TCFD ALIGNED CLIMATE REPORT

POSITIVELY DIFFERENT

GUINNESS GLOBAL INVESTORS

CONTENTS

For explanations of key terms, please see the glossary on our website.
All data is at 31st December 2025 unless otherwise stated.

FOREWORD

Climate risk has moved from projection to lived experience. With 2024 confirmed as the hottest year on record and 2025 offering no respite, there is a growing recognition across markets that the pathway to limiting long-term warming to 1.5°C is narrowing rapidly. The World Meteorological Organization estimates a 70% probability that average global temperatures over the period 2025–2029 will exceed 1.5°C above pre-industrial levels, with consequences for ecosystems, societies, and economies worldwide[1].

Against this backdrop, the financial sector faces intensifying scrutiny. Investors, regulators and other stakeholders increasingly expect asset managers to demonstrate an understanding of climate-related risks and opportunities and to integrate these considerations into investment processes and decision-making. We believe doing so is not only the right course of action, but also consistent with our fiduciary duty to clients.

This report sets out our approach to managing climate-related risks and opportunities, structured around the four pillars of the Task Force on Climate-related Financial Disclosures (TCFD) framework: Governance, Strategy, Risk Management, and Metrics and Targets. As a manager of long-only active equity strategies, we recognise that our most material climate exposures arise through the investment portfolios we manage on behalf of clients. We focus our efforts accordingly, while also continuing to monitor and reduce our own operational footprint.

During 2025, we continued to advance our responsible investment capability and deepened our engagement with portfolio companies on emissions disclosure, target-setting, and governance. Our commitment to transparency remains central to our approach, and we will continue to evolve our disclosures as data quality and methodologies improve.

[1] *Source: WMO*

ABOUT THIS REPORT

In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework set out in Figure 1, this document outlines the approach to managing climate-related risks and opportunities employed by Guinness Global Investors.

It aims to provide our perspective on the four TCFD pillars of **Governance**, **Strategy**, **Risk Management**, and **Metrics and Targets** in relation to climate-related issues. The TCFD sets out a practical way of explaining our approach of integrating climate related risks and opportunities across the firm.

We have been a supporter of the TCFD since 2020 and encourage our portfolio companies to disclose in line with TCFD recommendations. In 2024, we supported the call for the widespread adoption of the International Sustainability Standards Board (ISSB) standards – IFRS S1 and S2 – which built on frameworks such as the TCFD. As data evolves, we will continue to improve our disclosures. To that end, we hope you find this report insightful.

Figure 1: Core elements of Recommended Climate-related Financial Disclosure, TCFD Guidance

Source: TCFD

1. Governance - The organisation's governance around climate-related risks and opportunities.

2. Strategy - The impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

3. Risk Management - The process of identifying, assessing, and managing climate-related risks.

4. Metrics and Targets - The metrics and targets used to assess and manage climate-related risks and opportunities.

ABOUT GUINNESS GLOBAL INVESTORS

Founded in 2003 by our Chairman Tim Guinness, Guinness Global Investors is an independent active fund manager specialising in long-only equity funds and private equity investments in a selection of asset classes and specialist sectors.

We run concentrated portfolios with low turnover, a value discipline and an equal-weight portfolio approach. At heart, Guinness Global Investors is a value (or growth at reasonable value) investor. We seek to identify good businesses whose long-term profitability, sustained by competitive advantage and capital discipline, is undervalued by the market.

We believe in intelligent solutions for long-term investing in a rapidly changing world. This means having a methodology for building portfolios that is logical, robust, repeatable, while remaining consistent with our core investment beliefs and our duty to invest responsibly.

OUR OPERATIONS

Guinness Global Investors is based in Westminster, London, with 85 employees.[2]
In 2015, Guinness Global Investors introduced its first Carbon Policy and has since been recording its company-level emissions annually. We continue to evolve our methodology year-on-year and continuously review our operational emissions with the aim to avoid and reduce them where possible.

As an asset manager, we understand that our core climate-related risks arise predominantly from the indirect emissions from the investment portfolios that we manage in-house on behalf of our investors. In turn, we focus efforts on recording, managing, and monitoring these emissions, which we explore in this report.

UK-DOMICILED FUNDS

We provide 19 public markets investment strategies grouped into Global & Developed Markets, Specialist, Asian & Emerging Markets, Europe, and Real Assets. The focus of this report is on the UK-domiciled funds applying these strategies, although we may illustrate our approach with reference to strategies (such as the Guinness Global Real Assets strategy) not currently applied to a UK-domiciled fund.

As of 31 December 2025, our eight UK-domiciled funds – shown in Figure 2 – accounted for 4% of our total assets under management.

Figure 2: Guinness Global Investors UK-domiciled fund range
Source: Guinness Global Investors

GLOBAL & DEVELOPED MARKETS	SPECIALIST	ASIAN & EMERGING MARKETS	EUROPE
WS Guinness Global Equity Income Fund	WS Guinness Global Energy Fund	WS Guinness Asian Equity Income Fund	WS Guinness European Equity Income Fund
WS Guinness Global Quality Mid Cap Fund	WS Guinness Sustainable Energy Fund		
WS Guinness UK Equity Income Fund			
WS Guinness Global Innovators Fund			

For further details on individual funds, please see the relevant pages on our website at guinnessgi.com

[2] *As of 31 December 2025*

OUR CLIMATE JOURNEY

We have strong heritage of investing across the energy spectrum and are well placed to consider environmental, social, and governance (ESG) including climate-related issues in the investment process. We believe that this is in our clients' interests. We first launched the Sustainable Energy strategy in 2006.

Ever since, we have accelerated our climate-related activity, improved our resources and increased our capacity, including forming a dedicated Responsible Investment Team. Guinness Global Investors is a member or signatory of several initiatives, including the UN Principles for Responsible Investment (UN PRI), UK Stewardship Code, and CDP (formerly known as the Carbon Disclosure Project).

Figure 3: Timeline of climate-related activity

Source: Guinness Global Investors

2006
- Dedicated climate strategy launched: the Guinness Atkinson Alternative Energy Fund

2007
- Launch of the Ireland-domiciled Guinness Sustainable Energy Fund

2011
- Guinness Ventures[3] commences private renewable energy investments

2015
- Guinness Ventures launches the Sustainable Estate Planning Service
- Carbon Policy introduced; start of carbon footprint monitoring

2019
- Responsible Investment Committee established
- Signatory to the UN PRI
- Signatory to Climate Action 100+

2020
- First dedicated Responsible Investment Analyst recruited
- Supporter of the TCFD

2021
- Internal portfolio climate reporting begins
- Classification of Article 8 and 9 funds under the EU SFDR regulation
- Became member of UKSIF
- First report published under the UK Stewardship Code 2020

2022
- Extension of range of Article 8 classified funds under the EU SFDR regulation
- Launch of firm-wide ESG training
- Signatory to the CDP Non-Disclosure Campaign
- Signatory to the 2022 Global Investor Statement

2023
- Climate risk integration process enhanced
- Firm-wide climate training introduced
- Signatory to the CDP Non-Disclosure Campaign
- Participation in the CDP Science-Based Targets Campaign (SBT)

2024
- Set a company-wide Net Zero Target
- Signatory to the 2024 Global Investor Statement
- Supported widespread adoption of the ISSB standards
- Signatory to the CDP Non-Disclosure Campaign

2025
- Launched Global Environment strategy
- Developed operational net zero pathway
- Launched a plastics engagement campaign
- Signatory to the CDP Non-Disclosure Campaign

Key:
- Corporate Activity
- Guinness Strategy
- Initiatives

[3]Please note that Guinness Ventures Limited became a separate entity from Guinness Global Investors in 2023.

1. GOVERNANCE

TCFD Recommendations:

a. Describe the board's oversight of climate-related risks and opportunities

b. Describe management's role in assessing and managing climate-related risks and opportunities

OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

At Guinness Global Investors, we have an established governance structure supported by various committees across the business.

Guinness Global Investors is a privately owned company with a flat organisational structure, which enables close collaboration and shared oversight of material issues, including climate change. Accountability and oversight of climate-related risks and opportunities are held at both board and management level.

We are committed to adopting and implementing responsible investment principles in a manner that is consistent with our fiduciary responsibilities to clients. Ownership of these principles lies with the entire Investment Team across all our investment strategies, supported by our dedicated Responsible Investment Team.

In 2021, our **Responsible Investment Policy** evolved to integrate climate change issues, in addition to providing details on our climate-related engagement activity. More details can be found in our Responsible Investment Policy and our latest **Responsible Investment Report**. The Responsible Investment Team works in tandem with the wider Investment Team, providing support and resources to portfolio managers and analysts. Complementing our firm-level Responsible Investment Policy, a bespoke 'Approach to Responsible Investment and ESG' paper articulates the particular focus in each area in which we invest and can be found on our website. These explore each strategy's approach to Responsible Investment in further detail.

Collaborative meetings of the Investment, Marketing & Sales teams occur weekly for these teams to monitor and discuss market and global macro movements and serves as an important forum to consider topical climate-related matters. Our Marketing & Sales team manage communications with investors, articulating our Responsible Investment approach to clients and key stakeholders. They present investor feedback to portfolio managers and the wider Investment Team regarding climate-related matters to provide oversight of industry movements and investor preferences.

GOVERNANCE STRUCTURE

Guinness Global Investors Board of Directors (the Board) is the most senior body in our corporate governance structure and has complete oversight of the firm's activities, strategy, and objectives, including our approach to climate issues. As Guinness Global Investors has grown, we have evolved our governance structure and oversight of risk by implementing additional committees involving members from across the business with the relevant skillsets and decision-making abilities. We appointed a **Head of Investment Risk** to further develop and strengthen our oversight and risk management functions. Following this, in 2024 we established an Investment Risk Committee.

In 2019, the Board established the **Responsible Investment Committee** as a forum to monitor and implement our Responsible Investment approach. This committee discusses climate-related considerations with members across the firm to ensure accurate and adequate flows of information. In addition, our **Compliance & Operations Committee** ensures regulatory standards are upheld and communications with investors meet necessary requirements.

At Guinness Global Investors, no portion of executive or portfolio manager remuneration is linked to specific climate-related performance metrics or scorecards. As a manager of concentrated long-only equity strategies, our climate-related responsibilities to clients are exercised primarily through engagement rather than divestment, and mechanical pay-for-decarbonisation metrics could create incentives that work against this approach. Climate-related considerations are instead embedded across the investment process and firm culture through mandatory annual responsible investment training, climate risk scorecards prepared for each strategy, ESG integration monitoring by Compliance, and active stewardship through engagement and proxy voting.

Figure 4 (Page 10) depicts the governance structure pertaining to the oversight of climate-related risks and opportunities at Guinness Global Investors.

CLIMATE-RELATED CONSIDERATIONS

At Guinness Global Investors, climate-related considerations are integrated at both an operational and portfolio level.

Aware of growing climate-related scrutiny of companies and evolving regulatory requirements, we spend a significant amount of time across the organisation discussing and evaluating developments in this area. This includes how regulations such as the European Sustainable Finance Disclosure Regulation (SFDR) and the UK Sustainability Disclosure Requirements (SDR) continue to impact our business operations and our portfolios.

As a firm with fewer than 100 employees that operates primarily from a single London office, our direct operational footprint is relatively limited. Accordingly, we focus in this report on the climate-related risks and opportunities arising from the investment portfolios we manage for clients.

WITHIN OUR OPERATIONS

Although our investment portfolios represent a significant proportion of our climate-related risks and opportunities, we continuously monitor and assess our own operational company-level energy consumption and emissions.

In 2015, Guinness Global Investors developed a Carbon Policy and began measuring its operational carbon emissions. Over time, our reporting has evolved to include more categories from the 15 GHG Protocol Scope 3 emissions accounting framework. In 2020, we added teleworking under Category 7 (Employee Commuting) due to employees working from home during the COVID-19 pandemic, and in 2023 we added additional Scope 3 emissions categories such as hotel stays under Category 6 (Business Travel) to our corporate emissions calculations. We track our emissions year-on-year, with the remaining Scope 3 categories not currently included on materiality grounds. Further details can be found within **Section 4. Metrics and Targets**. In addition, we touch on sustainability risks alongside financial risks within our **Remuneration Policy**.

WITHIN OUR PORTFOLIOS

As an asset manager, Guinness Global Investors' fundamental climate-related risk and opportunities exposure lies within our investment portfolios that we manage on behalf of our investors. Therefore, the responsibility of climate-related matters lies with all members of our Investment Team.

Responsible Investment considerations and ESG incorporation through active stewardship are essential components of our investment decisions. Our Investment Team, comprising of analysts and portfolio managers, use fundamental data to carry out rigorous in-house research on their portfolios, supported by additional analysis from our Responsible Investment Team. This includes considering the impact of ESG factors, which has developed over time as more relevant data has become available. This underpins decisions made by portfolio managers who are responsible for implementing our Responsible Investment approach in their day-to-day activities. Our diligent screening of potential investee companies and ongoing research into current portfolio companies provides us with flexibility to incorporate new ESG data as it evolves. Research is shared among our investment strategies, supported by the Responsible Investment Team, who provide company-wide analysis and materials.

To analyse climate-related risks and opportunities in more detail, climate-related risk scorecards are created by the Responsible Investment Team for each strategy and are presented to each investment strategy team to understand potential and material climate-related exposures at a strategy and portfolio company level. These may inform climate-related stewardship activity by identifying engagement priorities. This is further discussed in our quarterly Responsible Investment Committee meetings. We believe this is the best way to identify and integrate climate-related risks and opportunities into our investment process and is consistent with our investment philosophy. These scorecards are subject to monitoring by Compliance to ensure that the ESG Integration process has been followed.

Figure 4: Guinness Global Investors climate-related governance structure
Source: Guinness Global Investors

Guinness Global Investors Board of Directors

Frequency of meetings: Quarterly

Chair: Chief Executive Officer (CEO)

Composition: Chief Investment Officer (CIO), Guinness Global Investors' Chairman, two directors

Oversight and responsibilities:

- Overall firm strategy and objectives
- All internal processes and external activities
- Approval of material policies e.g. Responsible Investment Policy, Exclusion Polices, UK Stewardship Code Report
- Oversight of climate-related matters and stewardship

Responsible Investment Committee

Frequency of meetings: Quarterly

Chair: Chief Executive Officer (CEO)

Composition:

- Representatives of the Board
- Responsible Investment Team
- Representative Portfolio Managers and Investment Analysts
- Key members of Marketing, Sales, Compliance and Risk teams

Oversight and responsibilities:

- Highlight climate risks and opportunities
- Integrate ESG into processes and decisions
- Review and approve reports and policies
- Discuss required standards from industry regulators, clients, and wider stakeholders
- Monitor progress of portfolio companies against their climate targets
- Review ESG and climate data providers
- Oversee stewardship activity and policies
- Review participation in current and prospective industry initiatives

Compliance & Operations Committee

Frequency of meetings: Monthly

Chair: Chief Executive Officer (CEO)

Composition: Compliance & Risk, and Operations teams

Oversight and responsibilities:

- Alongside the Responsible Investment Committee, the Compliance & Operations Committee observes the development of climate-related regulations, implements regulations and monitors compliance with the regulations across the firm
- Development and monitoring of policies and procedures to ensure adherence to regulations
- Review and approve marketing material and client communications relating to Responsible Investment
- Completion of monthly and quarterly ESG integration monitoring reports to assess whether the ESG process as described in the relevant fund disclosures has been followed
- Articulates findings with the Board and Investment Team

2. STRATEGY

TCFD Recommendation:

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term

CLIMATE-RELATED RISKS AND OPPORTUNITIES OF OUR INVESTMENT STRATEGIES

At Guinness Global Investors, we have long-term investment horizons. Therefore, we are aware of the risks to our operations and portfolios in the short, medium, and long-term and these are embedded into our investment decisions.

We are aware that climate-related risks and opportunities will have an impact across the investments we make and acknowledge that some of our strategies may be more at risk than others due to the breadth of sectors and geographies our portfolios cover.

With an emphasis in our investment philosophy on the quality characteristics of the companies in which we invest, we pay close attention to their activities and exposures. Our concentrated portfolios, constructed with an equal-weight approach, allow our experienced portfolio managers to understand each one of our portfolio companies in rigorous detail, making us well placed to mitigate any potential climate-related risks (Figure 5) and make the most of climate-related opportunities.

Figure 5: Climate-related risks, TCFD Guidance
Source: TCFD

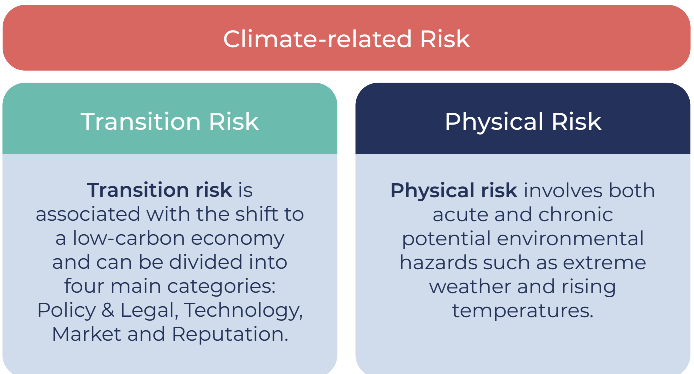


Figure 6 on the following pages depicts the climate-related risks and opportunities identified at Guinness Global Investors. We discuss these potential risks and how these are mitigated in our operations and portfolios.

Details of the risk identification, assessment, and management process at Guinness Global Investors can be found in **Section 3. Risk Management**.

Figure 6: Identified climate-related risks and opportunities at Guinness Global Investors
Source: Guinness Global Investors

Transition Risk - Policy & Legal

Examples *(Source: TCFD)*

- Increased pricing of GHG emissions
- Enhanced emissions-reporting obligations
- Mandates on and regulation of existing products and services
- Exposure to litigation

Operations

Navigating regulatory changes entails costs and risks, including potential non-compliance repercussions and risks associated with greenwashing allegations. We understand the implications non-compliance may have in the immediate and long term.

To address these challenges, Guinness Global Investors' compliance team is dedicated to ensuring adherence to existing and forthcoming regulations. The Compliance team proactively monitor regulatory developments through horizon scanning and ensure emerging risks and obligations are assessed and addressed promptly and communicated to the Investment team.

Regulations such as the UK Sustainability Disclosure Regime (SDR) and climate-related directives including the TCFD are closely monitored and discussed in our Compliance & Operations Committee meetings as well as Board and Responsible Investment Committee meetings. Our involvement in industry working groups such as UKSIF (where our Responsible Investment Lead chairs the Industry Development Committee and another member of our Investment Team sits on the Board) and the CFA UK Sustainability Community Champions Group provides forums for us to consult, discuss and stay informed of regulatory updates and best practice.

Portfolio

For the companies in which we invest, heightened scrutiny could lead to litigation, fines, or reputational harm where relevant standards have not been met. In turn, failure to comply with regulations can impact a company's valuation, leading to fines and allegations of greenwashing, which pose immediate risks.

As regulatory frameworks evolve, the disclosure of climate-related information is becoming mandatory for many of our portfolio companies. In our climate-related risk scorecards, we use third-party tools to assess exposure to regions with high carbon regulatory risk and track metrics such as revenue exposure, emissions intensity, and target alignment. This is supported by ongoing controversy monitoring and engagement with our portfolio companies to set absolute emission reduction targets and demonstrate regulatory readiness. We believe this helps to reduce the potential impact of these medium and longer-term risks.

Alongside these risks, the transition to a lower-carbon economy continues to create significant investment opportunities globally. According to the International Energy Agency's (IEA) 2026 World Energy Investment report, investment in clean energy and related infrastructure is forecast to reach USD 2.2 trillion in 2026, almost double the level of investment in fossil fuels, driven by long-term trends including electrification, energy security, and decarbonisation.

Figure 6 (continued): Identified climate-related risks and opportunities at Guinness Global Investors
Source: Guinness Global Investors

Transition Risk - Policy & Legal

Portfolio

The US policy landscape continued to evolve in 2025. The One Big Beautiful Bill Act amended several provisions of the Inflation Reduction Act (IRA), reducing some clean energy incentives while retaining manufacturing tax credits for battery and solar equipment through to 2032. Following the passage of the legislation, our engagement with manufacturers and developers suggests that investment activity is beginning to resume as greater policy certainty returns to the market. We continue to believe that the long-term drivers of the energy transition remain intact, and that strategies such as Guinness Sustainable Energy are well positioned to benefit from these structural growth trends. The July 2025 Managers' Comments provide further details.

Transition Risk - Technology

Examples *(Source: TCFD)*

- Substitution of existing products and services with lower-emission options
- Unsuccessful investment in new technologies
- Costs to transition to lower emissions technologies

Operations

Our London office was refurbished in 2017 and benefits from modern and efficient electrical equipment. Therefore, we believe the technology transition risk to our operations is considered de minimis in the short and medium term.

Portfolio

Our portfolio companies may face adverse effects that stem from changes in consumer demand or technological advancements. This may potentially diminish growth opportunities for companies with exposure to incumbent technologies, thereby reducing profitability. However, some companies may capitalise on these shifts, particularly those involved in green technology innovation. These outcomes may materialise over all time horizons. We believe we are well positioned to hedge our exposure to these risks through our strategies such as the Guinness Sustainable Energy strategy, which aims to benefit from the transition to a low-carbon economy.

Across our strategies, our company ESG reviews often focus on evaluating the opportunities presented by lower-emissions technologies for current and prospective portfolio companies where deemed material.

Figure 6 (continued): Identified climate-related risks and opportunities at Guinness Global Investors
Source: Guinness Global Investors

Transition Risk - Market

Examples *(Source: TCFD)*

- Changing consumer behaviour
- Uncertainty in market signals
- Increased cost of raw materials

Operations

Rising market costs may influence what we pay for our energy usage, which is considered in all time horizons, due to the potential volatility of power prices. We have engaged with our building landlord to encourage a transition to renewable energy tariffs, which could help mitigate the impact of fossil fuel-related supply shocks.

Portfolio

Like our operations, challenges such as increased volatility and rising input prices could impact our portfolio companies and affect their revenue. This could particularly affect equities in the energy, materials, and industrials sectors that are influenced by commodity prices. Further, consumer staples stocks which could be impacted by climate change through the effect on yields and supply chains of raw materials, thus increasing their costs. We view this risk in the medium to long term.

We manage two dedicated sustainable strategies, the Sustainable Energy strategy and the Global Environment strategy. The Sustainable Energy strategy has a distinct approach to identifying companies that the portfolio managers believe will benefit from changing consumer preferences. The managers intentionally screen for companies delivering the products and services which will help to deliver the transition towards a low-carbon economy. The strategy is not limited to 'pure plays', opening its universe up to some companies with existing hydrocarbon-based fuel exposure, but this must be aligned with a commitment to transitioning their business models towards sustainable energy sources.

The Guinness Global Environment strategy invests in companies engaged in providing environmental solutions, which contribute to reducing environmental resource use or intensity, or the preservation of said resources. Environmental solutions are defined as business activities which reduce environmental resource or intensity and enhance environmental resource supply. Environmental solutions can include energy efficiency, water supply & technology, waste management & recycling, sustainable land use, and dematerialized economy. Environmental resources include food, water, climate, waste, land, and their adjacent supply chains.

Further, the multi-themed portfolio of the Global Innovators strategy includes clean energy and transition to a more sustainable economy as one of its nine core innovation themes used to assemble the broad universe of potential investments. Within this, it includes sub-themes of electric vehicles, the circular economy, and resource efficiency. These multiple themes, which are reviewed annually, act to diversify risk across the portfolio.

Figure 6 (continued): Identified climate-related risks and opportunities at Guinness Global Investors
Source: Guinness Global Investors

Transition Risk - Reputation

Examples *(Source: TCFD)*

- Shifts in consumer preferences
- Stigmatisation of sector
- Increased stakeholder concern or negative stakeholder feedback

Operations

Non-compliance risks, brand value, positioning, greenwashing, and consumer preferences for 'green' credentials are key concerns of Guinness Global Investors both operationally, and of our portfolio companies. This is a risk we consider in the short, medium, and long term. We are conscious that the operation of dedicated sustainable strategies poses additional reputational risks vis-à-vis our other investment product offerings.

Safeguarding our reputation is paramount and evolving consumer preferences require strategic solutions. To enhance transparency, we disclose our operational and portfolio sustainable activities within our Responsible Investment Report, Stewardship Report, and strategy-level papers (including their Approach to Responsible Investment & ESG) are available on our website's literature pages. We have also introduced Responsible Investment Factsheets as a simplified summary of fund-level ESG integration and annual stewardship activity.

We ensure compliance with existing regulations such as the EU SFDR and the UK SDR, rigorously monitoring progress through our quarterly Responsible Investment Committee, Compliance and Operations Committee and weekly team meetings. The Compliance team continuously monitors compliance with regulations and reports findings to the Responsible Investment Committee, the Monthly Management Committee and the Compliance & Operations Committee, as well as external parties where required. This enhances oversight of material issues to reduce any potential reputational risks of non-compliance.

Portfolio

We have robust monitoring mechanisms in place to ensure alignment with our strategy policies. We routinely screen companies for controversies, undertake ESG reviews, and perform a monthly check for our exclusions criteria to maintain integrity. Access to third-party tools and ratings providers further strengthens our due diligence processes across the Investment Team.

All our funds classified as Article 8 or Article 9 products under EU SFDR are required to invest solely in companies which follow good governance practices. As outlined in our Good Governance Policy, in assessing good governance, among other factors, we consider management structures, employee relations, staff remuneration, and tax compliance. Where relevant, good governance practices are encouraged via direct engagement and proxy voting activity.

We understand the immediate nature of reputational damage and its long-term implications when considering this transition risk.

Figure 6 (continued): Identified climate-related risks and opportunities at Guinness Global Investors
Source: Guinness Global Investors

Physical Risk - Acute & Chronic
Examples *(Source: TCFD)* **Acute** • Increased severity of extreme weather events such as cyclones and floods **Chronic** • Changes in precipitation patterns and extreme variability in weather patterns • Rising mean temperatures • Rising sea levels
Operations
Chronic climate change poses potential operational challenges for companies, including our own. Whilst our office in Westminster, London, is less susceptible to extreme weather hazards such as cyclones, we remain mindful of its proximity to the River Thames and the associated longer-term risk of flooding. We lease the third floor of our office facilities with limited fixed physical assets on site. Therefore, we have the flexibility to relocate if physical climate risks begin to impinge on our direct operations. We operate with a flexible working structure, allowing our employees to work from home and avoid being affected by potential flooding of the office building. We acknowledge the potential financial costs in the short term, and likelihood of this risk increasing in the long term. Rising global temperatures over an extended period could affect our operations, leading to heightened electricity consumption for amenities like air conditioning and building maintenance, increasing expenditure. This could amplify emissions and strain power costs, potentially impairing the company's profitability. We assess and monitor our own corporate footprint and aim to reduce our operational emissions and avoid where possible. We note at present the financial costs of these risks are negligible in relation to our organisational expenditure.
Portfolio
Our investments are not immune to these challenges. Like our own facilities, they may encounter similar consequences from rising mean temperatures and increased likelihood of extreme weather variability. When conducting ESG analysis on portfolio holdings, we assess the materiality of physical climate risks on a company-by-company basis. We have conducted analysis at a strategy-level to pinpoint material physical risk issues by understanding the proportion of fund revenues derived from operations located in regions vulnerable to physical climate change risk factors. Analysis can be furthered by mapping locations of core manufacturing sites of a company in relation to areas most exposed to physical risks. We conduct carbon footprint assessments across all investee companies and engage actively on emissions reduction targets, including external verification as science-based where relevant and/or appropriate. We encourage portfolio companies to adopt TCFD-aligned disclosures through our stewardship activities, and advocate for annual disclosure to the CDP Climate Change questionnaire, which aligns with the IFRS S2 Climate-related Disclosures Standard. We believe these are foundational frameworks that support companies in assessing, monitoring, and mitigating acute and chronic physical climate risks.

TCFD Recommendation:

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Although we recognise the operational climate-related risks depicted in Figure 6 (Page 12-16), our primary focus is on the risks and opportunities affecting the portfolios we manage on behalf of our clients. Since investment management is our core business activity, the following pages discuss the impacts of climate-related risks and opportunities on the investment process of our strategies.

CLIMATE-RELATED IMPACTS OF OUR INVESTMENT STRATEGIES

In every area where we invest, we seek long-term investment returns for our clients. Understanding potential climate-related risks and opportunities is important to our ability to fulfil this investment mandate. Risk mitigation and scoping of opportunities is integrated into the investment process for all our strategies. We continue to work on developing our analysis of the impact of remuneration, portfolio climate sensitivity, and positive impact analysis. Governance factors such as shareholder rights, committee structures, and overboarding (a director perceived to be sitting on an excessive number of boards, diminishing their ability to serve the organisation effectively) risks are also considered and assessed. Our investment strategies have exposure to different key themes, geographies, and sectors, diversifying the risk of climate-related issues, which will impact regions and industries differently.

We assess corporate management of climate related-risks and opportunities through our climate-related risk scorecards, which are discussed in more detail in **Section 4. Metrics & Targets**, by tracking board oversight and incentivisation of climate-related issues. As the transition to a low-carbon economy unfolds, we anticipate more companies integrating transition planning metrics into their executive incentivisation. Portfolio managers encourage investee companies, where they deem appropriate, to incentivise climate-related metrics. In the Guinness Sustainable Energy and Global Environment strategies, for example, we might ask companies to consider linking pay to sensible ESG targets, or align company pay to sustainable growth (on metrics such as return on invested capital (ROIC)), growing their positive impact (e.g. green sales / reducing customer CO_2 emissions) or reducing negative impact (e.g. CO_2 emissions reduction). Further case studies of companies within our other strategies can be found in **Section 3. Risk Management**.

Coverage for climate-reporting in our Global & Developed Markets, Specialist, European and Real Assets strategies is comprehensive across most of the jurisdictions we invest in. Beyond this, we are encouraged by the significant improvements in coverage across Asian and Emerging Market strategies over recent years. For instance, 86% (25/29) of Guinness China A Share Strategy portfolio companies now provide Scope 1 and 2 emissions disclosures, up from 23% (7/30) in 2020[4]. High-quality disclosures enable us to track companies' progress on material climate-related risks and their movement towards emission reduction targets to support themselves through the transition to a low-carbon economy. Quality reporting practices are often associated with better climate-risk management; however, we note they do not in themselves mitigate the challenges of climate change, as previously identified (Figure 6). We continue to engage with companies that do not report to CDP, which is expanded upon in **Section 3. Risk Management**.

[4]*As of 31 December 2025. Please note the Fund was launched on 9 March 2023. The coverage figure for 2020 is based on historic disclosures from the companies held in the Fund as of 31 December 2025.*

Across our strategies we assess whether any past or current controversies could have meaningful investment implications in the future. A key feature of our qualitative ESG assessment involves analysing the carbon transition risk of our portfolio companies. In some instances, where material, we examine portfolio companies' historical emissions and conduct stress tests on key financial metrics such as margins, earnings, return on equity, and net debt-to-equity under varying carbon price scenarios. As part of our carbon intensity review, we also look at the company's initiatives to reduce its carbon footprint and its governance oversight of these issues.

GUINNESS SPECIALIST STRATEGIES

The Guinness Sustainable Energy and Guinness Global Energy strategies lean on over 20 years of energy investing experience. They may face greater climate-related risks and opportunities than our other thematic strategies due to their sector concentration. The potential impacts of these risks and upsides from climate-related opportunities are acknowledged and worked into our investment processes.

THE GUINNESS SUSTAINABLE ENERGY STRATEGY

The Guinness Sustainable Energy strategy is positioned to benefit from many of the long-term themes associated with the transition towards a lower-carbon economy and of sustainable energy generation via investment in companies with activities that are economic with limited or zero government subsidy and which are profitable. The strategy does not limit itself to 'pure plays', opening the universe up to some companies with existing hydrocarbon-based fuel exposure, but this must be allied with a commitment to transitioning their business models towards sustainable energy sources.

The strategy invests in around 30 companies selected from a proprietary investment universe. The investment universe comprises around 300 companies which are classified into four key areas:

Displacement	Electrification	Generation	Installation
Companies selling products and services which displace energy consumed via improving energy efficiency or providing alternative fuels.	Companies involved in the electrification of transportation and providing energy stationary storage for the grid.	Utilities and independent power producers with a material portion of business exposure to low-carbon electricity generation.	Companies involved in low-carbon infrastructure, finished products (e.g. turbines), key components (e.g. solar glass) and services (e.g. grid connection)

Guinness Sustainable Energy strategy impact opportunities

Since 2019, the investment team has published an **Impact Report** to demonstrate how the companies the strategy invests in are helping to deliver the low-carbon transition. They believe that when companies and consumers buy heat pumps, electric vehicles, or renewable energy, rather than their fossil fuel equivalents, they contribute towards the global effort to combat climate change.

The Team focuses on CO_2 equivalent (CO_2e) greenhouse gas emissions displaced (positive impact) by the products and services of their investee companies. This is increasingly being described in the industry as Scope 4 emissions. In addition, they assess some of the areas of negative impact and controversy within the portfolio, which feeds into our risk identification and assessment.

In 2025, they published the strategy's seventh Impact Report, which maps company activities to the Sustainable Development Goals (SDGs), outlines their engagement efforts, and describes their positive impact methodology. The Team is mindful that impact measurement and reporting is developing and there is room for discussion around the approaches adopted. They continue to improve their methodology and processes to assess the impact of climate-related risks and opportunities.

THE GUINNESS GLOBAL ENVIRONMENT STRATEGY

The Guinness Global Environment Fund (Irish-domiciled) was launched in December 2025. It is a thematic equity fund investing in companies engaged in providing environmental solutions that contribute to the reduction of environmental resource use, or to the preservation and enhancement of those resources. Environmental solutions are defined as business activities which reduce the use of, or protect and improve the supply of, environmental resources across areas including energy efficiency, water supply and technology, waste management and recycling, sustainable land use, and the dematerialised economy.

Global Environment strategy impact opportunities

The Investment Team conducts analysis on Environmental Impact Indicators, assessed in respect of the products and services of investee companies. These indicators are designed to capture the positive environmental outcomes generated by the portfolio and may include waste avoided or recycled (tonnes), water saved or treated (m^3), carbon dioxide equivalent greenhouse gas emissions displaced by the products and services of investee companies, and land use avoided (km^2). This framework reflects the team's view that meaningful assessment of environmental impact requires metrics that go beyond carbon alone, capturing the breadth of resource-related outcomes the strategy seeks to deliver.

THE GUINNESS GLOBAL ENERGY STRATEGY

The Guinness Global Energy strategy is designed to provide investors with exposure to growth opportunities in energy equities, such as oil and gas companies. These have inherently higher climate-related risks than companies in other sectors due to high emissions intensities related to fossil fuels. We continuously monitor our portfolio companies for controversies and measure their greenhouse gas exposures year-on-year in our internal climate-related risk scorecards. This enables us to highlight key areas of focus to engage with our investee companies to drive change. As active shareholders, we believe engagement is more beneficial than divestment to mitigate these risks as divestment could lead to high-emitting companies falling into the hands of less responsible owners. Further information on our risk management through active ownership can be found in **Section 3. Risk Management**.

GUINNESS GLOBAL & DEVELOPED MARKETS AND EUROPE STRATEGIES

Guinness Global & Developed Markets and Europe strategies include Guinness Global Equity Income, Guinness Global Innovators, Guinness Global Quality Mid Cap, and Guinness European Equity Income. The strategies utilise a bottom-up ESG framework, developed in-house, to assess quantitatively the sustainability risk associated with current and potential underlying investments. Using the SASB materiality framework, the strategies employ an internal scorecard that is used to evaluate a company based on various industry-specific ESG criteria. ‘Materiality’ and ‘transparency’ are two key components of the scorecard: the materiality component ensures the key risk factors to a company’s operations are assessed, and the transparency component informs the team of the drivers of ESG scores at a granular level.

GUINNESS GLOBAL & DEVELOPED MARKETS AND EUROPE STRATEGIES

The strategies supplement this with a rigorous qualitative review, which features assessments of material risks and opportunities, good governance, executive remuneration, carbon transition, and exposure to negative externalities. This is complemented by strategy-level climate-related risk scorecards which are discussed in more detail in **Section 4. Metrics and Targets**.

GUINNESS ASIAN AND EMERGING MARKETS STRATEGIES

The Team employs climate assessments and monitoring in our Asian and Emerging Markets strategies. Coverage of climate-related risks and opportunities disclosures tends to be less comprehensive in Asia and Emerging Markets due to relatively lower regulatory pressures. As global sustainability disclosure standards increase, this gap has narrowed. This makes evaluating the impact of climate-related risks of companies within this strategy more difficult than for other strategies as portfolio companies are less likely to publicly disclose data and align reporting with global frameworks. Consequently, the team emphasise the importance of disclosure to platforms such as CDP. However, they factor deficiencies of public disclosure into their overarching firm strategy by travelling to meet companies face-to-face to build and develop strong stakeholder relationships. This enables the team to better understand climate-related risks and opportunities of portfolio companies, discuss their risk mitigation mechanisms currently in place, and encourage disclosures directly.

Accordingly, the investment team completed trips to East Asia to discuss a variety of strategic and ESG-related topics with investee companies. The team have found when building in-person relationships with companies that they were receptive to the perspectives of foreign shareholders, especially on ESG topics including climate. Recognising that meaningful dialogue often evolves over time, they are committed to maintaining open dialogue and have factored future trips into their financial planning to support this ongoing engagement. For more on their recent ESG-related engagement in China, please see our latest Responsible Investment Report.

GUINNESS GLOBAL REAL ASSETS STRATEGY

The Guinness Global Real Assets strategy was launched in July 2025. The Guinness Global Real Assets Fund invests in listed companies that develop, construct, own, finance and operate infrastructure and real estate assets. The investment team performs a qualitative review of the material ESG risks of a company. Conducting qualitative ESG reviews allows us to form more complete and meaningful investment conclusions. We do this to understand the materiality and fairness of ESG scores, the risks to business models and valuations, and to assess company-specific issues. Forming part of the due diligence we undertake when selecting investments, this process encompasses a detailed review of a company's strategy, financial and nonfinancial performance and risk, and capital structure. Physical climate risk is an important consideration for the constituents of the strategy given the long-lived, location-specific nature of infrastructure and real estate assets. We assess exposure to acute and chronic physical risks as part of our qualitative review, recognising that these factors can have material implications for asset values and operational resilience over the long term.

CLIMATE-RELATED OPPORTUNITIES OF OUR INVESTMENT STRATEGIES

Across our strategies, we may invest in companies whose products, services, or innovations are aligned with the global transition to a low-carbon economy. These businesses are often well positioned to benefit from trends such as electrification, energy efficiency, renewable energy adoption, and the broader decarbonisation of industry and infrastructure. Below are examples of portfolio holdings that illustrate these climate-related opportunities.

CASE STUDY: Atlas Copco

Atlas Copco

Strategy: Guinness Global Equity Income, Guinness European Equity Income, Guinness Sustainable Energy, Guinness Global Environment

Atlas Copco is a Swedish industrial group and global leader in compressed air and vacuum technology, industrial tools, and power equipment. The company's climate opportunity is closely linked to the use phase of its products, which accounts for the vast majority of its greenhouse gas emissions. As a result, improving the energy efficiency of its equipment represents its most significant lever for reducing lifecycle emissions.

Across its compressor, vacuum, and industrial tool ranges, Atlas Copco's products are designed to help industrial customers which account for a meaningful share of global greenhouse gas emissions improve energy efficiency and reduce energy consumption. As part of a pilot assessment, the company calculated avoided emissions for a selection of products and technologies sold in 2025, concluding that greater than 6.5 million tonnes of CO2e were avoided over their lifetime.

Atlas Copco holds SBTi-validated climate targets, including Scope 1 and 2 emissions aligned to a 1.5°C pathway and Scope 3 emissions aligned to a well-below 2°C trajectory by 2030, and has maintained strong ESG ratings from major providers including MSCI and EcoVadis.

As industrial decarbonisation accelerates, Atlas Copco appears well positioned to benefit from sustained demand for energy-efficient industrial solutions.

CASE STUDY: SPIE

Strategy: Guinness European Equity Income, Guinness Sustainable Energy

SPIE is a European provider of multi-technical services, operating across energy, industry, and communications infrastructure, primarily in France, Germany, the Netherlands, and Belgium. As a service-focused business, SPIE's role in the energy transition is driven by the activities it delivers for its clients.

A significant proportion of SPIE's revenues is derived from activities that support climate change mitigation, including energy efficiency retrofits, electrification infrastructure, and renewable energy installation and maintenance. The company has set targets to increase the share of such activities over time, reflecting its strategic positioning within the energy transition.

SPIE has established Science Based Targets initiative (SBTi)-validated climate targets, including a 50% reduction in Scope 1 and 2 emissions by 2030 (from a defined base year) aligned with a 1.5°C pathway. The company has also set Scope 3 targets covering a substantial portion of emissions associated with its value chain, including equipment installed at client sites.

SPIE's positioning as a contractor supporting electrification, energy efficiency, and low-carbon infrastructure across Europe makes it a relevant participant in the region's ongoing energy transition.

CASE STUDY: Hangzhou First Applied Material

Strategy: Guinness Greater China, Guinness China A Share

Hangzhou First Applied Material is a Chinese specialty materials company and the global leader in photovoltaic (PV) encapsulation films, with an estimated market share of around 50% of the global solar encapsulant market. Founded in 2003, the company develops and manufactures the functional polymer films used to protect solar cells within PV modules, including ethylene-vinyl acetate (EVA) and polyolefin (POE) encapsulant films, as well as back sheets and other electronic materials.

The company's climate opportunity is directly linked to global solar deployment. Encapsulant films are an essential component of virtually every crystalline silicon solar module and protect cells from moisture, mechanical stress and environmental degradation throughout the module's operating life. Demand for Hangzhou First's products is fundamentally driven by growth in solar installations, and continued expansion of solar generation capacity across both developed and emerging markets should therefore support long-term volume growth for the business.

Hangzhou First's scale, longstanding relationships with leading module manufacturers and proprietary materials expertise create meaningful barriers to entry in a market where product reliability and bankability are critical. The company has also expanded its production of polyolefin encapsulant films, which offer enhanced durability, moisture resistance and compatibility with newer high-efficiency module technologies compared with conventional EVA-based solutions, positioning it to remain an important supplier as solar module technology continues to evolve.

TCFD Recommendation:

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

CLIMATE RESILIENCE

We believe in intelligent solutions for long-term investing in a rapidly changing world. Whilst we see our operational strategy as generally stable across potential climate scenarios, we recognise the growing importance of climate-related considerations at a product level for our portfolios.

Climate change is a global issue that poses risks to all companies and sectors to varying extents. It is imperative that as a long-only fund manager we track companies' exposure towards climate-related risks and identify companies well positioned to benefit from the transition to a low-carbon economy (climate-related opportunities).

Responsible investment is integrated throughout our investment process across all strategies. Whilst environmental concerns may not be deemed material for every portfolio company, we view ESG assessments as crucial to understanding material risks and opportunities of a company and how well they are managed. This also allows us to understand a company's contribution to global climate change and financial resilience amid evolving regulations and policies.

We believe that portfolio companies that have started to identify their climate-related risks and opportunities are better equipped to deal with the associated challenges and are therefore more resilient. We actively engage with our portfolio companies to improve climate-related disclosures, such as to CDP, and have in turn participated in the four consecutive annual CDP Non-Disclosure Campaigns (NDC).

Alongside disclosure, we monitor portfolio companies' efforts to reduce emissions and advocate target setting with the aim of keeping global temperature rise below 1.5°C. We encourage portfolio companies to set science-based emission reduction targets and register them with the Science Based Targets Initiative (SBTi) to improve future resilience and mitigate transition and physical risks. Since 2023, we have conducted follow-up engagements with several portfolio companies covered by the 2023 CDP Science-Based Targets (SBT) Campaign. Following the Campaign's conclusion, we now undertake target-related engagements with portfolio companies.

In addition to disclosure and target setting, we discuss remuneration strategies with our portfolio companies and endorse the use of environmental metrics within their short and long-term incentive plans. Case studies detailing our engagements with portfolio companies regarding these topics can be found on pages 37-43.

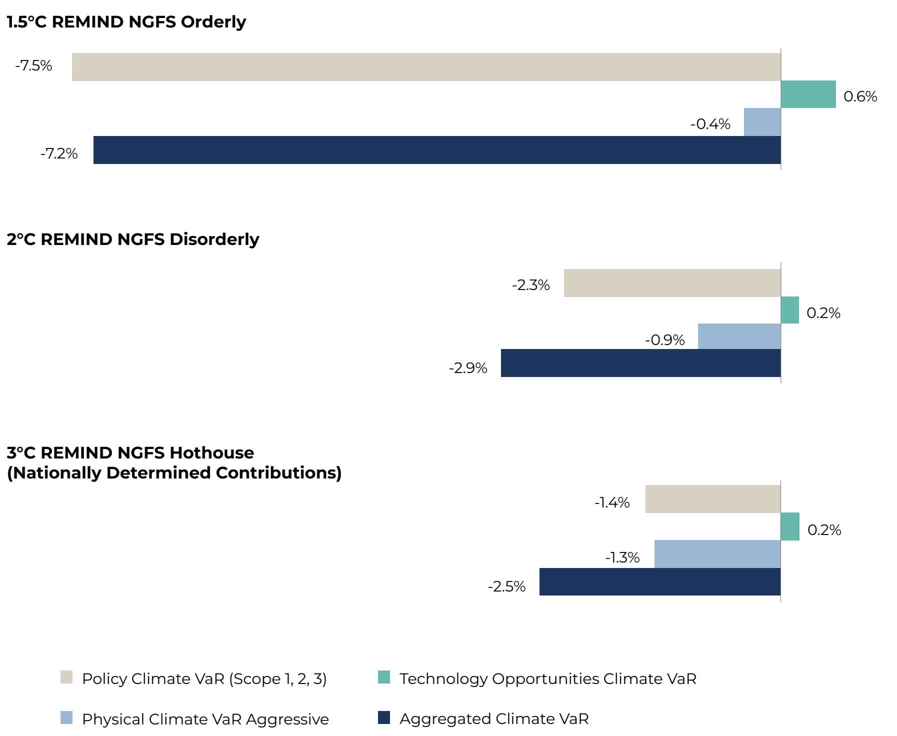
CLIMATE SCENARIO ANALYSIS

As part of our climate-related risk and opportunity assessments, we use scenario analysis to consider how the value of our portfolios might be affected as the world responds, or fails to respond, to climate change. Because nobody knows which path the world will take, the analysis works through three plausible futures rather than a single forecast: an orderly transition, in which co-ordinated action begins now and warming is limited to around 1.5°C with net zero emissions reached around 2050; a disorderly transition, in which action is delayed and then more abrupt; and a hot-house world, in which only current pledges are delivered and warming reaches around 3°C. The purpose is to understand the differences between an orderly and a disorderly route to a low-carbon economy, and the potential implications for our holdings at different levels of temperature rise.

The analysis runs on pathways to 2100, well beyond the horizon over which we manage the Funds, and reflects the securities held on 31 December 2025 rather than how the portfolios will evolve. Estimates are drawn from a single third-party model, applied consistently across our 26 UK and Irish-domiciled funds and covering substantially all (99.9%) of the range by value. The strength of this approach is comparability: every company and fund is assessed on the same basis. Its limitation is that no single model can capture every pathway; methodologies are nascent and evolving, and coverage may change from year to year, so comparison between reporting periods should be treated with caution.

Figure 7: Climate VaR by scenario

Source: Guinness Global Investors, MSCI; weighted climate VaR coverage: 99.9%. Please see our glossary for definitions of key terms.



The model expresses its results as a Climate Value-at-Risk figure: an estimate of the most a company's value (as expressed by Enterprise Value including Cash) might be reduced under each scenario, reflecting the policy costs it could face (chiefly carbon prices), the technology opportunities open to it, and the physical climate damages it might experience, projected to the end of the century. The scenarios are designed by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). We aggregate these company-level estimates across each fund, and across the UK and Irish-domiciled fund range, weighted by the size of each holding, so larger positions appropriately have more influence on the result. Modelled losses are generally more pronounced under rapid-transition scenarios, because carbon prices rise furthest and fastest, and a company's carbon intensity is the principal reason its figure is higher or lower. That relationship is one of the reasons we engage with companies on their emissions through our stewardship work.
Taken this way, the figures are useful for indicating where potential losses concentrate and why. They are, however, estimates under deliberately plausible but uncertain assumptions across a range of possible futures, not predictions of what we expect to lose.

Scenario analysis is a useful input into our climate assessments, though it is one tool among several rather than the whole answer. In our experience, the tools available for this type of analysis do not yet give accurate assessments of transition risks and opportunities for our portfolios, and different methodologies and data providers can produce significantly divergent outcomes for the same company. Counter-intuitively, some businesses well placed to aid the transition, such as clean-energy manufacturers, can screen worse under a rapid-transition scenario than traditionally higher-emitting companies, as their valuations already reflect optimistic expectations.

While we are cautious about the quality of these metrics and their underlying data and methodologies, we consider them within our climate assessments in the absence of better tools, and we continue to seek improved data and methods by actively engaging with our service providers.

3. RISK MANAGEMENT

TCFD Recommendations:

a. Describe the organisation's processes for identifying and assessing climate-related risks

b. Describe the organisation's processes for managing climate-related risks

RISK IDENTIFICATION, ASSESSMENT AND MANAGEMENT

At Guinness Global Investors, we consider climate-related risks and opportunities across our business, both operationally and to our portfolios.

WITHIN OUR OPERATIONS

At an operational level, we identify key potential climate-related risks by understanding our biggest operational exposures, such as business travel and commuting, highlighted in Figure 15 (page 45). We record all business trips and hotel stays through our finance department and survey our employees to understand how they commute to work and how often they work from home.

We calculate and record our company-level scope emissions to determine the activities that contribute the most to our emissions and have the most potential to affect our climate-related risks. We track our progress year-on-year and continuously look at ways we can reduce, and where possible, avoid operational emissions (Figure 8).

Guinness Global Investors encourage greener approaches both through business operations and staff activity. We have several procedures in place to improve the environmental footprint of the company, including recycling initiatives, energy efficient lighting, and electrical vehicle leasing and cycle to work schemes for employees.

Annual Responsible Investment training is delivered firm-wide. This covers:

- Education on what Responsible Investment is
- Consideration of Responsible Investment factors within the investment process
- Responsible Investment activity
- Stewardship activity
- Corporate responsibility
- Our Carbon Policy
- Operational scope emissions
- How to improve our carbon footprint, including raising awareness of the employee electrical vehicle leasing scheme and other internal initiatives

This allows us to ensure all employees are familiar with the Responsible Investment and ESG activity that is conducted across the firm.

MANAGING OUR OPERATIONAL FOOTPRINT

We believe it is important to apply the high standards we expect of our portfolio holdings to our own activities.

Our office is located on one floor of an office block in London. The building benefits from modern, efficient mechanical and electrical equipment which was installed in 2017 when the entire building was refurbished. This helps minimise operational climate-related risk exposure in the near term.

Since 2015, Guinness Global Investors has had a Carbon Usage Policy. We calculate and report our carbon emissions to create an annual carbon usage report to monitor our operational carbon emissions. Office energy consumption, business travel, and commuting are the greatest contributors to our operational carbon footprint and remain our key areas of focus. Working with our service providers to understand the opportunities to improve our carbon usage is a priority, and we encourage our employees to reduce the emissions they generate in their working lives.

Figure 8 depicts other measures in place to reduce our operational carbon footprint across electricity usage, water and waste, and travel and commuting.

Figure 8: Guinness Global Investors operational emission reduction measures
Source: Guinness Global Investors

ELECTRICITY USAGE

- Improving operational efficiencies and investing in technological innovation, such as energy-efficient and motion-activated LED lights installed throughout the office.
- The office has an open workspace layout, which requires fewer lights and other appliances than separate cubicles.
- Staff are encouraged to switch off electronic devices overnight.

WATER & WASTE

- We encourage conservation of water and use refillable soap dispensers in bathrooms.
- No office waste goes to landfill. We recycle all paper and plastics and have a food and compostable bin in the office. General waste is incinerated.
- Internal documents are printed double-sided whenever possible to save paper and employees are encouraged to avoid unnecessary printing.
- Electronics are usually re-used or recycled.

TRAVEL & COMMUTING

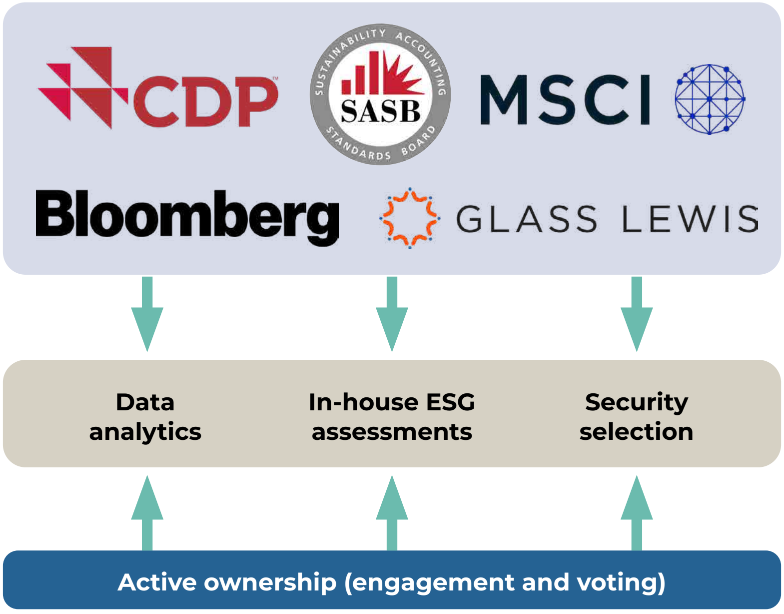
- A 'cycle to work' scheme to encourage employees to use low-carbon transport. The vast majority of our employees use public transport or bicycles to commute to work, which minimises individual employee emissions.
- A salary sacrifice scheme to encourage employees to lease or buy zero-emission vehicles.
- We regularly use video calling to avoid unnecessary travel and associated carbon emissions.
- Staff are encouraged to use public transport when attending external meetings outside of the office premises.

WITHIN OUR PORTFOLIOS

Climate-related risks are predominantly derived from our investment portfolios that we actively manage on behalf of our clients. Our concentrated portfolios allow us to pay close attention to the activities of our individual portfolio companies and track their climate-related risk mitigation and progress towards climate goals.

We use several third-party ESG data and research sources (Figure 9). As active managers, we believe that building our own holistic methodology to identify and assess ESG factors, including climate-related risks and opportunities, is better than relying solely on third-party scores or using an exclusionary criterion.

Figure 9: Incorporation process of ESG factors and stewardship activity
Source: Guinness Global Investors



Portfolio managers are empowered to tailor their processes to the geographic and sectoral focus of their strategies. ESG analysis, both qualitative and quantitative, is embedded into our investment process. The consideration of ESG issues, including those relating to climate, is a pragmatic part of our day-to-day activities as investors. It helps to form our understanding of the business model of a company, its potential to create long-term return on capital, and its mitigation of risk.

We use public sources of information, including annual reports, sustainability (or similar) reports, press releases, NGOs, proxy research from Glass Lewis and company presentations in addition to broker research and media sources. ESG research providers also help us determine the material risks and opportunities a company is faced with and how it addresses and reports on them.

Quantitatively, third-party data is integrated into our in-house valuation models and climate-related risk scorecards, which are discussed in more detail in **Section 4. Metrics and Targets**.

Our qualitative reviews involve an in-depth analysis of the material ESG risks of a company – considering what the company itself, third-party ESG data providers (Figure 9), and the SASB materiality framework deem material, along with our own knowledge of the company.

PORTFOLIO CLIMATE-RELATED RISK MANAGEMENT FRAMEWORK

Our framework for identifying, assessing, and managing ESG and climate-related risks is summarised in Figure 10. Across the firm, we have developed our analysis to assess portfolio climate sensitivity considering metrics including, but not limited to, the Weighted Average Carbon Intensity (WACI) of our funds in absolute terms and relative to their benchmarks. This is consolidated into climate-related risk scorecards which are presented to the portfolio managers and investment analysts for each strategy. More information on our climate-related risk scorecards can be found in **Section 4: Metrics & Targets**.

Figure 10: Guinness Global Investors portfolio climate-related risk management framework
Source: Guinness Global Investors

RISK IDENTIFICATION

- Portfolio managers and investment analysts are responsible for identifying potential risks for companies in their investment universe.
- Frameworks such as the SASB materiality standards are used as a starting point to map our portfolio companies to understand our material exposures.
- The Responsible Investment Team supports the wider investment team and conducts weekly controversies screening to identify any reported issues. The Team also track portfolio alignment to Guinness Global Investors' exclusions criteria and monitor portfolio companies' credentials.

RISK ASSESSMENT

- The Investment Team conduct quantitative and qualitative ESG reviews, identifying and assessing the material risks and opportunities of a company, including those relating to climate, which may impact business models and valuations. This allows us to form a complete and meaningful investment decision.
- Climate-related risk scorecards are created by the Responsible Investment Team. This allows us to track companies' carbon exposures including their carbon footprint, their carbon intensity, whether they report to CDP, and if they have set science-based targets (SBT) and registered it with the SBTi. We then aggregate this data at portfolio level to calculate each fund's carbon footprint and weighted average carbon intensity (WACI).

RISK MANAGEMENT

- Consideration of potential climate-related risks is embedded throughout decision making at Guinness Global Investors and they are discussed at committees including the quarterly Responsible Investment Committee meetings.
- Our climate-related risk scorecards are discussed in detail with portfolio managers and analysts for all strategies to highlight potential exposures.
- The Responsible Investment Team performs ongoing exclusion checks to ensure portfolios comply with exclusion policies and ESG score analysis to monitor risks.
- Our ESG reviews support the identification of engagement priorities for portfolio companies on an ongoing basis. Further, they inform voting activities and at their discretion, portfolio managers will escalate issues where they deem it appropriate.
- The Compliance team conducts monthly and quarterly ESG monitoring reviews to assess whether the ESG process as described in the relevant fund disclosures has been followed. The findings are reported to the Responsible Investment Committee, the Monthly Management Committee, the Compliance & Operations Committee and external parties where required.

RISK MANAGEMENT IN STOCK SELECTION

Risk management is fully integrated into the investment process performed by portfolio managers. Negative factors (such as oil spills) can cause a sharp correction in a share price once in the public domain, and therefore, lead to a long-term negative reputation for the company. This is in contrast to positive factors (such as improving climate governance or management alignment), which can materialise over long time horizons. It is for this reason that we believe investment managers who actively engage with investee companies to help improve their management of ESG factors, including climate-related risks and opportunities, can leverage a potential competitive advantage over those that do not.

ENERGY INSIGHT: CLIMATE-RELATED RISK AND ESG INTEGRATION

By its nature, the energy industry is one of the most exposed sectors to global climate-related risks and opportunities.

Across our Specialist strategies, our analysis uses both a bottom-up and top-down approach. In addition to oil and gas price sensitivities, understanding the key macro drivers of energy markets is integral to our process. This holistic approach allows us to take long-term views on different energy technologies and identify climate-related risks and opportunities.

Key to our micro analysis and stock selection is the assessment of risk adjusted value in the equity of each company. Good ESG behaviours from our companies (e.g. robust risk management and long-term planning; allocating capital wisely; or integrating well with the communities in which they operate) are important components in defining future return on capital employed and future equity value. However, we will consider owning a company that has some weaker ESG characteristics if, after these considerations, we see an attractive risk adjusted valuation and a positive direction of travel with respect to these issues. Forming part of the due diligence we undertake when selecting investments, this process encompasses a detailed review of a company's strategy, financial and nonfinancial performance and risk, and capital structure.

Top-down factors at play in our global energy transition model include government incentives, subsidies, urban pollution, energy security, as well as carbon pricing and taxation. Many of these are as important as economic factors in forming a view on the winners and losers in the energy transition. For example, we must understand the environmental, social and political drivers behind renewable power generation taking market share from fossil fuel power sources as carbon costs increase.

Using bottom-up analysis, we capture quantifiable effects of these issues on company valuations through our in-house model which enables us to flex various operating and financial assumptions to account for the effect of ESG issues and to assess their impact on valuation.

QUANTITATIVE ANALYSIS INCLUDES:

- Flexing the cost of capital in our discounted cash flow (DCF) models (for example to allow for geopolitical, social and governance risk around emerging market companies).
- Flexing our target multiples (potentially using higher multiples for better 'quality' companies, including those that have better ESG characteristics).
- Flexing carbon costs (or credits) to assess potential impacts on operating costs associated with energy saving or de-carbonising activities (or carbon emissions for companies that have carbon-emitting operations).

TCFD Recommendation:

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

CLIMATE-RELATED RISK INTEGRATION

As responsible investors, we incorporate ESG factors, including climate-related risks, into our investment process. Through ESG integration, we can identify material issues that we attempt to mitigate via active ownership and stewardship, which includes proxy voting and one-to-one or collaborative engagements with our portfolio companies.

The process of exclusions screening helps to identify and remove companies with high embedded climate-related risks from our investible universes. Implementation of exclusion policies is overseen by the Responsible Investment Team and Compliance Team. In 2024, a new Head of Investment Risk role was created to help further systemise our risk management functions and evolve our risk integration processes.

In 2025, we enhanced our screening model to monitor company exposure across a broader range of business involvement criteria. We also took steps to ensure further that no company in breach of an exclusion policy can be purchased by incorporating an additional automated check within our systems.

Our ESG reviews and climate-related risk scorecards provide an assessment of risks that are discussed with all members of the Investment Team for their relevant strategies to understand their climate-related exposures and how this may affect their portfolios. Further, climate-related risks are integrated through our governance structures including the **Responsible Investment Committee**, which ensures climate-related risks are a standing item at each quarterly meeting and members are responsible for integrating these considerations in their daily practices.

Managing risk through ESG education, among other topics, ensures all relevant personnel are aware and updated on processes. Moreover, our annual firm-wide ESG session ensures all employees are aware of material issues and the integration of ESG into our operational and investment processes are understood. Guinness Global Investors encourages further training and development, supporting its employees if they wish to undertake further ESG education such as the CFA Sustainable Investing Certificate, which several members of the Investment Team and wider company have completed.

Active ownership and stewardship, namely through proxy voting and engagement activity, create an open dialogue between us and our portfolio companies, which can help to manage risks we have identified and assessed through our ESG incorporation processes. We engage with investee companies for a number of reasons including influencing investee companies proactively on ESG issues (including those relating to climate), encouraging improved or increased ESG disclosure, and to gain a greater understanding of their ESG strategy. We view proxy voting as an important element of investment management and our voting philosophy reflects our values, our long-term perspective and our focus on sustainable returns.

We outline our processes of exclusions screening, as well as our active ownership and stewardship activity. Case studies of our one-to-one and collaborative engagements can be found on the following pages.

EXCLUSIONS

CORPORATE-LEVEL

An alternative way to address climate and other ESG risks is through the exclusion of specific activities from portfolios. We believe that excluding activities that present the most harm to society and the environment is appropriate when there is no pathway to transition. Accordingly, under the remit of climate, our Corporate-Level Exclusion Policy systematically excludes companies that generate more than 30% of revenues via thermal coal extraction or thermal coal power generation.

Figure 11: Corporate-level exclusions at Guinness Global Investors
Source: Guinness Global Investors

Thermal Coal Extraction

Controversial Weapons

Thermal Coal Power Generation

STRATEGY-LEVEL

Relevant strategies including Guinness Sustainable Energy, Guinness Global Environment, Guinness Global Quality Mid Cap, Guinness Global Innovators, and Guinness Global Equity Income have additional exclusionary criteria to our corporate-level exclusions. The Guinness Sustainable Energy and Guinness Global Environment Fund also apply the EU Paris-Aligned Benchmark ("PAB") Exclusions. More details can be found in each strategy's **exclusion policy** on our website.

QUANTITATIVE CLIMATE ASSESSMENTS AND PROGRESS MONITORING

We have in-house modelling capability that assesses the carbon footprint, and therefore **carbon-related risk** exposure, of our portfolios. These inform **climate-related risk** scorecards which are produced by the Responsible Investment Team for all strategies, who are a dedicated resource with climate analysis expertise. These are presented to the wider investment team to understand risks at the portfolio and individual company level. Further, our Global and Developed Markets and Specialist investment strategies have in-house methodologies to flex **climate-related assumptions** into the valuation models of companies. We track our portfolio companies' approach to climate issues and net-zero on an ongoing basis. Their disclosures, targets, and incentives are recorded and monitored, which helps to identify engagement priorities.

STEWARDSHIP

We embrace the stewardship responsibilities we assume as investment managers. We produce an annual Stewardship Code Report, in response to the **Stewardship Code 2026** disclosing how we apply the Code's Principles in our stewardship activities on behalf of clients and beneficiaries. We conduct proxy voting and engage with portfolio companies on a wide range of issues, including climate-related matters such as disclosures, target setting, and governance and incentivisation.

PROXY VOTING

Our portfolio managers are empowered to make voting decisions which they believe are in the best interest of our underlying clients, based on their own research informed by (but not delegated to) third-party research providers.

We may decide to vote against the election of directors, remuneration reports and policies, or other management resolutions if we are dissatisfied with a company's approach or addressal of climate-related risks. This forms an integral component of our active stewardship at Guinness Global Investors.

CLIMATE CONSIDERATION WITHIN VOTING

During the 2025 proxy season, we voted on c.60 climate-related management and shareholder resolutions across c.35 portfolio companies. In cases where we believed a company's climate ambitions required further development, we signalled our expectations by withholding support from relevant directors, the annual report and accounts, or executive remuneration proposals. As a result, we voted against management on the majority of management-proposed climate resolutions we assessed.

Our support for shareholder-sponsored resolutions is contingent on whether we believe they will contribute to the company's long-term success. While we may agree with the direction of a proposal, we may conclude that the company is not yet at the appropriate stage of its climate journey, or that the proposal, as drafted, would be unlikely to achieve its intended objective.

On the climate-related resolutions, we voted differently to our proxy adviser, Glass Lewis, on 75% occasions, with most differences relating to management-sponsored resolutions.

Insufficient climate-related disclosure was the most common reason we withheld support for management proposals. To help us evaluate this, we may consider how companies perform on the Carbon Tracker Initiative's Climate Accounting and Audit Assessment, their historic disclosure to the CDP platform, or the extent to which their reporting aligns with IFRS S2, which builds on the recommendations of the TCFD. For relevant companies, performance on the Climate Action 100+ Net Zero Company Benchmark may also inform voting decisions; at a high-level, lower Benchmark scores can highlight companies less well-prepared for the transition to a lower-carbon economy.

More broadly, we cast a further c.150 votes on wider environmental and sustainability-related matters. These included resolutions related to plastics use, food waste, and sustainability assurance. Resolution-level records are published in our 2025 Voting Report.

PROXY VOTING CASE STUDY: China Petroleum and Chemical Corporation ("Sinopec")

SINOPEC

China Petroleum and Chemical Corporation ("Sinopec"), a holding in our Global Energy Fund, is a major integrated national energy company.

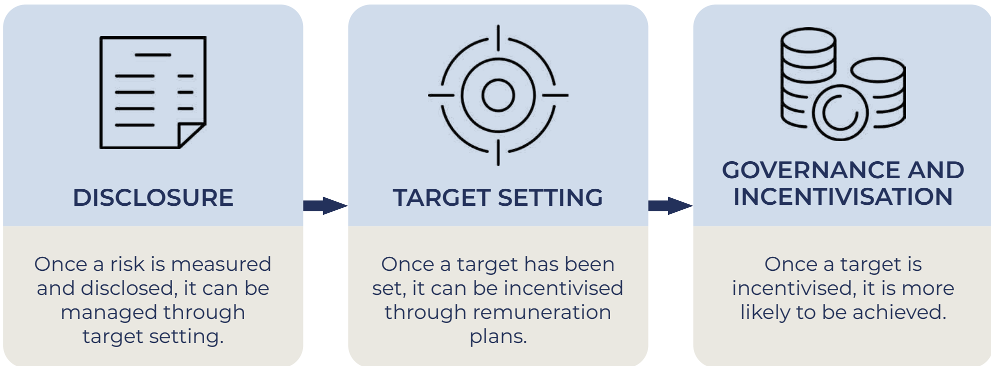
In 2025, we continued to vote against Sinopec's Report and Accounts because the company failed the Carbon Tracker Initiative's Climate Accounting and Audit Assessment (CAAA). The CAAA evaluates the extent to which energy companies' financial statements reflect climate-related risks and assumptions. In addition, the company does not report to CDP. As part of our escalation, we also voted against its President, Zhao Dong, because the company failed to meet any criteria under the CA100+ decarbonisation strategy indicator. This has been the case for several years, and suggests the company provides insufficient disclosure around how it plans to achieve its medium- and long-term greenhouse gas reduction targets.

ENGAGEMENT

Engagement is central to how we manage climate-related risks on behalf of our clients. Our climate-related engagement framework builds dialogue with companies around three pillars (as shown in Figure 12): encouraging better disclosure of climate risks and emissions, supporting credible target setting, and promoting effective governance and incentivisation of climate goals. In 2025 we held 120 company engagements firm-wide, of which 60% featured at least one climate-related topic.

Figure 12: Guinness Global Investors' climate-related engagement framework

Source: Guinness Global Investors



Engagement is a two-way conversation, and progress often takes place over several years. We also work collaboratively where it adds weight, including through groups such as Climate Action 100+ (CA100+). Since becoming a signatory of CA100+, we have engaged companies representing 93% of our financed emissions across our UK-domiciled funds, reflecting our focus on the holdings where climate engagement matters most[5].

Climate engagement is most concentrated in our two thematic energy strategies, Guinness Sustainable Energy and Guinness Global Energy, which by their nature carry the greatest exposure to the energy transition.

The table below summarises engagement across these strategies by sub-theme within our engagement framework.

Climate engagement by sub-theme (energy strategies)	%
Climate disclosure & data	71%
Emissions reduction & decarbonisation	21%
Other (transition planning, governance, physical risk)	8%

[5]This refers to the proportion of financed emissions (Scope 1-3), as disclosed on page 47 of this report, which have been subject to some form of engagement activity since 2020.

Disclosure

The majority of the climate engagement conducted by our thematic energy strategies in 2025 focused on disclosure. When a company does not yet report its climate risks or emissions clearly, those risks are harder for us and for the company itself to measure and manage via target-setting. We may ask companies to produce TCFD-aligned disclosures, report their greenhouse gas emissions data, and complete the CDP climate survey. A significant part of this work in 2025 was related to the annual CDP Non-Disclosure Campaign. We may use a company's Climate Action 100+ assessment as a useful guide to inform where disclosure can be improved and engagement can be focused.

Target setting

When disclosure is established, we may encourage companies to set credible emissions-reduction targets and, where appropriate, to validate them through the Science Based Targets Initiative (SBTi). Within our energy strategies, engagements might centre on the decarbonisation of operational emissions, improvements in energy efficiency and, for companies undergoing transition, the development of strategies to increase the proportion of revenues derived from lower-carbon products and services. Our objective is not only to encourage target-setting but also to ensure that targets are supported by realistic implementation plans and measurable milestones.

Governance and incentivisation

Effective climate governance is critical to delivering long-term emissions reductions and managing transition risks. We may engage on how climate goals are overseen and incentivised, or encourage companies to strengthen board oversight of climate matters and, where appropriate, link elements of executive remuneration structures to clearly disclosed climate metrics. For companies most exposed to the energy transition, we see this as an essential step in moving companies from disclosure and target setting to implementation and delivery. We expect climate governance-related engagement to form a growing share of our engagement in the years ahead.

CASE STUDY: Arthur J Gallagher

Gallagher

Strategy: Global Equity Income

Engagement Topic: Disclosure and Target Setting

Objective: To encourage Arthur J. Gallagher to improve its environmental disclosure, including participation in CDP reporting, and to work towards setting science-based emissions reduction targets.

Arthur J. Gallagher (AJG) is a global insurance brokerage, risk management and consulting firm.

Since 2021, we have engaged with the company on improving disclosure of environmental data, including through encouraging participation in CDP reporting. Enhanced disclosure supports corporate transparency on climate change, deforestation and water security and enables investors to better assess transition-related risks.

In 2022, we engaged with AJG through the CDP Non-Disclosure Campaign (NDC), coordinated by CDP to encourage companies to respond to investor disclosure requests. We were co-signatories to an investor letter and continued engagement with the company into 2023. Following this engagement, AJG submitted its first CDP disclosure in the Climate category in 2024, representing a meaningful step forward in transparency.

Building on this progress, our engagement focus has now shifted towards emissions reduction target setting. Towards the end of 2024, we asked whether AJG would consider establishing targets aligned with the Science Based Targets initiative (SBTi).

This engagement continued into 2025, during which the company explained that it is committed to addressing its environmental impact and recognises the importance of aligning with globally recognised frameworks such as the SBTi.

AJG noted that setting a target that is both ambitious and achievable requires a thorough evaluation of its operations, including identifying the most significant emissions sources across its value chain. As this is a complex process, the company stated that it is actively working towards this assessment, while seeking to ensure that any commitments made are supported by robust planning and operational feasibility.

We are encouraged by the company's net zero ambition, as laid out in its sustainability reporting, and look forward to seeing further progress towards the establishment of emissions reduction targets in due course.

CASE STUDY: Shanghai Putailai New Energy Technology

Strategy: China A Share

Engagement Topic: Disclosure

Objective: To encourage Shanghai Putailai New Energy Technology to enhance its environmental transparency by participating in CDP reporting and improving disclosure on climate-related risks and impacts.

Shanghai Putailai New Energy Technology ("Putailai") is a Chinese materials and equipment company that supplies key components for lithium-ion batteries. In 2025, we participated in the CDP Non-Disclosure Campaign, which offers investors the opportunity to engage with companies that have received the CDP disclosure request but have not yet provided a response. The objective of the annual campaign is to drive further corporate transparency around climate change, deforestation, and water security. We were selected to act as lead signatory for Putailai, requesting the company submit to the latest CDP reporting cycle and emphasising the importance of transparency in climate-related disclosures.

We were encouraged by our correspondence with the company and were pleased to see Putailai make a submission to the cycle. We look forward to continuing discussions with the company on enhancing environmental visibility and accountability.

CASE STUDY: Xinyi Solar

Strategy: Guinness Sustainable Energy.

Engagement Topic: Disclosure

Objective: To encourage Xinyi Solar to strengthen its climate-related disclosure and target-setting framework, including comprehensive Scope 3 emissions disclosure across all material categories and the adoption of science-based targets aligned with a 1.5°C pathway.

Xinyi Solar is the world's largest manufacturer of solar glass, a key component in maintaining the integrity and performance of solar modules. While the production of solar glass is highly energy-intensive and hard to abate, resulting in elevated Scope 1 and 2 emissions, we view the company as an important enabler of the low-carbon transition. Its products play a key role in climate change mitigation given the critical role of solar glass in renewable energy, with a short carbon payback period.

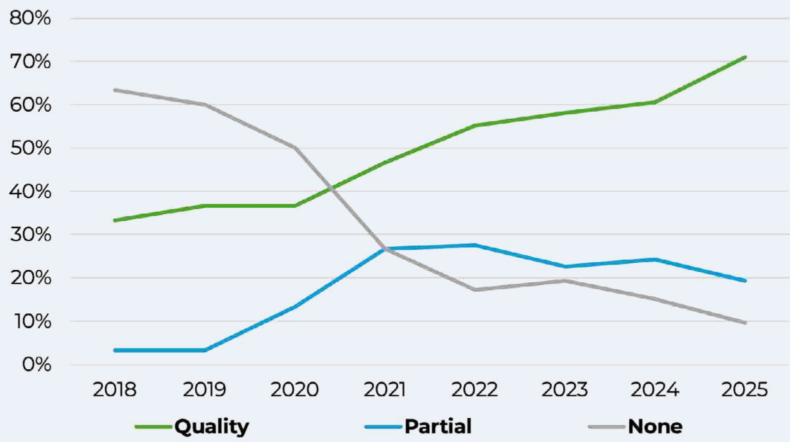
We have engaged with Xinyi Solar on emissions disclosure and target-setting since 2019, encouraging longer-term and science-based commitments, including Scope 3 disclosure.

In January 2025, the company confirmed it would include initial Scope 3 emissions disclosures in its 2024 Sustainability Report. The report subsequently disclosed emissions for three key categories, namely Category 1 (Purchased goods and services), Category 4 (Upstream transportation and distribution) and Category 9 (Downstream transportation and distribution).

While formal science-based targets are still in development, we welcome this progress and will continue to support the company's transition towards SBTi-aligned targets.

Xinyi Solar's initial disclosure contributed to an improvement in climate-related transparency within the Guinness Sustainable Energy strategy. As a result, the proportion of portfolio companies with no reported Scope 3 emissions data has fallen to 10%, while more than 70% of holdings now provide Scope 3 disclosures assessed by the investment team as of high quality.

Figure 13: Level of Scope 3 disclosure for Sustainable Energy portfolio companies over time
Data to 31st of December 2025. Source: Company reports, CDP, Guinness Global Investors.



CASE STUDY: Eaton

Strategies: Guinness Global Equity Income, Guinness Sustainable Energy.

Engagement Topic: Target Setting

Objective: To encourage Eaton to extend its climate ambition beyond its validated near-term 2030 target by adopting a long-term net zero commitment covering its full value chain, aligned with the SBTi.

Eaton is a global power management company whose products help manage, monitor, and optimise the flow of electricity, supporting efficiency and electrification across a range of end markets.

In 2023, we engaged with Eaton to encourage the strengthening of its climate commitments through the adoption of a comprehensive net zero target and alignment with the SBTi. At the time, the company had already established a validated near-term 2030 emissions reduction target, and we believed it was well positioned to extend its ambitions over the longer term.

In 2025, we were pleased to see Eaton set, and subsequently receive validation of, its new net zero target. Eaton increased its ambition from achieving carbon neutrality in its own operations by 2030 to targeting net zero emissions across its full value chain, including Scope 3 emissions, by 2050.

This represents a meaningful step forward in the company's climate strategy, and we will continue to monitor progress against these targets, including interim milestones.

CASE STUDY: KLA Corporation

Strategy: Guinness Global Innovators

Engagement Topic: Target setting

Objective: To encourage KLA Corporation to submit its Scope 1, 2 and 3 emissions reduction targets to the Science Based Targets initiative (SBTi) for validation, in support of the company's broader ambition to achieve net zero emissions by 2050.

KLA is a leading provider of equipment and services for the semiconductor industry. The company first announced its commitment to reducing Scope 1 and 2 GHG emissions by 50% by 2030 from a 2021 baseline, alongside a goal to source 100% renewable electricity across its global operations by 2030. Additionally, KLA began modelling efficiency metrics and product roadmaps to establish a Scope 3 emissions reduction target. Subsequently, the company committed to reducing Scope 3 emissions from the use of sold products by 52% per billion transistors inspected, measured, or processed by customers operating KLA equipment at their manufacturing sites, using a 2021 baseline.

We first engaged with KLA in 2023, encouraging the company to submit its emissions targets to the SBTi. We also co-signed a letter sent to the company by CDP encouraging a SBTi submission and followed up by directly emailing Investor Relations to reinforce the merits of this commitment.

We were pleased to see that in August 2024 KLA received SBTi verification for its near-term science-based GHG emissions targets, including its new Scope 3 target. We see this as a significant step forward in KLA's sustainability journey and an important milestone towards achieving its 2050 Net Zero ambition for Scope 1 and 2 emissions.

CASE STUDY: Suncor Energy

Strategy: Guinness Global Energy

Engagement Topic: Incentivising Production

Objective: To encourage Suncor Energy to strengthen its climate-related financial disclosures, set credible emissions reduction targets, and align its executive remuneration structure with long-term transition risk exposure by removing volume metrics from its short-term incentive scorecard.

Suncor Energy is a Canadian integrated energy company and one of the largest operators in Canada's oil sands sector, producing significant volumes of synthetic crude oil from oil sands bitumen. Given the carbon intensity of oil sands extraction, we have engaged with the company over several years on climate-related disclosure, target-setting and executive remuneration alignment.

Our engagement requests have focused on four areas: improving climate-related financial disclosure by conducting and publishing sensitivity analyses for oil sands and exploration and production assets using commodity prices aligned with decarbonisation scenarios such as the IEA Net Zero Emissions pathway; setting an absolute methane reduction target in line with Canadian peer Canadian Natural Resources; establishing a medium-term target to eliminate routine flaring from upstream operations; and adjusting the short-term incentive scorecard to remove the oil and gas production volume metric and replace it with return on capital and emissions reduction metrics.

Suncor acknowledged our feedback and indicated it would be shared internally, though material changes to disclosure or target-setting have not yet been forthcoming.

On remuneration, we have voted against the company's remuneration plan at successive AGMs, reflecting our concern that approximately one third of the short-term incentive remains linked to production volume, which we view as misaligned with the company's long-term transition risk exposure. As an escalation of our position, we have also voted against the Chair of the Remuneration Committee at each AGM since 2023.

COLLABORATIVE ENGAGEMENT

Our climate-related risk analysis has fed into our engagement activity and has had an influence on our collaboration with external initiatives. We believe working collaboratively with other investors and investor groups allows us to achieve better outcomes in some instances, both for the market and our individual clients. One collaborative engagement programme in which we participate is Climate Action 100+ (CA100+), a leading engagement group on the issue of greenhouse gas emissions. More details are provided in the following case study.

We regularly engage with our portfolio companies to understand how they manage their relevant risks over time. This feeds into discussions regarding investment decisions and stock selections. As climate-related issues intensify, we appreciate the significance of transparent climate-related disclosures and tangible targets for reducing greenhouse gas emissions. We ask our portfolio companies to report to CDP (formerly known as the Climate Disclosure Project), and participate in the CDP Non-Disclosure Campaign, to enhance transparency of disclosures. In 2023 we also participated in the CDP Science Based Targets (SBT) campaign to encourage companies to set approved science-aligned targets and register them with the Science Based Targets Initiative (SBTi). We encourage companies that make significant contributions to global greenhouse gas emissions to adapt their business models to align with the transition to a low-carbon economy.

CASE STUDY: Climate Action 100+

Since 2019, we have been members of Climate Action 100+, an investor initiative focused on engaging corporate emitters on climate change. During the reporting period, we continued our engagement journey with Imperial Oil, an integrated Canadian energy producer, after first joining the engagement group in 2023. Before then, we had engaged with Devon Energy, before transitioning to Imperial after Devon was removed from the initiative's updated focus list.

In 2024, our engagement efforts focused on ensuring robust board oversight of Imperial's decarbonisation strategy. This included co-signing a letter to two of the Imperial's longest-serving independent directors, engaging them on Board and Audit Committee-level oversight of decarbonisation plans. We advocated for a flexible approach to emissions reduction, recognising the potential role of carbon capture and storage (CCS) infrastructure in supporting the company's transition.

Over the reporting period, we participated in internal discussions within our Imperial CA100+ group and also conduct engagement with Imperial on a unilateral basis. Against a backdrop of changes to the Canadian regulatory landscape, we sought to maintain dialogue with the company and confirm the continuity of the company's climate risk management approach. During these discussions, the company highlighted its asset-level emissions reporting submitted to the Canadian government, which can provide a useful proxy for Scope 1 and Scope 2 emissions data in the absence of formal ESG reporting.

In early 2026, we also participated in a CA100+ group discussion with Imperial's CEO as part of the ongoing engagement process. Details will be included in our next Stewardship Code submission.

CASE STUDY: CDP Non-Disclosure Campaign

As part of our thematic stewardship activity, we run targeted engagement campaigns focused on climate disclosure. Since 2022, we have participated in CDP's annual Non-Disclosure Campaign (NDC), which seeks to improve corporate transparency by encouraging companies that have not responded to CDP's request to disclose information on climate change, deforestation and water security.

Our climate engagement approach typically progresses through several stages: improved disclosure, target setting, appropriate governance structures, and the alignment of executive incentives. Engagement through the CDP Non-Disclosure Campaign can represent one of the earliest steps in this process, as robust disclosure is foundational for companies to better understand exposure to environmental risks and the actions required to manage and mitigate them. Improved reporting enables investors to better assess strategy, governance, targets and risk management practices in relation to climate change.

Once companies begin disclosing, our engagement often progresses to encouraging the adoption of credible climate targets, including alignment with frameworks such as the Science Based Targets Initiative (SBTi). Over time, we may also engage on how climate considerations are embedded within governance structures and management incentives.

In 2025, we acted as lead signatory for engagement with 45 companies, coordinating correspondence on behalf of a coalition of investors to formally request disclosure through the CDP Climate Change questionnaire. Following the campaign, three companies submitted disclosures. We continue to engage with the remaining companies to encourage enhanced transparency and more comprehensive climate-related reporting.

4. METRICS & TARGETS

TCFD Recommendation:

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes

PORTFOLIO CLIMATE-RELATED METRICS

We are aware that as an asset manager, our principal emissions are derived from the Greenhouse Gas Protocol's Scope 3 'Category 15: Investments', from our portfolios that we manage on behalf of our clients.

Since 2021, we have developed our climate accounting methodology to analyse climate-related metrics at the fund level, allowing us to examine the underlying portfolio companies to understand our climate-related risk and opportunity exposures.

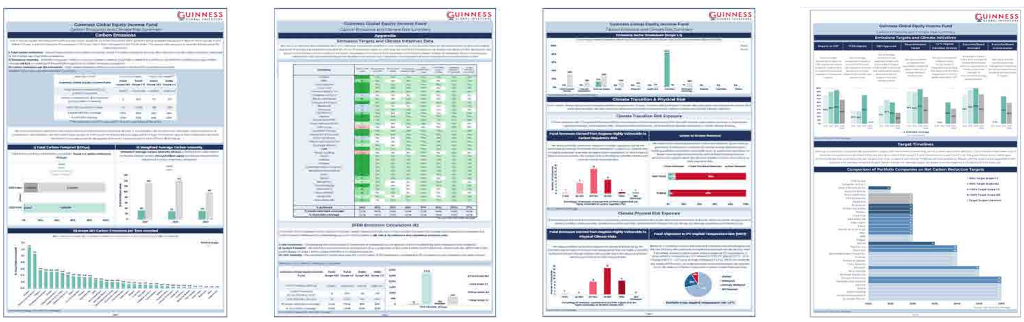
We create climate-related risk scorecards (Figure 14) using company-reported and CDP emissions data where it is available, and emissions estimates from a third-party where it is not, to form a holistic view of our portfolio's climate risks and opportunities and track year-on-year progress. These climate-related risk scorecards are used internally.

Our climate-related risk scorecards assess the portfolio's exposure to these risks and opportunities at a company and aggregated portfolio level, using metrics listed below. We monitor these factors, identify laggards and highlight engagement priorities for portfolio companies including:

- Carbon emissions measures including Total Carbon Footprint and Weighted Average Carbon Intensity (WACI)
- The proportion of fund revenues derived from regions highly vulnerable to carbon regulatory risk and physical climate risks
- Green vs brown revenues
- Board and executives of companies have oversight and incentives related to climate issues
- Companies' targets and timelines in place to reduce their emissions

The carbon metrics listed are in line with those recommended for asset managers by the TCFD. We have calculated our carbon exposures for our UK-domiciled funds (Figure 2 - page 5), within our strategies of Global and Developed Markets, Specialist, and Asian and Emerging Markets.

Figure 14: Climate-related risk scorecards example
Source: Guinness Global Investors



TCFD Recommendations:

b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

OPERATIONAL CARBON FOOTPRINT

Figure 15: Emissions associated with Guinness Global Investors' operational activities

Source: Guinness Global Investors

2025 Carbon Usage Summary		
Guinness Operational Activities	Location-based (tCO_2e)	Market-based (tCO_2e)
Scope 1		
Gas Usage	11.7	11.7
Total Scope 1 emissions	**11.7**	**11.7**
Scope 2		
Electricity usage	7.3	5.5
Total Scope 2 emissions	**7.3**	**5.5**
Scope 3		
Business travel	162.6	162.6
Commuting	12.7	12.7
Working from home (teleworking)	21.8	21.8
Total Scope 3 emissions	**197.1**	**197.1**
Total Estimated Carbon Usage (tCO_2e)	**216.0**	**214.3**
Total Estimated Carbon Usage per employee (tCO_2e)*	**2.70**	**2.68**
**Based on period average number of employees*		

Please note Figure 15 shows Guinness Global Investors' operational footprint only, as of 31 December 2025, and not Scope 3 emissions associated with our investment portfolios.

Our operational greenhouse gas emissions are prepared in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (2004) for Scope 1 and 2, and the GHG Protocol Scope 2 Guidance (2015) for location- and market-based reporting. We apply the operational control approach to set our organisational boundary, consolidating 100% of emissions from operations over which we have full authority to implement operating policies.

Our principal place of business is a leased office in Westminster, London. A co-working space in Ireland accommodating four employees is excluded from the operational emissions inventory on materiality grounds; the facility is shared with other occupants and building-level operational control rests with the co-working provider. Scope 3 emissions cover Category 6 (Business Travel, including hotel stays) and Category 7 (Employee Commuting and Teleworking). Category 15 (Investments), which is our principal source of Scope 3 emissions, is addressed separately under our portfolio carbon metrics (see Figure 16).

The remaining Scope 3 categories are not currently included on materiality grounds; we will keep their relevance under review as our reporting develops.

Activity data is converted to tCO_2e using the UK Government's Greenhouse Gas Reporting: Conversion Factors for the relevant reporting year. Figures are prepared on a best-efforts, unaudited basis. Where a material change is made to the measurement approach or assumptions, we may disclose the change and its rationale in the relevant reporting period.

We survey all permanent employees on their commuting patterns and working arrangements. We have a flexible working structure within the organisation, although we have seen an increased number of employees return to the office since the COVID-19 pandemic. Commuting figures (Scope 3) are estimated using the results of the survey, determined by the frequency of office attendance, distance travelled, and modes of transport used.

Please note our carbon usage summary is made on a best-efforts, unaudited basis, using internal estimates derived from the **Government's Greenhouse Gas Reporting: Conversion Factors**. This activity is completed on an annual basis when data becomes available.

We announced our 2030 corporate Net Zero Target in our 2024 Responsible Investment Report. We have recorded our company-level scope emissions for the past 10 years and our related reporting is growing. We are currently investigating methods to reduce our corporate Scope 1 and Scope 2 emissions and developing our forward-looking strategy. We will prioritise reducing real-world emissions and may purchase high-quality carbon credits to offset any residual emissions.

PORTFOLIO EMISSIONS

We monitor the carbon intensity of portfolio companies and funds relative to their Enterprise Value and Revenue. This involves examining both direct emissions (Scope 1 & 2) and emissions across the value chain (Scope 3). Figure 16 shows the internally calculated emissions and carbon metrics of our UK-domiciled funds. The methodologies behind Figure 16 can be found in Appendix 1.

While companies are increasingly reporting on Scope 1 and 2 emissions, reporting on Scope 3 emissions is still evolving. Many companies either do not disclose any Scope 3 emissions or provide partial disclosures covering one or two of the 15 categories, often missing categories material to them. Whilst disclosure is slowly improving, incomplete data makes Scope 3 analysis challenging. Data quality is also questionable due to the following:

- Some categories are material but not yet calculated;
- Different companies may use different methodologies for similar categories;
- Different companies rely to different extents on supply chain partner data;
- There can be significant swings in calculations from year to year; and
- Third party estimates can vary materially.

The carbon metrics listed are in line with those recommended for asset managers by the TCFD. We have calculated our carbon exposures for our UK-domiciled funds (Figure 2 - page 5), within our Global and Developed Markets, Specialist, and Asian and Emerging Markets strategies.

To improve the transparency of the emissions data in Figure 16, we have introduced Partnership for Carbon Accounting Financials (PCAF) data quality scores alongside our carbon metrics for the first time this year. Following PCAF's standardised methodology, each data point is assigned a score from 1 to 5, where 1 reflects company-reported, verified emissions and 5 reflects sector-level estimates. These scores indicate the reliability of our underlying data and highlight where improved company-level disclosure would strengthen our analysis. Through ongoing engagement with portfolio companies, we aim to move progressively towards directly reported emissions data, improving our scores over time.

Figure 16: Guinness Global Investors UK-domiciled fund carbon metrics
Source: Guinness Global Investors, CDP, MSCI
Data as at 31st December 2025

2025 Portfolio Carbon Metrics		Total Carbon Emissions (tCO_2e)		Carbon Footprint (tCO_2e/ US$M invested)	Weighted Average Carbon Intensity (tCO_2e/ US$M sales)	Data Quality Score	
	AUM (USD)	Scope 1 & 2	Scope 3	Scope 1 & 2	Scope 1 & 2	Scope 1 & 2	Scope 3
WS Guinness Global Energy Fund	$61.7mn	22,747	226,905	369	422	1.4	2.5
% AUM Coverage		*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
WS Guinness Sustainable Energy Fund	$12.6mn	1,421	12,933	113	201	1.4	2.2
% AUM Coverage		*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
WS Guinness European Equity Income Fund	$1.9mn	14	573	7	9	1.2	2.1
% AUM Coverage		*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
WS Guinness Global Equity Income Fund	$314.0mn	1,307	91,158	4	17	1.3	2.1
% AUM Coverage		*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
WS Guinness Global Innovators Fund	$27.1mn	48	4,080	2	12	1.3	2.1
% AUM Coverage		*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
WS Guinness Global Quality Mid Cap Fund	$0.8mn	5	160	6	17	1.5	2.7
% AUM Coverage		*100%*	*100%*	*100%*	*100%*	*100%*	*100%*
WS Guinness UK Equity Income Fund	$1.4mn	49	1,004	35	31	1.3	2.5
% AUM Coverage		*96%*	*96%*	*96%*	*96%*	*96%*	*96%*
WS Guinness Asian Equity Income Fund	$6.0mn	83	2,384	14	42	1.5	2.6
% AUM Coverage		*100%*	*100%*	*100%*	*100%*	*100%*	*100%*

In our Annual Fund Level Responsible Investment Factsheets, we present fund carbon intensity metrics dating back to 2021 (or since launch if later), providing a broader dataset than that available for our UK-domiciled funds alone in the table above.

APPENDIX 1

Table 1: TCFD-recommended common carbon footprinting and exposure metrics for the financial sector
Source: Task Force on Climate-related Financial Disclosures

Metric	Supporting Information	
Total Carbon Emissions	*Description*	The absolute greenhouse gas emissions associated with a portfolio, expressed in tonnes CO2e.
	Formula	$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{issuer's\ market\ capitalisation_i} x\ issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ emissions\right)$
	Methodology	Scope 1 and Scope 2 GHG emissions are allocated to investors based on an equity ownership approach. Under this approach, if an investor owns 5 percent of a company's total market capitalisation, then the investor owns 5 percent of the company as well as 5 percent of the company's GHG (or carbon) emissions. While this metric is generally used for public equities, it can be used for other asset classes by allocating GHG emissions across the total capital structure of the investee (debt and equity).
Carbon Footprint	*Description*	Total carbon emissions for a portfolio normalised by the market value of the portfolio, expressed in tons CO2e/$M invested.
	Formula	$\sum_{n}^{i}\frac{\left(\frac{current\ value\ of\ investment_i}{issuer's\ market\ capitalisation_i} x\ issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ emissions\right)}{current\ portfolio\ value\ (\$M)}$
	Methodology	Scope 1 and Scope 2 GHG emissions are allocated to investors based on an equity ownership approach as described under methodology for Total Carbon Emissions. The current portfolio value is used to normalize the data.
Weighted Average Carbon Intensity (WACI)	*Description*	Portfolio's exposure to carbon-intensive companies, expressed in tonnes CO2e/$M revenue.
	Formula	$\sum_{n}^{i}\left(\frac{current\ value\ of\ investment_i}{issuer's\ market\ capitalisation_i} x \frac{issuer's\ Scope\ 1\ and\ Scope\ 2\ GHG\ emissions}{issuer's\ \$M\ revenue}\right)$
	Methodology	Scope 1 and Scope 2 GHG emissions are allocated based on portfolio weights (the current value of the investment relative to the current portfolio value), rather than the equity ownership approach (as described under methodology for Total Carbon Emissions). Gross values should be used.

APPENDIX 2 - INDUSTRY INITIATIVES

We value opportunities to be involved in the development of good practice in responsible investment. We participate in a range of industry groups in order to gain the opportunity to collaborate on, influence, and obtain enhanced knowledge of ESG issues and challenges within the industry.

We are a member of **CDP**, which allows us access to environmental data for all companies that report to CDP. Through our membership, we participate in collaborative engagements, such as the CDP Non-Disclosure Campaign (NDC). The NDC aims to drive further corporate transparency around climate change, deforestation and water security by encouraging companies to respond to CDP's disclosure requests.

CFA UK's mission is to build a better investment profession serving the public interest by educating investment professionals and by promoting and enforcing ethical and professional standards. A member of the investment team at Guinness is part of the Sustainability Community Champions group.

Since 2019, we have been members of **Climate Action 100+**, the world's largest-ever investor engagement initiative on climate change. We collectively engaged with a US-listed oil & gas producer across a wide range of topics including remuneration and methane reduction.

The **FAIRR Initiative (FAIRR)** is a collaborative investor network that raises awareness of the material risks and opportunities in the global food sector. By providing research and coordinating engagement, it helps investors drive more sustainable practices in the agriculture and protein sectors.

The **Independent Investment Management Initiative (IIMI)** aims to contribute effective financial regulation and promote client-centred models of investment management. Our CEO sits on the board of IIMI.

As the trade body for the UK investment management industry, the **Investment Association (IA)** seeks to represent industry interests and improve the investment landscape through thematic initiatives which highlight topics such as diversity and inclusion and by developing standards and best practice.

We became signatories to the **UN PRI** in 2019, which provides external assurance on our stewardship approach broken down by activity.

The **UK Stewardship Code** sets high stewardship standards for those investing money on behalf of UK savers and pensioners. It comprises a set of principles under which asset managers and asset owners demonstrate their stewardship role and practice.

The **UK Sustainable Investment and Finance Association (UKSIF)** aims to support its members to grow sustainable and responsible finance in the UK. It also seeks to influence policymaking that promotes the growth of sustainable finance. Our Responsible Investment Lead chairs the Industry Development Committee, and another investment team member serves on the Board and Membership Committee.

IMPORTANT INFORMATION

This document is provided for information only. All the information contained in it is believed to be reliable but may be inaccurate or incomplete; it should not be relied upon. It is not an invitation to make an investment, nor does it constitute an offer for sale.

References to specific securities are included for the purposes of illustration only and should not be construed as a recommendation to buy or sell these securities.

The documentation needed to make an investment, including the Prospectus, the Key Investor Information Document (KIID) and the Application Form, is available from our website: guinnessgi.com.

The funds invest mainly in shares, and the value of these may fall or rise due to a number of factors, including the performance of the company and general stock market and exchange rate fluctuations. The value of your investment may rise or fall, and you could get back less than you invest. Past performance is not a guide to future performance. Further information about risks can be found in the Prospectus.

Issued by Guinness Global Investors, a trading name of Guinness Asset Management Ltd, which is domiciled in the United Kingdom and is authorised and regulated by the Financial Conduct Authority. Guinness Asset Management Ltd is registered with the U.S. Securities and Exchange Commission ("SEC"). SEC registration does not imply a certain level of skill or training.

WS Guinness Investment Funds, the umbrella fund with the WS Guinness sub-funds, is domiciled in the United Kingdom and is authorised and regulated by the Financial Conduct Authority as a UCITS fund.

GGI-ESG-TCFD26-V3-19-06-26