh. 2025 generation was 24.2TWh hydro, 20.4TWh nuclear, 1.3TWh wind and just 0.7TWh CHP. This compares with an EU-average electricity generation intensity of 213gCO ₂ /kWh in 2024, according to Ember, making Fortum's electricity approximately 96% less carbon intensive than the European average. Applying this differential to Fortum's ~42TWh annual generation implies approximately 8.6MtCO ₂ of avoided emissions each year versus equivalent generation from the average EU power mix. Its low-carbon output can also flow through Nordic interconnectors into higher-carbon markets such as Germany and the UK, extending the decarbonisation benefit beyond its domestic generation markets.			
SBTi Targets and Progress:				
Scope 1+2 Target:	Reduction of 85% per MWh by 2030 from electricity and heat generation.	Scope 3 Target:	Reduction of 69% per MWh by 2030 in Scope 1+3 emissions associated with sold electricity; 55% absolute reduction by 2033 in Scope 3 emissions from sold fossil fuels.	
Scope 1+2 Progress	Reduction of 18% in emissions intensity vs 2023	Scope 3 Progress:	Sold-electricity emissions intensity -14% vs 2023; emissions from use of sold fossil fuels +47% vs 2023.	
Assessment and Monitoring:	Progress in Fortum's own generation fleet is strong. Power-generation intensity has halved from 16gCO₂/kWh in 2023 to 8g in 2025, while absolute Scope 1+2 emissions are also materially lower. However, progress against the formal SBTi metrics is less advanced: generation intensity is only 18% below the 2023 baseline versus an 85% reduction target by 2030, while electricity-sales intensity is 14% lower versus a 69% target. The main area to monitor is Scope 3 emissions from sold fossil fuels, which are currently 47% above baseline and will require substantial reductions to meet the 2033 target. A significant share of Scope 3 comes from Fortum's Polish retail business, where it resells rather than generates gas and electricity. The Orange Energia acquisition is likely to increase this reported footprint, raising a legitimate question over how these emissions should be allocated when assessing the underlying generation business. This is partly offset by Fortum's unusually low-carbon generation fleet, continued coal exit and ongoing decarbonisation investment. Fortum plans to exit coal in its own operations by end-2027 and targets emissions intensity below 20gCO₂/kWh for total energy production and 10g for power generation by 2028; it was already at 16g and 8g respectively in 2025. Growth capex reinforces the low-carbon portfolio through renewables, the Loviisa nuclear lifetime extension, district-heating decarbonisation and flexibility investments, while wind investment is limited to projects supported by secured PPAs. Nuclear remains an important part of the sustainability case, with Fortum operating principally in Finland and Sweden, where safety, waste funding and long-term geological disposal frameworks are well developed. Biodiversity targets include removing 30 obsolete dams by 2035, achieving net-positive biodiversity impact from own land use from 2030, and limiting biodiversity damage from biomass procurement.			

Belimo - Reduction Solution

Latest Emissions Data:		2025	Baseline Year:	2023
Company Description	Belimo is a Swiss manufacturer of HVAC field devices, including actuators, control valves and sensors, used to regulate heating, ventilation and air-conditioning systems in buildings. Its products enable more efficient and intelligent control of HVAC systems, helping to reduce energy consumption while improving indoor comfort and air quality.			
Climate Solution Relevance:	Belimo's products directly contribute to reducing energy consumption and emissions from buildings by improving the efficiency and control of heating, ventilation and air-conditioning systems. Buildings account for around 40% of global energy consumption, with HVAC systems accounting for around 40% of building energy demand. Belimo estimates that its field devices helped avoid 8.7 million tonnes of CO ₂ e in 2025, up from 7.8 million tonnes in 2024, through improved HVAC efficiency. Smart building automation and control systems can reduce HVAC energy consumption by up to 55% compared with systems without control functionality. Belimo is therefore positioned to benefit from the structural decarbonisation of buildings, while its products directly enable energy and emissions reductions during their use phase.			
SBTi Targets and Progress:				
Scope 1+2 Target:	Reduction of 42% by 2030		Scope 3 Target:	Reduction of emissions from purchased goods and services and use of sold products by 51.6% per product sold by 2030.
Scope 1+2 Progress	Reduction of 16%		Scope 3 Progress:	Reduction of 14% in Category 1 + Category 11 emissions per product sold.
Assessment and Monitoring:	Belimo is making good progress towards its SBTi targets and we assess the company as on track. We will continue to monitor progress, particularly the company's efforts to address its predominantly Scope 3 emissions through product efficiency, supplier engagement and lower-carbon materials.			



Informa PLC - Reduction Solution

Latest Emissions Data: 2025 **Baseline Year:** 2017 (Informa is rebasing its targets to 2019 to reflect acquisitions and methodology changes)

Company Description Informa is a global B2B information and events group operating across live events, academic publishing and specialist digital services. B2B Live Events represented £3.0bn, or 74%, of its £4.0bn of revenue in 2025, through Informa Markets, Informa Connect and Informa Festivals, with the remainder principally Taylor & Francis academic publishing and Informa TechTarget. Its events businesses bring together millions of attendees, exhibitors and suppliers across specialist industries, while Taylor & Francis publishes academic research in physical and digital formats.

Climate Solution Relevance: Informa's core exhibitions model can reduce the carbon intensity of B2B commerce by allowing customers to combine meetings with suppliers, customers, industry peers and product demonstrations into a single trip rather than making multiple bilateral journeys. Informa's 2025 attendee surveys indicate that around three flights are avoided for every trip to an Informa event, using a methodology developed with the Net Zero Carbon Events initiative; the company states that its larger international trade shows are consistently net travel consolidators. The footprint of the events themselves is also being reduced: 85% of events were powered by renewable electricity in 2025, event carbon emissions per m² were 12% below 2019 and event waste per m² was 19% lower. Better Stands, Informa's programme to replace disposable exhibition stands with reusable structures, avoided an estimated 14,300 tonnes of waste annually in 2025; applying the 0.5kgCO₂e/kg waste factor used in our previous analysis implies c.7.2ktCO₂e of annual avoided emissions. Taylor & Francis also uses print-on-demand to reduce overproduction, with more than 100,000 fewer books returned each year; using our previous assumptions of 1kg per book and 0.95kgCO₂e/kg of paper implies at least c.95tCO₂e of additional annual avoided embodied emissions.

SBTi Targets and Progress:

Scope 1+2 Target:	Reduction of 55% by 2030	Scope 3 Target:	Reduction of absolute relevant Scope 3 emissions by 20% by 2030
Scope 1+2 Progress	Reduction of 80% vs 2017; reduction of 55% vs 2019	Scope 3 Progress:	Current 2017 comparison is not considered comparable by Informa; reported Scope 3 emissions are 12% below the restated 2019 level

Assessment and Monitoring: Informa has already materially exceeded its existing Scope 1+2 SBTi target, with emissions 80% below the 2017 baseline versus a 55% reduction required by 2030. On the more relevant 2019 comparable basis, market-based Scope 1+2 emissions have fallen from 6.3ktCO₂e to 2.8kt, a 55% reduction. This has been driven principally by renewable electricity procurement, with 96% of offices and 85% of events powered by renewable electricity in 2025, although Scope 1+2 emissions increased from 2.3kt in 2024 as generator-fuel consumption increased at some events.

Scope 3 remains the principal monitoring issue and represents almost all of Informa's emissions footprint. Reported emissions fell from 514ktCO₂e in the restated 2019 base to 454kt in 2025, a c.12% reduction, but were broadly flat year-on-year. Event logistics is the largest source at c.192kt, followed by purchased goods and capital goods at c.94kt, event materials at c.66kt and event waste at c.54kt; event energy and water is comparatively small at c.4kt. Further progress depends principally on venues, logistics providers, stand contractors and other suppliers.

The currently validated targets use 2017 as the baseline, but Informa states that its 2017 Scope 3 footprint is no longer comparable with 2025 because of substantial acquisitions and changes to its Scope 3 methodology. It is rebasing its SBTs to 2019 and incorporating recent acquisitions. For now, we use the 2019-to-2025 reduction as the more informative measure.

Progress in reducing the emissions intensity of the events themselves is encouraging. Better Stands has become an industry-wide framework, with more than 50,000 stand assessments completed in 2025 and 14.3kt of waste avoided annually; stand material weight per m² has fallen 21% since 2019 and disposable stand area by 24%. Informa increased the number of events meeting its highest Sustainability Inside criteria to 249 in 2025 from 145 in 2024, using its event platforms to embed sustainability content and solutions across the industries it serves.

The strongest evidence for the Reduction Solution classification remains travel consolidation. However, the 2025 Sustainability Report contains inconsistent headline figures: its summary states 3.3 return flights are saved for every trip to an Informa event, while the detailed travel-consolidation section reports 2.9 flights saved per trip based on attendee surveys. We therefore use the more conservative c.3 flights figure. This benefit is survey- and counterfactual-based rather than directly measured carbon abatement.



Rentokil - Adaptation Solution

Latest Emissions Data:		2025	
Company Description		Rentokil Initial is a global provider of pest-control, hygiene and workplace wellbeing services operating across residential, commercial and industrial markets.	
Climate Solution Relevance		Climate change is increasing the physical risks associated with pests by creating more favourable conditions for certain species, extending breeding seasons and enabling pests and disease vectors to expand into previously unsuitable areas. The scale of these risks is already material: the US CDC reports that cases of vector-borne diseases have doubled over the past two decades, while modelling indicates that, under a moderate climate scenario, the potential geographic range of the highly destructive Formosan subterranean termite could expand by 68% between 2021 and 2040, with other economically important termite species projected to expand their ranges by around 40%. Rentokil's pest-control, hygiene and digital monitoring services help businesses and communities adapt to these changing conditions by preventing and managing infestations, reducing associated risks to human health, property and business operations, and enabling earlier, more targeted intervention.	
Targets and Progress (not SBTi)			
Energy & Fuel Emissions:	Broadly flat vs 2023 (-0.5%), the first full post-Terminix year: 383kt → 381kt. Includes Scope 1, Scope 2 and Scope 3 Category 3.	Operational Emissions Intensity:	Company KPI vs 2019, calculated on a like-for-like basis to remove acquisitions/divestments. 20% 2025 target achieved.
Fumigation Emissions:	Reduction of 19.4% vs 2022, where the baseline includes a full year of Terminix fumigation emissions. Company target: ~70% by 2030.	Renewable Electricity:	Targets 90% of UK/Europe properties using renewable energy by 2030; currently has contracts in ten countries
Carbon Emissions Data:	2025 vs 2024		% of Total Emissions
Scope 1 Emissions:	Flat		72%
Scope 2 Emissions:	Reduction of 8%		5%
Scope 3 Emissions:	Reduction of 1%		20%
Assessment and Monitoring:	“Rentokil achieved its 2025 company target, reducing emissions intensity by 21.8% versus a 20% target. Absolute energy and fuel-derived emissions have been broadly flat since 2023, despite organic growth and continued acquisitions. Scope 1 represents ~72% of this footprint and is predominantly fleet fuel, making vehicle electrification the main operational lever. Lower-emission vehicles reached 3,620, or 9.5% of the global fleet, in 2025. The larger climate exposure is sulfuryl-fluoride fumigation, which generated 1.24MtCO ₂ e in 2025 – more than three times energy and fuel-derived emissions. Importantly, the 2022 baseline incorporates a full year of Terminix fumigation activity, providing a reasonable post-acquisition comparison. Emissions have fallen 19.4% versus this baseline, but significant acceleration is needed to achieve the 70% reduction target by 2030. Rentokil is pursuing a Replace-Reduce-Recapture strategy, including heat treatment, better gas monitoring and development of capture technologies.”		

John Deere - Adaptation Solution

Latest Emissions Data:	2025	Baseline Year:	2021
Company Description	John Deere is a leading American corporation renowned for manufacturing high-quality agricultural machinery, construction equipment, and forestry tools.		
Climate Solution Relevance	Deere's precision-agriculture technologies help farmers produce more efficiently under increasingly variable growing conditions. Automation, connected equipment and precision application can reduce unnecessary inputs while improving consistency and productivity; for example, See & Spray reduced non-residual herbicide use by nearly 50% on average in 2025, while ExactShot can reduce starter-fertiliser use by >60%.		
SBTi Targets and Progress:			
Scope 1+2 Target:	Reduction of 50% by 2030	Scope 3 Target:	Reduction of 30% absolute emissions by 2030 across Category 1 purchased goods & services and Category 11 use of sold products
Scope 1+2 Progress:	Reduction of 37%	Scope 3 Progress:	Reduction of 26%, with Category 1 -37% & Category 11 -25%
Assessment and Monitoring:	Deere has made strong headline progress against both SBTi targets and is on track to meet its short-term goals. However, Deere states that weaker production and sales volumes contributed materially to the 2025 reductions, so continued progress through a stronger equipment cycle will be the more important test. Product use is overwhelmingly the main climate exposure: Category 11 generated 70.0MtCO ₂ e in 2025, ~93% of Deere's reported target-boundary footprint, versus 5.1Mt from purchased goods and <1% from Scope 1+2. Deere is addressing this through improved machine efficiency, renewable fuels and alternative propulsion: all Tier 4 engines are now approved for B30 biodiesel, while battery-electric, hybrid and ethanol-powered equipment are being developed. Electrification is unlikely to suit all large agricultural machinery in the near term because of power and weight requirements, making renewable diesel/biodiesel and efficiency important alongside batteries. Upstream progress is also encouraging, with purchased-goods emissions 37% below baseline and around 75% of key suppliers by spend now reporting emissions; Deere is focusing particularly on carbon-intensive materials such as steel and iron. Overall, Deere is currently close to its 2030 Scope 3 objective, but sustaining reductions in customer fuel use as volumes recover is the key monitoring issue.		



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