



STEWARDSHIP CODE REPORT 2026

ALIGNED TO THE UK STEWARDSHIP CODE 2026
JAMES HAMBRO & PARTNERS

APRIL 2026

CONTENTS

Message from our CEO.....	03
Foreword.....	04

PART 1 – POLICY AND CONTEXT DISCLOSURE

A Our organisation, investment beliefs and clients.....	05
B Our governance and resources	10
C Policies, processes and review	17
D Conflicts of interest.....	18
E Dialogue with clients	20

PART 2 – ACTIVITIES AND OUTCOMES REPORT

1 Integration of stewardship and investment	23
2 Market-wide and systemic risks	33
3 Engagement to maintain or enhance value.....	41
4 Exercising rights and responsibilities.....	46
5 Selection and oversight of external managers	49
6 Monitoring and holding to account service providers	52

MESSAGE FROM OUR CEO

Our purpose at James Hambro & Partners (JH&P) has always been clear: to look after our clients' assets with care, integrity and a long-term perspective, creating better financial outcomes for them, their families and future generations.

Since we founded the firm in 2010, we have been guided by the belief that trust, partnership and alignment are the foundations of everything we do. Those principles have not changed, even as we have grown into a business of 166 people managing and administering over £8 billion of assets on behalf of our clients¹.

Our investment philosophy is built on the conviction that companies embedding sustainable values into their strategies will deliver superior returns for our clients over time. That conviction continues at JH&P.

I am aware that enthusiasm for stewardship and integration of sustainability has cooled in parts of our industry. At JH&P, our commitment and approach have been consistent. We have always believed that understanding how a company treats its employees, its communities and the environment will be a key consideration in identifying those businesses that will prove successful today, tomorrow and for years to come.

Closer to home, 2025 was also a year of introspection. We conducted our first comprehensive client survey since 2021, achieving a response rate well ahead of the industry norm. We led in almost every metric, with particular strength in those relating to trust. The feedback was thoughtful and constructive, and we have already taken steps in response, across our communications, service delivery and the way we report on stewardship. We look forward to sharing more on these initiatives in the year ahead.

Our culture, shaped by our Partnership structure, encourages openness, ambition and accountability. Our Corporate Social Responsibility Committee, drawn from across the firm, ensures these values are lived internally, not just expected of others. I remain committed to holding ourselves to the same rigorous standards by which we assess the companies in which we invest, always striving for better ways to look after our clients, our people, our communities and the world we all share.

Andy Steel, CEO

¹ As at 31st December 2025

FOREWORD

This report provides JH&P's response to the Financial Reporting Council's UK Stewardship Code 2026. The Code comprises two parts:

- **Part 1** sets out our policies and governance structures for stewardship.
- **Part 2** describes our stewardship activities and outcomes across the six Stewardship Principles. This reflects our stewardship approach and activities during 2025.

This report demonstrates our commitment to stewardship and responsible investment across all aspects of our business. Stewardship is integral to our investment process and our culture, and we continue to evolve and improve our approach. We believe that the activities and outcomes described in this report evidence our commitment to the UK Stewardship Code's principles and our role as responsible stewards of our clients' assets.

We welcome feedback on this report and our stewardship approach. Clients, beneficiaries, and other stakeholders are encouraged to contact us with any questions or suggestions.

For further information, contact:

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This report is aligned to the Financial Reporting Council's UK Stewardship Code 2026.

A NOTE ON TERMINOLOGY

We discuss our approach to responsible investing and stewardship in this document. 'Responsible investment', 'sustainability', 'sustainable investment' and 'ESG' among other terminology have often been used interchangeably by the investment community. As the landscape has evolved over the past few years, we strive to be transparent and keep our process simple.

Responsible investment involves the consideration of environmental, social and governance (ESG) issues when making investment decisions and influencing companies or assets².

ESG as an acronym has connotations that have often been misconstrued, however for the purposes of clarity we use 'ESG' in this document when describing environmental, social and governance factors as they relate to an investment and our investment process. These three areas present both risks and opportunities when we analyse an investment and, together with fundamental analysis, form part of our integrated responsible investment process.

² [UN PRI website definition](#)

PART 1 – POLICY AND CONTEXT

DISCLOSURE

DISCLOSURE A - OUR ORGANISATION, INVESTMENT BELIEFS AND CLIENTS

OUR STRUCTURE AND INVESTMENT PROCESS

Our structure and investment philosophy are built around what is best for our clients. As our business is owned by the Partners and wider team who work within it, we only make decisions for the long-term benefit of our clients and the Partnership.

This independence means we can put our current clients ahead of future growth. Portfolio Managers are not incentivised on asset growth but on multiple factors that include service levels and portfolio performance as well as engagement with the internal development of our company and culture. This supports collaboration between all parts of our business.

Importantly, our Partners and Portfolio Managers invest alongside our clients. We have a direct motivation to deliver both superior service and investment success.

As a wealth manager our purpose is to support our clients in the stewardship of their assets to create better financial outcomes and long-term security for themselves, their families and future generations.

OUR INVESTMENT PHILOSOPHY

At the centre of our business is an investment philosophy where the time horizon and principles are deliberately matched to the needs of our clients.

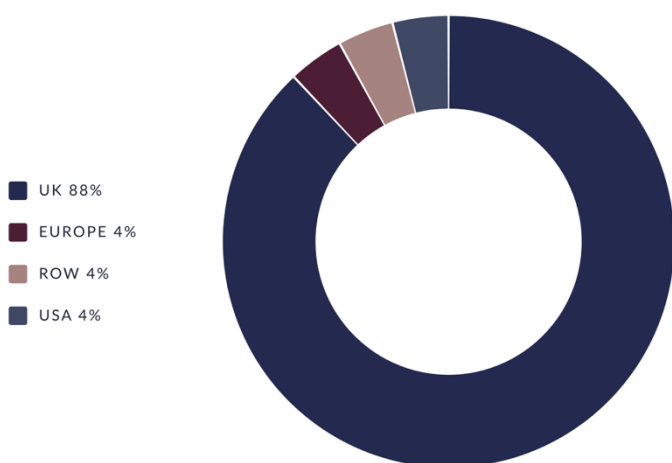
Our entire investment proposition is built on our fundamental belief that companies which embed sustainable values into their business strategies will deliver superior returns over the long-term. Responsible investing, therefore, is integrated into our investment approach for all clients, rather than a sub-set or specific group.

Our global investment approach, grounded in sustainable growth, embeds material ESG factors in our analysis alongside an engaged active ownership which promotes sustainable behaviour and a commitment to press for improvements in the wider market.

Businesses have a role to play in creating a healthy and enriching environment for their employees and the wider societies in which they operate. We expect the leaders of the businesses in which we are stakeholders to recognise the value in striving for a purpose that goes beyond pure profit seeking. We encourage business leaders to promote the wellbeing of their employees and the communities in which they work as a key ingredient in the creation of shareholder value.

OUR CLIENTS

CLIENT GEOGRAPHY



Our client base spans multiple geographies however remains predominantly UK-centric.

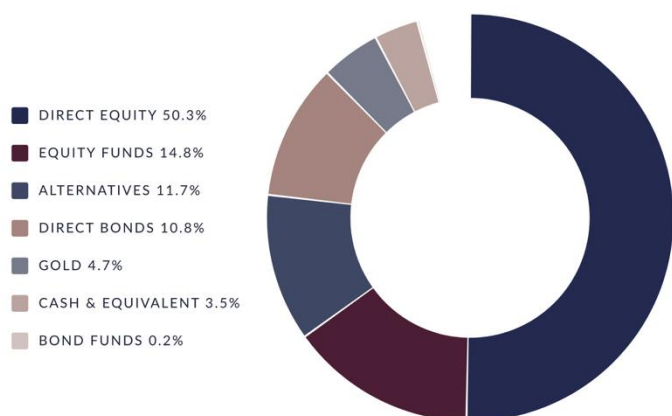
We provide investment management for private clients, charities and professional advisers. This focus allows us to build strong, long-term relationships with our clients and understand their individual requirements and values. Our clients are 100% retail.

Our clients have long-term investment time horizons, with the majority five-years plus and in many cases much longer.

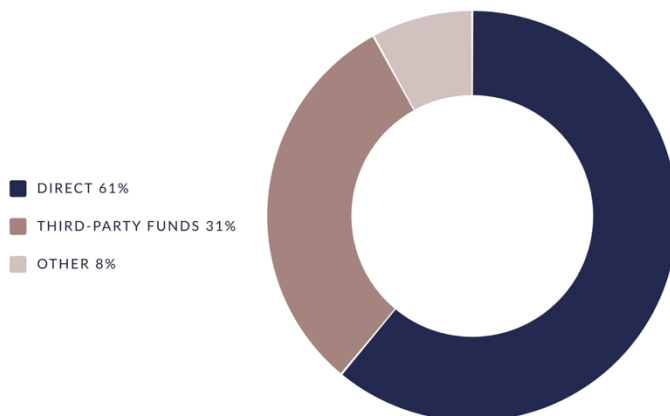
OUR ASSETS UNDER MANAGEMENT

As at 31st December 2025, JH&P's assets under management, advice and administration was £8,395m.

% AUM BY ASSET CLASS



DIRECT VS INDIRECT INVESTMENTS



JH&P offers segregated and pooled portfolios invested across a range of multi-asset frameworks, each built around a core of direct global equities³.

Unconstrained portfolios typically contain around 50 holdings, consisting of 30-40 direct investments across global equities and sovereign bonds, and 10-15 third-party funds.

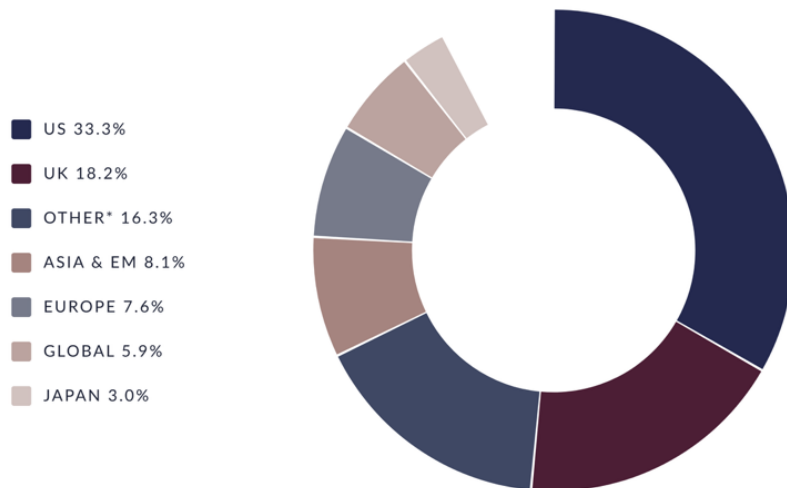
³ The remaining segment in the asset class breakdown chart consists of diversified multi-asset funds.

We are active investment managers, with all client portfolios being actively managed. Alongside our direct equity investments, we invest in a range of diversifying asset classes including sovereign and corporate bonds, infrastructure, absolute return funds and gold. These investments can be either direct or, more often, through third-party specialists that offer exposure to areas where the long-term structural themes are attractive, or where a diversified approach is more appropriate.

We expect managers of third-party funds we use to share our commitment to investing responsibly. For a detailed explanation of our expectations and monitoring of third-party fund managers, please refer to Principle 5 in Part 2 of this report.

A geographic breakdown of our assets under management as at 31st December 2025 is shown here⁴.

% AUM BY REGION



* Includes Alternatives and Commodities

⁴ The remaining segment in the regional breakdown chart consists of diversified multi-asset funds.

OUR STEWARDSHIP STRATEGY

A SUSTAINABLE GROWTH INVESTMENT PHILOSOPHY CENTRED AROUND DIRECT OWNERSHIP IN INDIVIDUAL COMPANIES

We believe limited investor time horizons result in markets undervaluing companies that sustain high returns on their invested capital over long periods of time. Our focus is on positioning portfolios to benefit from the long-term underlying growth of these businesses; ongoing stewardship and engagement is naturally aligned to our investment process and a key component of our success.

We look for companies with:

- Sustainable sales growth from essential services or products that are recurring or predictable in nature.
- Durable competitive advantages supporting pricing power, such as brands, network effects or high switching costs.
- Strong profitability and limited capital intensity leading to a high return on capital through the economic cycle.
- Management whose incentives are aligned with long-term shareholders, preferably through ownership of large stakes in the business themselves.

To sustain returns, companies need to reinvest into future growth. For that growth to be maintained it must be sustainable in the eyes of all stakeholders in the business, not just investors. We use our own proprietary materiality-based framework to analyse a company's ESG credentials and to understand how they are addressing issues specific to them.

This “sustainability review” forms an essential part of our overall investment research, helping us to identify long-term winners and avoid firms exposed to potential risks and vulnerabilities. This then informs how and where we focus our resources for engagement and action.

OUR 5-POINT SUSTAINABILITY FRAMEWORK

Our framework encompasses five core pillars:

- Decarbonisation
- Transition to a Circular Economy
- Protection and Restoration of Biodiversity and Ecosystems,
- Equitable, Healthy and Safe Society
- Strong Governance and Accountability

These themes remain central to our assessment of company quality and sustainability.

For a detailed explanation of how our 5-Point Sustainability Framework is applied in practice across our direct equity investments, and how it integrates with our broader stewardship and engagement processes, please refer to Principle 1 in Part 2 of this report.

CLIENT VALUE AND TIME HORIZON

Our clients have long-term investment time horizons. As noted above, we believe companies that recognise the need for change and allocate capital responsibly, by putting material ESG considerations at the centre of their strategic frameworks, are more likely to succeed over the long term. Our responsible investment analysis forms an essential part of our overall investment research, and we understand the importance of exercising our right to vote on behalf of our clients and to engage with the companies that we invest in.

We believe this approach is essential to mitigate ESG-related risks and in doing so help to maximise long-run financial returns at a lower level of risk.

Successful stewardship requires an environment that fosters stability and longevity. This allows relationships to develop between JH&P, our clients, and the investments we make on their behalf.

The nature of our Partnership structure, and the allocation and availability of equity to non-Partners, provides the incentives that align our employees with the long-term success of our clients. Our Portfolio Managers are both the relationship manager and the investment professional.

This simple structure creates a culture of accountability while aligning all our managers behind a single investment philosophy and process with sustainable growth and consistent performance at its heart.

APPROPRIATENESS OF OUR STEWARDSHIP STRATEGY

JH&P has grown by being forward thinking and entrepreneurial. In recent years, for some within the investment industry, the emphasis on responsible investment and stewardship has waned. At JH&P, we have never questioned its importance nor its relevance in delivering excellent outcomes on behalf of our stakeholders, and we hope our approach and this report demonstrates this.

PERFORMANCE TRACK RECORD

Over the last five and 10 years to 31st December 2025, each of our four core mandates has delivered above-average performance as measured by ARC⁵.

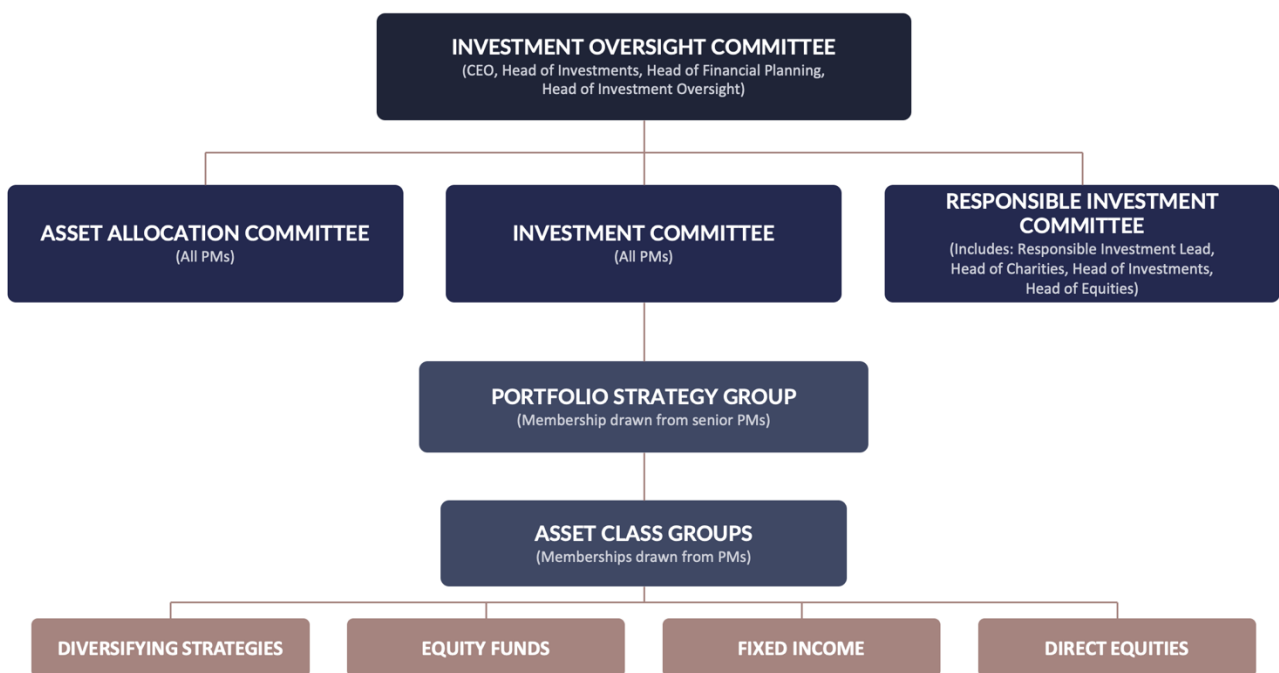
⁵ Asset Risk Consultants (ARC) is an independent consultant that compiles Private Client Indices (PCI) based on historical performance. The four PCI performance series are based on real performance numbers provided by participating investment managers and focus on high quality data with no model or synthetic data being used. There are four categories based on risk-profile relative to equity markets: Cautious, Balanced Asset, Steady Growth and Equity Risk. This provides an objective and independent means of placing investment performance into context.

DISCLOSURE B - OUR GOVERNANCE AND RESOURCES

OUR STEWARDSHIP GOVERNANCE STRUCTURE

Sustainable growth and considered engagement have always been central to our investment approach and the responsibility of every member of the Investment Committee. Responsibility and oversight for stewardship is formalised by our governance structure.

INVESTMENT TEAM ORGANISATION



RESPONSIBLE INVESTMENT COMMITTEE (RIC)

The RIC is chaired by our Head of Charities, Nicola Barber, and includes our Head of Investments, James Beck. Sarah Goose, JH&P's Responsible Investment Lead, and Patrick Trueman, Portfolio Manager, are further key members of the Committee.

Sarah sits across the asset class groups to ensure JH&P's responsible investment standards and policies are maintained and works with other members of the RIC to develop and enhance JH&P's approach to responsible investment. Sarah also leads JH&P's industry-wide collaborative efforts.

The RIC also refers to the Portfolio Strategy Group (PSG) on key matters.

INVESTMENT OVERSIGHT COMMITTEE (IOC)

The RIC reports into the IOC. The IOC meets once a month to review all aspects of the investment process. In addition to our Head of Investments, the IOC also includes JH&P's CEO, our Head of Investment Oversight and our Head of Financial Planning.

The IOC has ultimate responsibility for all of JH&P's responsible investment policies and reporting.

The IOC and our Strategy Board have formally reviewed and approved our approach to responsible investment.

THE INVESTMENT COMMITTEE (IC)

The Investment Committee is responsible for the day-to-day integration of our responsible investment approach, with risks and opportunities, and associated engagement and voting, discussed regularly during Investment Committee meetings and research pieces.

INTEGRATION WITH OVERALL GOVERNANCE

The principal responsibilities of the RIC are to:

- Ensure responsible investing and ESG considerations are integrated within our investment process and analysis and applied in line with JH&P's responsible investment philosophy.
- Review all approved securities from the perspective of our approach to responsible investment and sustainability.
- Agree priorities and strategy for engaging with our investee companies and third-party funds.
- Review responsible investing and stewardship policies and make recommendations to the IOC of any changes.
- Ensure our responsible investment policy is clearly understood and communicated to all stakeholders.
- Consider regulatory changes that impact the investment process from a responsible investment perspective.
- Provide a forum to address any other ESG-related topics that have been raised by members of the Investment Committee.
- Oversee the completion of JH&P's annual UN PRI Report, the FRC's UK Stewardship Code Report, and ongoing regulatory disclosures and engagement.

The RIC meets monthly and ad-hoc with agenda items including a review of any ongoing or upcoming engagement activities, voting decisions against management teams for company AGMs and addressing any controversies arising within our underlying investments. We use MSCI ESG Manager to provide us with alerts on controversies that may occur but undertake our own research to form a judgement on the appropriate course of action.

Using our own analytical frameworks for each asset class, the RIC assesses the practical implications of any issues or controversies that may arise, agrees a strategy for engagement and ultimately directs the Investment Committee on the best course of action. This may include opening a dialogue with the company, engaging with third-party action groups or, where appropriate, the sale of the asset.

KEY MEMBERS OF THE RIC

Nicola Barber

RIC Chair, Head of Charities, Partner

Nicola joined JH&P in 2012 and is Head of Charities. She began her investment career in 1987 at N M Rothschild & Sons and specialised in portfolio management for charities, private clients, trusts and institutional pension fund portfolios, before joining the bank's private wealth management division as Head of UK Equities. From 2008 to 2011 she was a Director at Baring Asset Management. Nicola is a trustee and chairs the Investment Committee of the Citizens Advice pension scheme.

James Beck

Head of Investments, Partner

James joined JH&P in July 2017 and became Head of Investments in 2019. He also chairs the Investment Oversight and Investment Committees.

James looks after portfolios for onshore and offshore private clients, trusts and charities. James began his career at James Capel Investment Management (latterly HSBC Investment Management) and was a founding partner of Cheviot Asset Management in 2006. James is a Chartered Fellow of the Chartered Institute for Securities and Investment.

Sarah Goose

Responsible Investment Lead, Portfolio Manager

Sarah joined JH&P in March 2017 and works within the wider investment team as the Responsible Investment Lead and Portfolio Manager. Sarah graduated from the University of Exeter with first class honours in Latin & Ancient History and has since achieved the CISI Chartered Wealth Manager qualification, the IMC and the CFA's Certificate in ESG Investing.

Sarah is also a Fellow of the Royal Geographical Society, an Ambassador for The Global Returns Project, and has been involved with the charity GAIN (Girls Are INvestors), acting originally as a university liaison.

Patrick Trueman

Portfolio Manager

Patrick joined JH&P in 2020 to manage investment portfolios for charities, private clients and trusts. After graduating from Cambridge University, Patrick served six years in the British Army. Prior to joining JH&P, Patrick headed up the Charities Team at Aberdeen Standard Capital (abrdn). He holds an MBA from London Business School and is a member of the Chartered Institute for Securities and Investment. Patrick completed the Impact Investing Programme at Oxford's Said Business School. He has also served as a trustee for several charities and on the Investment Committee of the country's first dedicated children's charity.

STEWARDSHIP RESOURCING

As at 31st December 2025, the firm employs 166 people, and we welcomed 24 new hires during the year.

All investment analysis is undertaken by members of our Investment Committee. The team includes 25 investment professionals, with an average industry tenure of 18.5 years, made up of 23 Portfolio Managers, supported by two Assistant Portfolio Managers. Sarah Goose, our Responsible Investment Lead, is the sole dedicated stewardship resource. Sarah holds CFA ESG Investing credentials and CISI qualifications, and Patrick Trueman has completed the Oxford Impact Investing Programme.

The Investment Committee is split down into smaller teams organised by asset class: Direct Equity Investment, Equity Funds, Diversifying Strategies and Fixed Income, as outlined in the structure chart on page 10.

We believe it is vital that every Portfolio Manager understands and integrates stewardship and responsible investment within their research and how this enhances our service to our clients. Our day-to-day approach is embedded within existing investment and oversight structures rather than a distinct ESG or stewardship department.

For example, company specific ESG-related research and proxy voting is enacted and overseen by the Equity Team, while third-party fund due diligence and engagement with fund managers is carried out by the Funds Team. The Responsible Investment Lead sits across these asset groups and assists the primary analyst in identifying and understanding any key ESG issues, while also supporting the monitoring of existing investments for any new risks or controversies that arise.

As set out in Disclosure A, our focused approach allows us to study our underlying investments and management teams in depth, creating a strong environment for good long-term decision making and building relationships required for effective stewardship.

OUR APPROACH TO DIVERSITY, EQUITY AND INCLUSION

Our recruitment process is essential to attract the right talent to fit the client-centric culture at JH&P. We have built a cross section of ages within each department as part of a proactive succession plan.

Our approach is to provide an inclusive culture and collegiate environment enabling us to recruit, train and promote the best qualified, experienced, and suitable candidates for each role.

We provide an environment that identifies, encourages and rewards performance, excellence, innovation, and quality client service. This is the case irrespective of race, ethnic or national origin, sex, marital or civil partner status, gender reassignment, disability, religion or belief, age, pregnancy or maternity or sexual orientation.

Across our entire headcount, 71 of our staff are female, representing 43% of the firm. 62% of our new hires in 2025 were female.

We continue to engage with GAIN (Girls are INvestors) to ensure greater diversity and opportunities within the investment industry and will be welcoming two GAIN interns to JH&P for an eight-week summer internship. We are looking forward to hosting a 'Spring into Wealth Management' event with Sanctuary Graduates targeting final year students at university who meet certain social mobility criteria. We also took part in the EY Foundation Smart Futures Banking & Finance Programme and sponsored two young people through the programme, which we have supported for the last four years, and again in 2026.

ENCOURAGING ONGOING PROFESSIONAL DEVELOPMENT

To encourage professional development, employees are given significant support in undertaking professional qualifications. This includes:

- Financial support with exam and revision materials
- Organised revision courses
- Additional days of study leave

Alongside professional qualifications, JH&P also organises a range of internal courses and workshops to further promote the development of our team.

Members of the Investment Committee attend conferences on stewardship and ESG topics, and report back to the wider Committee. We also continued to host frequent meetings with ESG and sustainability analysts from our list of research providers over the course of 2025.

During 2025, our Responsible Investment Lead organised specialist sustainability analyst teach-ins for the Investment Committee on themes material to responsible investment, including:

- Ultra-processed foods (UPFs) and forever chemicals (PFAS) - examining regulatory risks and health impacts.
- AI and water/power - exploring environmental considerations critical to data centres' environmental impact as AI infrastructure expands.

Our Responsible Investment Lead coordinates with both the Investment Committee and the RIC with relevant information, data and trends from a responsible investment perspective. She attends numerous roundtables (such as Virtuvest's peer group quarterly roundtables, and PRI-led discussions), seminars and conferences (including the Beacon Philanthropy Forum), and, outside of work, continues to engage on environmental issues through external bodies including the Royal Geographical Society, conservation charities and NGO partnerships.

Encouragingly, we have also found traditional sector analysts to be increasingly knowledgeable on ESG topics relevant to their research coverage, meaning sustainability concerns have been explored in a more integrated and company-specific manner than in past years. Our Investment Committee hold regular meetings with companies, external analysts and specialists. These meetings cover individual companies, industry sectors, and wider themes.

The Funds Team also reviews the dedicated sustainability and impact investment fund universe, arranging meetings with third-party fund managers to help us enhance our processes and investment approach. These meetings also develop our understanding of this evolving investment area.

STEWARDSHIP SERVICE PROVIDERS

We predominantly rely on primary sources to build our initial view when researching direct equity ideas. These include annual reports, sustainability reports, proxy statements and presentations.

We also use third-party research specialists to further our understanding and to provide historical and relative context. Our external resources include investment banks, independent research houses and

strategists, geographical specialists, and quantitative analysis tools. Our third-party research partners are increasingly providing dedicated ESG-related research, both on a sector and stock-specific basis.

We use MSCI, ISS and CDP to provide additional independent quantitative and qualitative information on companies' sustainability factors and governance policies. This has several important uses, including improving our communication to clients on portfolios' exposure to ESG factors such as overall portfolio ESG ratings and carbon footprint, and helping us to identify, quantify and track investment-related sustainability risks.

We are not led by MSCI's scoring methodology but use their output as another resource to complete our own sustainability review, using our 5-point framework, and to provide direction for further analysis. MSCI's ability to provide portfolio-level data across our client base was a key factor in our decision to partner with them.

Similarly, we use ISS as a resource and guide but are not bound by their voting recommendations, preferring to vote according to our own internal standards and beliefs. We often vote against management and contrary to ISS where we deem it appropriate.

During 2025, we added CDP to our external service providers, replacing our IIGCC membership. CDP provides qualitative environmental data and engagement on climate, water and nature themes. We continue to use sources such as the World Benchmarking Alliance, Forest500 data on deforestation, CA100+ and other research platforms to inform our analysis. We also benefit from peer engagement through Virtuvest quarterly roundtables, which provide a collaborative forum for discussing responsible investment practices.

STEWARDSHIP SYSTEMS AND TECHNOLOGY

We have integrated ESG data and analysis tools into our stewardship systems.

MSCI

We access ESG data from MSCI which allows us to build and manage specific ethical screens and preferences requested by clients. Material changes to the ESG rating or a new and significant controversy relating to a company on our buy list is tracked using data provided by MSCI.

ISS

We use ISS for proxy voting support and research.

STYLE ANALYTICS

Style Analytics supports our fund analysis, helping us understand how third-party funds behave relative to their benchmarks and peer groups.

BLOOMBERG

Bloomberg provides market data, company fundamentals and news flow that underpin our day-to-day investment analysis and monitoring, alongside built-in ESG resources and data.

HOLT

HOLT provides cash-flow-return-on-investment analytics that support our assessment of company quality and valuation discipline.

REDBURN IDEAS

Redburn IDEAS provides independent sector and thematic research, which supports our investment research process.

OUTCOME

Responsible investing is integrated within our day-to-day processes and research, and the longer-term aims and benefits of effective stewardship are well aligned with our culture and investment philosophy. How this integration operates in practice across our investment process is set out in more detail under Principle 1 in Part 2 of this report.

The formation of the RIC in 2020 greatly improved our governance of these processes and allowed greater oversight, management and accountability of our overall responsible investment activities and achievements.

We also believe the involvement of senior Investment Committee members in RIC membership evidences the importance we place on our stewardship and engagement responsibilities.

While much progress has been made since the establishment of the RIC, we constantly strive to improve our processes and the articulation of them throughout our team, the wider company and to our clients. Ultimately, everything we do must be with the interests of our clients at heart.

We believe that the integration of responsible investing across our processes has been greatly supported by our structure, where dexterity and the ability to adapt to changing requirements provide us with an advantage. Our transparency and collaborative team approach ensures every client-facing individual is well versed in our responsible investment process.

DISCLOSURE C – POLICIES, PROCESSES AND REVIEW

Our policies are subject to continual review by our Investment Committee, Operations Department and Compliance Teams. The Investment Oversight Committee has ultimate responsibility for all our responsible investment policies and reporting.

In 2025, we created a streamlined Responsible Investment document, which is hosted [on our website](#). The booklet consolidates our philosophy, process and governance into one place as an easy-to-access resource for those interested in our approach.

We updated our [Voting Policy](#) in February 2025, and again in February 2026, following changes ISS made to their Benchmark Policy. We provide our feedback to ISS via ongoing conversations with their team and also as part of their annual Benchmark Policy survey and consultation. We then ensure any amendments to their Benchmark Policy are reflected in our own processes.

Our Conflicts of Interest Policy and other stewardship-related policies are also available [on our website](#).

All finalised policies and activities are communicated internally across the Investment and Compliance Teams, with key processes and milestones being shared with clients and external advisers via direct reporting and our website. This includes our Voting Policy and activity, as well as JH&P's overarching approach to responsible investment.

Our voting and engagement policies are reviewed annually or ad-hoc in the event of regulatory or market changes that impact our approach. The Conflicts of Interest Policy is reviewed at least annually.

OUR POLICY REVIEW AND ASSURANCE PROCESS

The RIC is tasked with the following review and assurance responsibilities:

- Establishing and maintaining an appropriate responsible investment framework and related policies to meet JH&P's regulatory and compliance obligations
- Ensuring compliance with regulatory parameters that are aligned to the UN PRI, UK Stewardship Code and other practices as they arise
- Reviewing and approving the voting and engagement policies on an annual basis or ad-hoc in the event of any changes to policies
- Providing oversight for implementation of client ethical policies and restrictions

The RIC also independently reviews investment recommendations and our 5-Point Sustainability Reviews from a responsible investment standpoint, challenging those deemed inconsistent with our investment approach.

To help ensure our reporting is fair, balanced and understandable, all stewardship communication is shared with the RIC, the wider Investment Committee and our Compliance Department ahead of publication to clients.

DISCLOSURE D – CONFLICTS OF INTEREST

OUR APPROACH TO MANAGING CONFLICTS OF INTEREST

JH&P is committed to taking all appropriate steps to identify and properly manage conflicts of interest between the firm and its clients, and between one client and another.

While the firm arranges its organisation and administration to prevent conflicts of interest from adversely affecting the interests of clients, there are certain areas where a risk, however small, may remain.

Our Conflicts of Interest Policy sets out how conflicts are identified and managed. The policy is owned by our Business Control and Risk Management department, who at least on an annual basis take steps to assess current and identify new conflicts of interest to ensure that our organisational and administrative arrangements are sufficient to prevent or manage each conflict.

All employees are required to sign an annual attestation that they have read and understood the policy. Employees are also required to complete the CISI's Conflicts of Interest professional refresher module within two months of joining the firm. The policy is also included in the staff handbook for new joiners and within the internal company SharePoint.

KEY CONFLICT SCENARIOS COVERED IN OUR POLICY

STEWARDSHIP

Some conflicts of interest may arise when the firm is executing its rights and obligations to participate in the stewardship of companies, where our clients or their connected parties are Persons Discharging Managerial Responsibilities (PDMRs). In these situations, we will vote in line with our Voting Policy.

During 2025 there were 4 instances where we voted against ISS recommendations. None of these involved a PDMR client or any other conflict of interest.

EMPLOYEE PERSONAL DEALING

We have in place policies and procedures designed to prevent our employees' personal account dealing impacting the outcomes for clients. This includes prohibiting dealing at certain times to prevent frontrunning and tailgating, imposing minimum holding periods and requiring pre-approval for trades.

As part of their responsibilities, all our investment staff require access to third-party research which is paid for by the company. Our collaborative investment process, supported by independent monitoring procedures, is designed to ensure that investment opportunities identified as suitable for our clients are taken up for clients before being transacted for personal accounts.

DIRECTORSHIPS, SHAREHOLDINGS AND OTHER INTERESTS

A small number of employees, officers and Partners of the group have outside roles in firms which manage third-party funds that we may select or recommend for our clients' portfolios. We have implemented procedures to restrict the influence that such individuals may have over the purchase or sale of such funds in client portfolios.

Some of our employees also have independent roles at charities and may be involved in selecting an investment manager. In these situations, we have put safeguards in place, so that the relevant individuals have to ensure the firm is not on the list of potential providers or alternatively remove themselves from the decision-making process.

Our approach to conflict management is integrated within our governance framework and investment processes as described in Disclosure B and in the conflict examples above. The RIC oversees the review and approval of voting decisions where conflicts are identified, and compliance procedures ensure conflicts of interest are properly managed and documented.

DISCLOSURE E – DIALOGUE WITH CLIENTS

OUR COMMUNICATIONS WITH CLIENTS

We do not employ relationship managers, meaning our investment professionals have direct relationships with their clients. This allows us to tailor our service and portfolios to meet specific client needs as they evolve over time. Each client will be assigned two Portfolio Managers, a lead and a secondary manager, as well as a dedicated support team to ensure that there is continuity in the relationship and multiple points of contact.

We aim to meet our clients at least annually, and usually more regularly, to ensure the suitability of their investment approach and address any changing requirements or areas requiring improved communication. These meetings will also typically cover our stewardship activities and ESG-related factors relevant to specific investments, although we are developing improved ways to provide more structured information on responsible investing to clients on a regular basis.

We ensure our clients are kept abreast of responsible investing and stewardship developments and in the past few years have communicated with our client base through letters, personal updates, literature and thought pieces on our website, and client webinars. Looking ahead, we are continually working to build out our reporting to clients to ensure we meet the highest standards of clarity and transparency.

TAKING ACCOUNT OF CLIENT NEEDS AND VIEWS

When meeting a potential new client, we carry out extensive due diligence to understand their financial requirements and to ensure that the investment approach is suitable. As we do not recommend investment in any of our mandates for clients with time horizons of less than three years, we consider all our clients to have at least a medium-term investment horizon. Discussions around responsible investment form part of the initial conversations we have with clients.

In addition to our standard approach, part of the client onboarding process provides clients with the opportunity to screen out direct investment in sectors that are at odds with their principles, religious, or ethical beliefs. For more complex requirements, or charity mandates, these preferences are handled on a bespoke basis.

CLIENT SURVEY AND ENGAGEMENT IN 2025

During 2025 we conducted a client survey, the first since 2021, which gave us valuable insight into how client attitudes and requirements have evolved. Working with an independent consultant, we achieved a response rate well ahead of the industry norm, a reflection of the unusually high level of engagement we enjoy with our clients. Among a small group of peer firms surveyed, we led in almost every metric and particularly excelled in those relating to trust.

Every metric we measured saw a significant uplift across core client experience, giving us valuable insight into how client attitudes and requirements have evolved since 2021. Many clients chose to waive their anonymity and went out of their way to provide thoughtful, constructive feedback. In every one of these cases, we followed up personally to build upon the dialogue.

We have since taken a number of steps in response to the survey findings, spanning client communications, ease of access, service delivery and outcomes. In January 2026 we held further client

focus groups to deepen our understanding, and several initiatives are currently underway that we look forward to reporting on next year.

Just over 9% of our clients at the end of 2025 had either a standard or bespoke ethical restriction in place on their portfolio. We manage portfolios for a number of clients, generally charities, with very detailed screening requirements designed to ensure their investments are not at odds with their charitable purpose. Where clients have requested certain exclusions, these are coded into our dealing system, and a monitoring process allows us to block any purchases that might breach a client restriction and to identify any issues that could arise from a company becoming involved in a potentially restricted activity.

HOW CLIENT VIEWS HAVE SHAPED OUR APPROACH

Client feedback on our investment approach, stewardship activities, and ESG considerations is integrated into our investment process. Regular meetings with clients allow us to understand their evolving needs and to adjust our approach accordingly. Client feedback has informed our development of improved stewardship reporting and our ongoing refinement of our ESG integration framework.

Our commitment to transparency and communication with clients ensures that client views on stewardship and responsible investing are heard and inform our governance and investment decisions.

We have seen an increase in interest from potential clients regarding responsible investment and our approach to stewardship and active ownership within the last year or so. Our bespoke portfolio management offering caters well to clients who have ethical or responsible investment policies, whether they be charities or private individuals.

We are experienced in accommodating restrictions that clients may wish to place on the holdings within their portfolio. We use MSCI for our screening requirements; though, as with any analytical tool that involves a degree of subjective analysis and classification, we always remain transparent with clients to ensure they understand the remit and limits of MSCI's capabilities, and that the portfolio is managed consistently to their aims and objectives and delivers the best possible outcomes on their behalf.

With any new clients, or current clients wishing to amend their approach, we always recommend discussing our process and the proposed solution with them in as much detail as possible to ensure they (and their advisers) are comfortable and understand our approach before we proceed any further.

TAILORING A PORTFOLIO TO A CLIENT'S VALUES

In the third quarter of last year, we were fortunate to have won a new client, recommended to JH&P through an independent financial adviser we work closely with. The client had a long-standing set of restrictions and values they wished to incorporate into their portfolio; these included both negative and positive criteria.

In this instance, we decided that a portfolio constructed with diversified global direct equities was the most suitable. By using direct equities, we have a greater level of transparency of a business' operations, ambitions and culture; however, we always stress to clients that exclusions are backwards-looking and therefore cannot be a predictor of future operational performance or outcomes.

We do not have the same level of oversight with third-party funds in a portfolio, nor do we have any influence over the holdings within a fund to ensure it aligns with a client's wishes.

This client wished to have ongoing quarterly reviews, with provision of any screening updates, notable company developments and stewardship examples. Where our Investment Committee add new companies to our buy list that may be contentious or conflict with the client's responsible investment policy, we proactively engage with their adviser with all the information required to make a decision with the client.

One instance of this occurred early on in our relationship with the client. A new company was added to our buy list after consensus was reached by the Investment Committee; a company that is often described as contributing meaningfully to the energy transition, and where our Equity Team were optimistic on the opportunities.

We identified a controversy through MSCI in which the company was allegedly indirectly involved. This had been reviewed already by our Responsible Investment Committee and as part of the sustainability review process, however after providing detailed information surrounding the matter to the adviser, the client decided they did not wish to invest in the company at this time, given the client's values and particular policy. This is an example of how we can be proactive with clients, and also flexible to meet their needs.

PART 2 – ACTIVITIES AND OUTCOMES REPORT

PRINCIPLE 1 – INTEGRATION OF STEWARDSHIP AND INVESTMENT

OUR KEY STEWARDSHIP THEMES

Our multi-asset framework is built around a core of direct global equities which we believe offer compelling opportunities for wealth creation and income growth over the long term. We invest in companies which have consistently delivered attractive and sustainable returns to shareholders and offer good opportunities for future growth. However, this growth cannot be at any cost and must be supportive of a move towards a more robust and sustainable economy.

It is now well understood that economic growth pursued without regard for ESG risks and opportunities will ultimately prove unsustainable. There is a growing awareness and understanding of the impact that companies have on the planet and society at large, which is driving calls for action. This is creating opportunities for those businesses whose growth is aligned with sustainable goals, whilst changing attitudes and regulatory standards will raise costs and create additional challenges for firms which do not adapt.

Businesses have a role to play in creating a healthy and enriching environment for their employees and the wider societies in which they operate. We expect leaders of the businesses in which we are stakeholders to recognise the value in striving for a purpose that goes beyond pure profit seeking. We encourage business leaders to promote the wellbeing of their employees and the communities in which they work alongside the creation of shareholder value.

Consideration of ESG factors forms an integral part of our investment analysis across all asset classes and investment structures. We believe this helps us identify the long-term winners and avoid firms exposed to potential risks and vulnerabilities.

HOW WE PRIORITISE

Climate change and biodiversity loss are among the most pressing threats facing the world today. As investors we have a duty to manage the risks associated with these and look for the opportunities presented by the transition to a more sustainable way of life.

We seek to assess the environmental risks of all potential investments through our own primary research and using data provided by external analysts including specialist ESG providers. When assessing a potential investment, we expect the business to have considered specific climate-related threats and their potential impact, and to have shown a genuine commitment to addressing these challenges by reducing their own greenhouse gas (GHG) emissions. Alongside this intent, we expect them to measure and report on their GHG emissions using a widely accepted reporting framework such as the TCFD (now ISSB's IFRS S1 and S2 Standards) and have in place a clear strategy to reduce these outputs in accordance with global efforts to limit temperature rises in line with the UN Paris Agreement.

Where natural capital and biodiversity are material to a company's business model, we expect to see a sincere approach to environmental stewardship and will engage to enhance our understanding and encourage change if we believe further effort is required. We recognise the important role that active ownership can play in driving positive outcomes and ultimately promoting well-functioning, more resilient markets as a result.

OUR APPROACH ACROSS DIFFERENT ASSET CLASSES

Our approach to responsible investment varies across our asset classes, this is reflective of the different structures, level of associated risk, and the capacity for us to engage and influence future behaviour and outcomes. For example, our ability to engage with a company differs materially from our ability to engage with the government of a sovereign issuer.

Below we cover direct equities, direct fixed income, third-party funds, and diversifying strategies and alternatives.

DIRECT EQUITIES

Our direct equity investment approach is uncomplicated, and built on two simple ideas:

01

The best businesses make the best investments

In the short term, share prices are predominantly driven by changes in sentiment and valuation. The longer the holding period, the more shareholder returns are driven by the underlying performance of the business.

02

Thinking long term is a growing competitive advantage

Industry performance pressures and incentives increasingly encourage a short-term mindset. Being able to allocate capital for the longer term is a rare advantage; we believe our business structure, culture and investment philosophy provides a perspective measured in years, not weeks and months.

Our analysis focuses on finding companies with:

- The opportunity for sustainable growth
- An economic advantage that strengthens as the company grows
- A culture that embraces change and aligns employees with the company's purpose and long-term strategy

Stewardship is integrated throughout our direct equity investment process. Our first area of focus when assessing a new idea, 'the opportunity for sustainable growth', provides a natural screening process to the kind of companies we are most likely to own and those that we are likely to avoid.

Our responsible investment philosophy is pragmatic, not rules-based or dependent on a third-party scoring system. We expect our approach to continue to evolve over time.

We apply the same standards to all companies across all geographies. Although the development of and focus on ESG issues varies around the world, most ESG risks are not localised to certain geographies so we believe all companies should have a strategy in place to manage the risks impacting their business. Having a consistent responsible investment approach is one reason why we have limited direct equity exposure to Chinese or Emerging Markets.

Except for tobacco and controversial weapons, which we outline below, we do not take stringent ethical views on specific products or services. Cognisant of our fiduciary duty, we look at every investment along the lines of what is most likely to provide the highest economic returns to our clients within the framework of a world transitioning to a more sustainable future.

ANALYSIS AND DUE DILIGENCE

Before any company is added to our buy list, we conduct a full suite of checks to ensure the investment is suitable for clients based on several operational factors, these include responsible investment and controversy-related checks.

The sponsoring Portfolio Manager produces analysis on the company at various stages, from an initial ‘smell test’ on the fundamentals of the business, alongside analysis of ESG risks and opportunities, through to a full stock note and deep analysis, with presentations to the Investment Committee. An in-depth sustainability review is produced concurrently with support from our Responsible Investment Lead, and is reviewed and signed off by the RIC.

This sustainability review draws on primary sources including annual reports, sustainability reports, proxy statements and company presentations, supplemented by data from MSCI, CDP, ISS and other specialist providers. The RIC independently challenges any assessment deemed inconsistent with our investment philosophy or where further engagement may be warranted.

The way we think about companies from a responsible investment perspective was intentionally designed to be simple.

We want to deduce the following about a business and its management team:

1. What do they do

&

2. How do they do it

CATEGORISING COMPANIES TO PROVIDE A RISK-BASED APPROACH TO ENGAGEMENT

We tackle the first of these questions by classifying companies based on their operations, and we use three categories: Mitigating, Transitioning, and Enabling.

MITIGATING

- Companies that offer products and services which are essential to continued societal progression but fall foul in some way to the sustainability goals are classified as Mitigating.
- To be Mitigating they must have a credible plan for incremental improvement. Mitigating companies carry the highest level of risk and are typically the focus of more of our engagement activity.

TRANSITIONING

- Companies that provide products and platforms on which sustainable development can be advanced are classified as Transitioning.
- Many companies in this definition are largely neutral to the sustainability debate but they should not materially detract from the five points within our framework. These companies might have a negative environmental impact but the products they produce provide an overwhelmingly positive end market outcome. In these cases, such companies must have credible plans to reduce their own impact.

ENABLING

- Companies enabling positive change directly through the sale of their products or services are classified as Enabling.
- These companies are attractive given regulatory and capital allocation trends.

This risk-based framework has a key influence on the conviction we build on the long-term success of the company and therefore the price we are willing to pay. It also helps inform our overall portfolio construction and drives our engagement priorities and areas of focus; we expect to dedicate more of our engagement activities to companies we classify as Mitigating and Transitioning.

Critically, this categorisation rests on assessing both **what a company does** and **how it does it**. The “what” reflects the underlying products, services and end markets a business is exposed to, and largely determines whether the business sits in the Mitigating, Transitioning or Enabling category at a high level.

The “how” is equally important: the quality of a company’s operations, governance, culture and stewardship of stakeholders ultimately determines whether the business is genuinely managing the risks and capturing the opportunities that its activities present.

Our 5-Point Sustainability Framework, set out below, is the structured tool through which we assess the “how”, allowing us to evaluate company quality, identify material risks and opportunities, and form a view on the credibility and progress of management’s response.

OUR 5-POINT SUSTAINABILITY FRAMEWORK

Our proprietary 5-Point Sustainability Framework is a materiality-based assessment of the risks and opportunities faced by a business. The five pillars that underpin our analysis are influenced by the UN Sustainable Development Goals (SDGs) and capture the major themes we believe are most important to identify companies best placed to benefit from the transition towards a cleaner and more resilient path of economic growth.

For each pillar, we assess and grade the materiality of the risks to the investment case, as well as providing indicative scoring on how well the company is addressing the underlying questions.

01

DECARBONISATION

Climate change is among the most pressing threats facing the world today. We expect companies to understand and quantify their carbon and greenhouse gas (GHG) emissions in all parts of the value chain and have credible plans to reduce these over time.

QUESTIONS WE ASK

- 01 How does the company's carbon intensity compare in absolute terms and relative to peers?
- 02 Is the company measuring and reporting their emissions and climate-related risks utilising a widely accepted framework such as the Task Force on Climate-related Financial Disclosures (TCFD)?
- 03 Does the company report on GHG emissions and have a clear strategy to limit global temperature rise to 1.5°C by 2050 or before for corporate scope 1 and 2 emissions?

02

TRANSITION TO A CIRCULAR ECONOMY

To reduce the impact of society on the planet, companies must begin to transition to a more sustainable use of the world's resources and take ownership of the impact of their products from creation to consumption.

QUESTIONS WE ASK

- 04 From design to end of life, is the company incorporating a fully circular process for their products and raw material inputs?

03

PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS

Companies must address their dependencies upon natural capital and ecosystem services and act to mitigate their impact on the wider environment. Analysis here includes how companies consume raw materials, their use and treatment of water, animals, and their impact on local ecosystems, including air quality.

QUESTIONS WE ASK

- 05 Is the company dependent upon certain natural assets and ecosystem services? If so, what are they doing to disclose and mitigate this?
- 06 What is the company's potential impact upon natural assets and ecosystems? If impact is material, what is the company doing to disclose and mitigate this?

- 07 Does the company consume significant volumes of water? Are they monitoring and reporting their water use/re-use and the steps they are taking to mitigate this?
- 08 Is animal welfare an issue in their supply chain? What steps are they taking to mitigate this?

04

EQUITABLE, HEALTHY AND SAFE SOCIETY

Businesses can play a part in creating a fairer society and recognising purpose beyond pure profit maximisation. We look at sustainability in the context of all stakeholders including any person who is impacted by the activities of the enterprise. A truly sustainable firm is one that enriches its shareholders without exploiting its direct and indirect labour force.

QUESTIONS WE ASK

- 09 In what ways does the company seek to improve and develop its human capital?
- 10 What labour policies does the company employ? And is it a high-risk firm in terms of health and safety?
- 11 Does the company have a significant impact on their local community or their customers? What steps are they taking to address this?
- 12 How does the company perform with regards to corruption, lobbying and tax contribution?
- 13 Does the company openly address diversity issues and what policies do they have to improve diversity?

05

STRONG GOVERNANCE AND ACCOUNTABILITY

Strong corporate governance is an essential quality for corporate success. Without corporate controls and accountability, we cannot be sure a business is acting in the best interests of its shareholders.

QUESTIONS WE ASK

- 14 Is there strong governance control over the sustainability goals? Are senior management aligned and incentivised on these sustainability goals?
- 15 Is the role of Chairman and CEO split?
- 16 Is the majority of the Board classed as independent?
- 17 Are any of the Board of Directors over-boarded?
- 18 Is there sufficient diversity at Board and management level?

These 18 questions that underpin the 5-point Framework are regularly reviewed and will continue to evolve with the responsible investment landscape.

Together, both the categorisation and the 5-Point Framework feed directly into how we prioritise our engagement activity, with engagement focus weighted towards Mitigating and Transitioning companies and the issues our framework identifies as most material. The way these processes inform our prioritisation of engagement is discussed further under Principle 3.

EXCLUSIONS

We recognise that many businesses still have some way to go to mitigate the harm caused by their operations, and we seek to engage with them to encourage their transition to a more sustainable economic model. There are, however, some sectors whose products, in our view, can never be part of a sustainable future and where engagement is unlikely to lead to a positive change. For this reason, we have taken the decision to exclude investment into certain sectors which we see as fundamentally at odds with our investment approach.

Tobacco

The World Health Organisation estimates that tobacco is responsible for the deaths of 8 million people worldwide each year, including an estimated 1.3 million non-smokers who are exposed to second-hand smoke.

Furthermore, the cultivation of tobacco is linked to poor environmental standards and there are concerns about the exploitation of workers involved in its production.

Tobacco companies are likely to be subject to increased regulation and taxes and face an uncertain future, with long-term demand for their products also under pressure as their health implications become increasingly widely known.

We therefore exclude direct investment into the securities of businesses involved in the production, distribution or retail of tobacco products where revenues from these activities exceed 5% of total turnover, as screened by MSCI.⁶

Controversial weapons

Some categories of weapons are controversial because they can have an indiscriminate impact on civilians or breach the 1925 Geneva Protocol and are deemed particularly abhorrent. We will not knowingly invest in companies involved in the production of controversial weapons. We use MSCI to exclude companies that have any tie to these activities.⁷

In 2025, we noted that MSCI's definition of controversial weapons underwent revision. The updated definition now specifies involvement in cluster munitions, landmines, biological or chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, or weapons with non-detectable fragments, with nuclear weapons notably excluded from this classification.

Monitoring

Once invested, our ongoing monitoring uses MSCI data alongside Bloomberg, and other sources, to track material changes in ESG ratings or the emergence of significant controversies. Any material change triggers a review by the Investment Committee and, where necessary, direct engagement with the company's management. This continuous oversight ensures that our stewardship activities are targeted and responsive,

⁶ Tobacco (MSCI Index Aligned) – Maximum Percentage of Revenue:

The company's reported revenue (or, where not disclosed, maximum estimated revenue) from the production, distribution or retail of tobacco products, as a licensor of brand names for tobacco products, or as a supplier for tobacco products as a percentage of total revenue in its most recently completed fiscal year. Expressed as a percentage. Tobacco products include nicotine-containing products, including traditional and alternative tobacco smoking products.

⁷ Controversial Weapons (MSCI Index Aligned) - Any Tie:

Indicates whether the company is involved in the production of whole weapon systems, delivery platforms or components of cluster munitions; production of whole weapon systems or components of landmines and biological or chemical weapons; production of depleted uranium weapons, blinding laser weapons, incendiary weapons*, or weapons with non-detectable fragments; or is involved indirectly through ownership ties to companies involved in such products. Nuclear weapons are not considered for this screen. The value is "True" if one or more of the underlying involvement factors is "True." *Not including producers of elemental white phosphorus or white phosphorus smokescreen/smoke bombs

with our engagement efforts focused on areas where we believe we can have the greatest impact on long-term value creation.

Our direct equity approach also benefits from our Portfolio Managers' deep knowledge of the companies they own. With an average industry tenure of 18.5 years, our investment professionals build long-standing relationships with company management teams, enabling more meaningful and productive engagement on ESG matters over time. This relationship-driven model is a direct consequence of our focused buy list and long-term investment horizon.

DIRECT FIXED INCOME

We assess ESG-related risks in our sovereign and corporate credit analysis as part of our fundamental research, understanding how credit quality may be impacted by environmental and social risks.

Just as we recognise the importance of ESG factors as a driver of the long-term share price performance of companies, they also have the potential to influence the performance of fixed income assets. Given the limited capacity for capital growth, the security of capital and income are paramount and so our emphasis is on understanding risks rather than opportunities. This forms part of our fundamental analysis when considering fixed income at an asset class, issuer, and security level.

SOVEREIGN DEBT

We draw on a wide range of official economic data and analysis including specialist data providers, investment banks and independent economic and political strategists to provide insight into how a country is addressing ESG factors, how these may affect the credit worthiness and economic stability on an absolute basis as well as providing insight as to how the country can be ranked against other global peers. An understanding of a sovereign issuer's geopolitical ambitions, attitude towards national sovereignty, human rights record and standing within the international community are of increasing importance.

In recent years we have observed that sovereign bonds have become increasingly sensitive to government policy as deficits have increased. Sovereign bonds have also been used as a tool in international relations, and as a source of leverage for some nations to achieve their foreign policy objectives. This has created new considerations in the stewardship of our clients' capital.

Further specialist analysis tools are provided by MSCI and The World Bank which inform our assessment of the ESG ranking of each country. These resources help us identify key categories of risk and areas of focus regarding our sovereign areas of investment.

We typically allocate to investment grade issues in politically stable developed economies including the UK, US and EU. We have considered investment in sovereign bonds of less developed economies, but to date have not deemed the excess return available to be commensurate with the additional risk; we have had concerns around human rights practices in certain jurisdictions as noted in previous Stewardship Code reports.

At each Fixed Income Team meeting there is a standing agenda point to review the MSCI output for any sovereign debt exposure we hold within client portfolios. The Fixed Income Team will then refer any concerns to the RIC before a decision is taken and communicated to the wider Investment Committee.

CORPORATE CREDIT

We take the same approach to directly investing in corporate credit as we do to investing in equities. When investing directly into corporate credit, we will apply the same 5-Point Sustainability Framework to understand the risks to a business model, the opportunities for future growth and the sustainability of that growth.

Given the complexity of the credit market and the idiosyncratic nature of trading and liquidity, our preference is to utilise specialist fund managers to gain access to global corporate credit on behalf of our clients. As part of our core fund research, the integration of broader ESG factors within their respective research processes is a key point of focus. Our full process for the selection, due diligence, monitoring and engagement with third-party fund managers is set out in detail under Principle 5 of this report; we apply the same approach for fixed income funds as for equity funds.

We have not allocated directly to corporate credit for several years given, in our view, the relatively low additional yield pick-up compared to sovereign bonds. This asset allocation decision has reduced the time we have spent on stewardship across this part of client portfolios given our limited ability to engage effectively with the developed market at government level.

Monitoring

The Fixed Income Team meet monthly to discuss the fixed income investment strategy and its adoption within client portfolios.

The meeting papers include:

- Macro analysis of developed economies (UK, US and EU) and the resulting implications for their respective sovereign bond markets.
- MSCI ESG Governance reports on the UK, US and EU governments. These reports provide ratings and oversight of aspects such as each country's use of natural resources, human capital, their political and financial governance, the economic environment and a country's environmental externalities and vulnerabilities.

The discussion and conclusions reached by the team are recorded and distributed across the wider Investment Committee including the members of the RIC.

The RIC reviews the fixed income minutes to identify if there are any issues which need to be escalated and referred back to the team. There is currently one standing member of the RIC who is also a standing member of the Fixed Income Team which ensures an appropriate level of oversight of the fixed income research process in the context of our responsible investment process.

THIRD-PARTY FUNDS

Our fund research includes detailed analysis of a fund manager's approach to responsible investment and ESG integration prior to investment and as active owners on behalf of clients. We require fund houses to complete comprehensive due diligence questionnaires on their responsible investment approach, alongside our own analysis, engagement and ongoing dialogue with fund managers and their wider teams. More detail on how we assess and monitor our third-party managers is included under Principle 5.

DIVERSIFYING STRATEGIES AND ALTERNATIVES

We assess ESG-related risks in our analysis of alternative investments and diversifying strategies, including infrastructure, absolute return funds and other specialist investments. More detailed discussion about how we monitor our third-party managers is included under Principle 5.

INTEGRATION INTO OUR INVESTMENT PROCESS

We believe the effectiveness of our structure and approach has been borne out in our consistent performance. By integrating responsible investing into our wider process, we believe we are better positioned to identify sustainable businesses with strong long-term value creation potential. Our engagement activities complement this by allowing us to actively drive improvements in company practices where we identify opportunities.

The Next plc case study below shows how this integration works in practice, with our engagement on the company's 2025 remuneration proposals directly informing our investment thesis and subsequent voting decisions.

NEXT PLC

During 2025, we engaged with Next's management on their proposed Directors' Remuneration Policy, which included provisions for executive pay. Our engagement examined the company's approach to remuneration, equal pay considerations, and broader governance practices.

Through our detailed analysis and direct engagement with management, we assessed how the company's compensation structures aligned with our views on equitable governance and long-term value creation.

This engagement was particularly useful, as it helped to inform our wider investment thesis and view on Next's corporate governance, whilst also aiding our voting decisions at subsequent shareholder meetings, demonstrating our stewardship feedback loop in action.

A fuller account of our 2025 Next engagement, including the substance of our discussion with the Remuneration Committee and the outcomes, is set out as a case study under Principle 3.

PRINCIPLE 2 – MARKET-WIDE AND SYSTEMIC RISKS

IDENTIFICATION OF RISKS

Our multi-asset approach to investment involves the identification of, and response to, market-wide risks such as changes in interest rates, inflation rates and geopolitical issues as well as the consideration of systemic risks such as climate change and biodiversity loss.

During 2025, we observed that many environmental risks have become increasingly mainstream to the fundamental investment case.

- Water scarcity and power availability for AI datacentre buildout have emerged as critical considerations in our analysis of technology and infrastructure investments. These limitations, in turn, call into question the credibility of companies' climate targets.

Beyond environmental themes, we are noting other emergent areas of financial relevance, including but not limited to:

- Regulatory and reputational risks associated with forever chemicals (PFAS) and ultra-processed foods (UPFs) are increasingly material to the analysis of consumer, healthcare and industrial holdings. The growing body of evidence linking these substances with adverse health outcomes is driving legislative actions and shifting consumer preferences, with direct implications for company valuations and long-term growth prospects.
- Similarly, mental health and digital wellbeing, particularly the societal impact of social media and large technology platforms, have become important considerations in our assessment of the 'equitable, healthy and safe society' pillar of our sustainability framework.
- Weight-loss drugs and the broader shift towards preventative healthcare also present both opportunities and disruption risks across the healthcare and consumer sectors.

We expect these themes to remain central to our investment approach throughout 2026 and beyond.

From a company perspective, driven by our Risk Committee; key systemic risks we continue to monitor include cyber-crime, regulatory change, and geopolitical instability.

An emphasis on portfolio diversification, liquidity and security above unrealistic investment returns provides the first defence against systemic or market-wide risks. We avoid overly complex financial instruments that may carry hidden risks and instead invest in assets that are more easily understood as well as being easily traded so that clients can access their money when required.

Artificial Intelligence: risks, opportunities and our approach

The rapid expansion of artificial intelligence (AI) presents both significant opportunities and systemic risks that we believe require careful consideration as stewards of our clients' capital. We approach AI from three perspectives:

- As investors assessing the risks and opportunities it creates for the companies we own
- As a business considering how it can enhance our service to clients, and
- As responsible custodians of sensitive client data.

From an investment standpoint, AI is reshaping competitive dynamics across sectors. Major technology firms that once championed asset-light models are now rapidly scaling developments of data centres that come with increased power and water demands and environmental scrutiny.

Grid reliability, operational resilience and access to water and renewable power have become critical competitive factors, directly influencing the trajectory of AI growth. We have engaged directly with investee companies on these themes, as detailed in our Amazon case study below, and our Responsible Investment Lead organised specialist teach-ins for the Investment Committee during 2025 covering the environmental considerations critical to AI infrastructure expansion. We have also engaged with third-party fund managers, including the Polar Capital Technology team, to understand how they are integrating AI-related risks and opportunities into their investment processes.

As a business, we recognise that AI tools offer meaningful potential to enhance our client service, from improving the efficiency of our research processes to supporting more timely and personalised communication. However, we approach adoption thoughtfully. The stewardship of client data is paramount, and we have taken a deliberate approach to evaluating which AI tools and large language models meet our standards for data security and confidentiality. For example, our Data Security and Cyber Committee have ruled out the use of certain providers where the location of their servers could create a risk to the security of client data.

We work closely with our Compliance and Operations Departments to ensure that any technology we adopt protects client information and meets our regulatory obligations.

OUR RISK MANAGEMENT PROCESS

The core of all our client portfolios is listed developed market equities but at times of heightened market risk we can increase portfolios' allocation to defensive asset classes to mitigate the impact of potential market drawdowns. These defensive assets include government bonds, gold, inflation-linked securities and alternative investments, and are assessed on their ability to provide protection against risks such as rising interest rates, inflation, currency movements or equity market weakness.

Our primary aim is to build portfolios that are resilient to a range of potential scenarios without sacrificing the potential to deliver growth ahead of inflation over the longer term. We hold a monthly asset allocation meeting to assess where the best long-term investment opportunities lie and adjust the weightings in the underlying assets, if needed. We use a combination of tools to determine our tactical asset allocation, including:

- Fundamental research on economic cycles, geopolitics and central bank policy
- Valuation analysis across asset classes, geographies and sectors
- Shorter-term indicators such as company earnings revisions, fund flows and investor surveys

Our size and structure afford us an important advantage in responding to market-wide and systemic risks, namely, the ability to act decisively and quickly. Unlike large institutions, we are not constrained by cumbersome decision-making processes or rigid asset allocation mandates. When market conditions require it, we can move quickly to safeguard client assets. During the onset of the COVID-19 pandemic in early 2020, we rapidly increased cash allocations to approximately 20% across client portfolios to protect capital during a period of extreme uncertainty, before redeploying as opportunities emerged.

We believe effective stewardship involves the safeguarding of client assets alongside the pursuit of long-term value. Our nimble approach to risk management, underpinned by our Partnership structure and collaborative culture, ensures we are well positioned to respond to changing market conditions in the best interests of our clients.

ROLE AND CONTRIBUTION TO INDUSTRY INITIATIVES AND STANDARD SETTING

We also understand that portfolio construction alone cannot defend against risks that are market-wide and systemic. To that end, we work collaboratively aiming to drive better practices and contribute to knowledge-sharing across the industry.

We work with collaborative bodies such as the UN PRI and participate in the PRI's Nature Reference Group to help us address systemic nature and biodiversity risks we deem most important to our business and wider markets.

In late 2024 and early 2025, we transitioned from IIGCC membership to joining CDP, which provides qualitative data on climate, water, pollution and nature themes.

- We participate in CDP's collaborative engagement, the 'Non-Disclosure Campaign' to encourage greater environmental transparency from companies. Since the engagement phase of the Non-Disclosure Campaign began in July 2025, there have been a number of responses submitted across the Climate Change, Water and Forests pillars targeted. This includes disclosure from some companies on our buy list where disclosures thus far have been lacking.
- Through Virtuvest, we engage in peer group quarterly roundtables and community discussions on responsible investing, sustainability initiatives, and regulatory updates, which have proven hugely beneficial for knowledge sharing and understanding industry best practices.
- We remain members of TISA, and through them we engage with the broader industry, the FCA and HMT.
- During 2025, we engaged with the Financial Reporting Council (FRC) on proposed changes to the UK Stewardship Code, providing feedback through a roundtable discussion and consultation responses.
- We engaged with ISS following their removal of diversity, equity and inclusion (DEI) recommendations in the US market, and provided feedback to the RIC on amendments made by Glass Lewis to their voting guidance. We also engaged in discussion on SFDR 2.0, joining relevant webinars hosted by external specialists, and other upcoming regulatory changes.
- We contributed to PRI's Nature Reference Group, and gained valuable insight from the working group, and we attended webinars from TNFD, Global Canopy, and other organisations focused on natural capital and biodiversity.

Given our relatively small size these collaborative engagements and opportunities for information sharing and learning are particularly important.

ENGAGEMENT ON SYSTEMIC RISKS

As mentioned throughout this report, we integrate ESG analysis into our fundamental research to understand and account for systemic risks, such as climate change, regulatory developments or changing consumer trends.

AMAZON

Amazon is one of the world's largest technology and cloud infrastructure companies, and a business we have owned for clients for nearly a decade. The rapid expansion of AI and data centre capacity raises material questions about water consumption and power sourcing. Amazon plans to double its data centre capacity by 2027, with power identified as the single biggest bottleneck to the company's growth.

We wanted to understand how Amazon is managing the environmental impact of its AI and data centre buildout, specifically water usage and power consumption. Further to our own analysis, we also organised a teach-in with a sustainability specialist for our Investment Committee.

This session examined the environmental considerations critical to AI infrastructure expansion, including water intensity and power sourcing. The analysis highlighted Amazon as a company at the centre of these challenges, given its position as one of the world's largest data centre operators. Following this session, we initiated a direct engagement with the company to assess how they are addressing these material risks.

We spoke directly with Amazon's Investor Relations team, followed by a second, dedicated, call with Amazon's Head of ESG Engagement and their ESG specialist. Discussions covered Amazon's water stewardship strategy, including their geographically-targeted replenishment approach, the use of recycled water across 24 data centres, with a target of 120 by 2030, and their progress towards being "water positive" by 2030 (53% achieved as of 2024).

We also explored their energy strategy, including over 600 renewable energy projects globally, investment in small modular nuclear reactors and battery storage, and their approach to grid intermittency.

Amazon confirmed their 2040 net zero target remains in place and highlighted their progress towards an industry-leading Power Usage Effectiveness (PUE) target of 1.08, alongside innovations in liquid cooling and closed-loop water systems.

The engagement deepened our understanding of Amazon's approach to managing environmental risks within its infrastructure expansion. We will continue to monitor progress on water and energy targets and plan to engage again in 2026 as their AI buildout accelerates.

DIAGEO

Diageo is a global beverages company that is not currently on our buy list but was previously owned. We have long been impressed by their approach to water stewardship.

We wanted to understand best practice in water management and assess how Diageo's approach could inform our evaluation of water-related risks across other portfolio companies.

We took part in a group investor meeting with Diageo's Global Head of Water, Nature and Agriculture, exploring their "Preserve Water for Life" strategy, their work across 20 priority water basins, and partnerships with The Nature Conservancy and WaterAid. We specifically asked how Diageo could further advocate for change and raise awareness of water scarcity globally, and how they could lower barriers for adoption of sustainable water practices.

The engagement provided valuable benchmarking insight on leading water stewardship practices that we can apply when assessing water-related risks in our portfolio holdings. It also ensures we remain on top of Diageo's progress should we decide to reassess the company for client portfolios.

JPMORGAN CHASE

JPMorgan Chase is the largest US bank by assets, and we have owned it in client portfolios for over 10 years. We have built a strong ongoing dialogue with their ESG Investor Relations team over several years.

We met with JPMorgan to discuss their approach to DEI metrics and climate positioning, particularly pressing given the context of evolving US policy and regulatory changes under the current US administration. Our engagement involved frank discussions with JPMorgan's ESG IR team, covering diversity reporting, climate risk disclosures, and the company's broader sustainability strategy.

JPMorgan provided positive feedback on our engagement approach and the quality of our questions. We maintain regular contact and will continue to engage as the policy landscape evolves.

MERCADO LIBRE

Mercado Libre is a leading Latin American e-commerce and digital payments platform in South America and was added to our buy list and client portfolios in the second half of 2025. Mercado Libre faces unique challenges in applying global sustainability frameworks within Emerging Market infrastructure constraints. We engaged with the company twice in 2025.

Our aim was to understand Mercado Libre's approach to sustainability governance and its evolving climate strategy, particularly following the lapse of its previous SBTi commitment. Discussions centred on decarbonisation while scaling at pace, including energy sourcing, logistics emissions and the constraints of applying global climate frameworks within Emerging Markets.

One engagement focused on sustainability governance and climate strategy; a separate meeting with management assessed company culture and outstanding ESG questions.

Mercado Libre emphasised its commitment to credible, achievable targets rather than setting unrealistic goals. We welcomed the transparency around structural market barriers and the willingness to revisit climate targets as regional infrastructure matures. We will continue to monitor progress on climate commitments.

Throughout the past year it has been interesting to see how environmental and social considerations have become increasingly integral to strategic decision-making within companies we have spoken to and analysed. Factors once regarded as niche are increasingly central to mainstream financial analysis. Themes such as water stewardship, renewable energy and data centre resource intensity have moved from the fringes of responsible investing to the heart of capital allocation decisions.

Despite headlines about corporate retrenchment on sustainability commitments, companies across sectors continue to set ambitious environmental and social targets, embedding these into operational and strategic decisions. Political dynamics have added complexity, but corporate responses have been nuanced, with many firms continuing progress behind the scenes even where public commitments have been softened.

As long-term stewards of our clients' capital, we have consistently assessed environmental and social factors as material drivers of risk, return and value. The underlying strategic significance of responsible investment has only intensified.

ESCALATION ON SYSTEMIC RISKS

Where we do not feel that our concerns on systemic risks such as climate change, environmental stewardship or social matters are being addressed in an appropriate time frame by a company, we would ultimately disinvest. This represents the ultimate form of escalation.

Our approach to systemic risk management is reflected in our portfolio construction and investment decisions. By identifying and acting on systemic risks such as climate change early in our investment process, we seek to protect our clients' investments from unnecessary exposure to material risks while positioning them to benefit from the transition to a more sustainable economy.

INITIATIVES WITHIN JH&P

We outline below some of the work we undertake internally in response to some of the systemic issues identified and outlined above, beyond traditional stewardship activities.

COMMUNITY ENGAGEMENT

Alongside investing in our colleagues' personal development, every employee is encouraged to use five days of paid leave per year for volunteering work. This can be with our charity partners, detailed below, or charitable projects that are important to the individual. These five days and the purpose behind this policy is indicative of the culture JH&P encourages.

Our CSR Committee review and appoint our Corporate Charity Partners, where each appointment lasts for two years with the option to extend to three years. We currently have partnerships with two charities to offer volunteering, skill sharing and fundraising opportunities.

The Abbey Centre – a frontline charity and community hub based in South Westminster which aims to improve the quality of life for the local community by delivering holistic support, tackling poverty, isolation, poor mental wellbeing and physical health, as well as barriers to opportunity. JH&P's financial commitment and in-person support will be used, in part, to reestablish the after-school homework club, which is extremely impactful for young children.

Ebony Horse Club – the charity's mission is to use horses to raise the education, life skills, wellbeing and aspirations of young people from disadvantaged communities in south London. The charity welcomes up to 200 people each week, and combines equestrian activities with youth development, mentoring, and tailored support to equip young people with the skills, confidence, and resilience they need to thrive.

FURTHER CHARITY WORK

During 2025, JH&P donated £115,865 to charity in support of causes aligned with our values and our clients' charitable priorities.

Our charitable giving reflects the firm's broader commitment to contributing positively to the communities in which we operate. In addition to our Corporate Charity Partners, we support a range of organisations across education, social mobility, environmental conservation and health.

Alongside direct financial contributions, members of JH&P volunteer their time and expertise, serving as trustees and committee members for charitable organisations. Our engagement with GAIN (Girls Are INvestors), the EY Foundation Smart Futures programme and Sanctuary Graduates, as described under Disclosure B in Part 1 of this report, further demonstrates our commitment to creating opportunities and addressing inequality within the investment industry and beyond.

OUR OWN ENVIRONMENTAL FOOTPRINT MANAGEMENT

Building on the principle that you can't manage what you can't measure, our environmental impact work continues to centre on establishing a robust emissions baseline and clearly identifying where interventions will deliver the greatest effect.

In 2022, we began collaborating with Energise, an external sustainability consultant, to analyse our carbon footprint and collect more data about our suppliers. The initial phase of this project was discussed in our previous Stewardship Code Report. Between 2022 and 2024, our research enabled us to establish a baseline for both our own and our suppliers' carbon footprints.

Energise's first assessment confirmed our understanding as an 'asset-light' company: most of our emissions are scope 3, which fall outside our direct control. While we have greater influence over our direct emissions (scope 1) and energy purchases (scope 2), Energise emphasised the challenges in reducing scope 3 emissions, which make up 97.8% of our total footprint. Although our early approach focused on engaging directly with suppliers, we soon realised that the underlying data lacked enough detail at the supplier level to drive substantial change.

In response, we commissioned a second, more detailed review in 2025, enabling a more accurate view of our emissions profile. Using an enhanced methodology and granular supplier inputs, the refreshed analysis restated our 2022-24 footprint on a consistent basis and identified a 21% reduction in total emissions over that period, with 2024 emissions at 1,538.9tCO₂e.

The review confirmed that scope 3 continues to dominate our emissions profile and highlighted both improvements in data quality and remaining gaps in supplier reporting.

These strengthened insights now underpin our updated net zero strategy, informing scenario modelling, supplier engagement priorities, and the design of realistic emissions-reduction pathways. As we move forward, our focus is on intervening where we can be most effective, guided by the principle that defining the problem with precision is essential to delivering meaningful and measurable change.

PRINCIPLE 3 – ENGAGEMENT TO MAINTAIN OR ENHANCE VALUE

SELECTING AND PRIORITISING ENGAGEMENTS

As part of our fundamental investment research, we identify key ESG risks and opportunities for each company and sector. We then prioritise engagement based on the materiality of the issue, the scope for meaningful change, and our ability to influence outcomes either directly or through collaborative action.

Our prioritisation of engagement is a direct output of the analytical processes set out under Principle 1, where we describe how we assess each direct equity investment on both **what the company does** and **how it does it**. As disclosed there, every company on our buy list is categorised as Mitigating, Transitioning or Enabling on the basis of its underlying activities and end markets, and is then assessed against our proprietary 5-Point Sustainability Framework, which evaluates company quality, materiality and the credibility of management’s response across each of the five pillars in our framework.

These two outputs feed directly into how we select engagement targets and allocate engagement resource. The risk-based categorisation determines the broad weighting of our engagement activity at a portfolio level - we expect to dedicate more of our engagement effort to Mitigating and Transitioning companies, since these carry the highest level of unmanaged sustainability risk and are also the companies where engagement is most likely to drive a meaningful change in the credibility of the company’s plan. Enabling companies typically warrant lighter-touch engagement, focused on confirming that the underlying business model continues to support positive change.

The 5-Point Sustainability Framework then determines which specific issues we engage on with each company. Where the sustainability review identifies a high-materiality risk that is not yet matched by a credible plan or sufficient disclosure, that issue will be prioritised for engagement. Where MSCI alerts, CDP data or media monitoring identify a material change in a company’s ESG profile after investment, the Responsible Investment Committee will consider whether this should trigger a fresh round of engagement.

The combination of these inputs drives a clear hierarchy of: **where? on what?** and **with what intensity?** we engage, anchored in materiality and the prospects for meaningful change.

The resource-intensive nature of engagement means we must prioritise those instances where we believe change will be most impactful or where we deem the risks to be greatest. The importance of an issue to our investment thesis, the extent of our investment across JH&P and the likelihood of effecting change are key inputs into that judgement. The engagement examples that follow illustrate this prioritisation in practice.

PURPOSE OF ENGAGING

Our engagement activities are undertaken with clear objectives to enhance our understanding and to improve the long-term outcomes for our clients and other stakeholders. We engage with directly held companies to:

- Gather information to better understand their approach to ESG risks and opportunities material to their business
- Encourage improvement in their ESG practices and performance
- Influence their strategy on issues we believe material to long-term value creation
- Build stronger relationships with management teams to support our investment thesis

ENGAGEMENT METHODS AND STATISTICS

During 2025, we conducted 41 individual engagements across our portfolio, comprising 23 one-to-one meetings, 16 group meetings, and 2 email exchanges. These engagements covered a range of topics including climate strategy, water stewardship, remuneration, governance, supply chain sustainability, and biodiversity.

Our primary method of engagement is direct contact with company management through one-to-one meetings, conference calls, and written correspondence. Our Investment Committee regularly meets with companies to discuss a wide range of topics including strategy, financial performance, and ESG factors relevant to the business.

This focused approach allows our Portfolio Managers to know our underlying investments and management teams in depth, creating a strong environment for good long-term decision making and building relationships required for effective stewardship.

TYPES OF MEETING	
1-on-1 meetings	23
Group meetings	16
Email exchanges	2
Total number of individual engagements during 2025	41

ENGAGEMENT EXAMPLES AND PROGRESS

Our engagement activities are ongoing and evolve as our understanding of company issues develops and as companies respond to our questions and feedback. The following are examples of engagements across our portfolios in 2025:

NEXT PLC

Next plc is a major UK retailer. We have maintained an active governance dialogue with Next's senior management team over several years. As introduced under Principle 1, our engagement with Next in 2025 illustrates how multiple strands of stewardship activity, including proactive remuneration dialogue, controversy monitoring, and direct company access, can combine to inform both our investment thesis and our voting decisions.

In 2025, Next's Remuneration Committee proactively requested our views as investors, which we considered a positive reflection of the company's commitment to shareholder engagement. We wanted to assess the proposed Directors' Remuneration Policy, specifically the shift to using different metrics, the calibration of new performance hurdles, and the broader remuneration philosophy in the context of talent retention.

We met with the Remuneration Committee to discuss the proposals in depth. We also raised equal pay considerations and wider governance practices. We came away with a strengthened understanding of

the context shaping the remuneration redesign, notably that the immediate peer group was no longer directly comparable. The engagement reinforced our confidence that Next approaches remuneration with thoughtfulness and discipline.

In parallel, our engagement also touched on Next's ongoing equal pay claim, which had been brought to our attention via an MSCI controversy alert. The claim relates to a group of former and current retail store employees seeking pay parity with warehouse colleagues, with the case hinging on whether roles of assessed "equal value" must be paid equally even when performed in different markets and working environments.

An Employment Tribunal in August 2024 rejected claims of direct discrimination and all aspects relating to bonus pay, while also concluding that market forces did not justify certain other contractual differences, a legal point Next is appealing.

We followed this issue through direct engagement, and our understanding was further informed when a member of our team heard Lord Wolfson address the matter directly at the company's AGM, where he articulated clearly why the company believes the Tribunal's interpretation of "equal value" was misdirected. Having reviewed the detail of the case and Next's response, we have significant sympathy with the company's position and did not view the claim as a reason to alter our rating or escalate our engagement.

Taken together, these engagements, spanning remuneration policy, an MSCI-flagged controversy, and direct AGM access, fed directly into our voting decisions at the subsequent shareholder meeting, demonstrating our stewardship feedback loop in action. We will continue to engage on governance matters as the remuneration policy is implemented and the appeal progresses.

BROOKFIELD

Brookfield Corporation is a Canadian conglomerate that manages over \$1tn of assets through a majority stake in Brookfield Asset Management, complemented by a range of other business interests including infrastructure, renewable energy, and real estate.

Our objective was to assess Brookfield's approach to sustainability integration and responsible capital allocation across its diverse asset management operations. We were keen to understand the governance structure, decision-making hierarchy, and where ultimate accountability lies for target-setting and sustainability initiatives.

We conducted a dedicated sustainability meeting with Brookfield's sustainability team, who were forthcoming and helpful in explaining their approach to integrating ESG factors across investment platforms.

The engagement helped us understand the organisation and governance structure, and strengthened our confidence in Brookfield's commitment to responsible investment. We will continue to monitor their sustainability integration and engage as their approach evolves.

TJX

TJX is a leading off-price apparel and home goods retailer. Its unique purchasing model, based on opportunistic buying from a wide supplier base, raises specific questions about supply chain oversight.

Our objective was to understand the extent to which TJX can influence its suppliers to meet sustainability targets given its purchasing model.

We combined a physical store visit hosted by the CFO with subsequent ESG-focused calls, exploring the company's supply chain power dynamics and sustainability practices.

The engagement provided a clearer picture of the practical limits and opportunities for sustainability influence within TJX's supply chain model. We will continue to monitor progress on their targets.

RIO TINTO

Rio Tinto is a global mining and metals company with a significant social and environmental footprint. We have a long history of ESG-specific engagement with Rio Tinto. Following a downgrade in the company's MSCI ESG rating in 2025, we prioritised further engagement.

The purpose of our engagement was to understand the company's response to the identified weaknesses in workplace safety, governance and circular economy practices following the MSCI downgrade.

We engaged directly with senior management, including a Q&A with the CFO. Our discussions around worker safety centred on fatality risks at major projects, the effectiveness of training and capability building in complex operating environments, and the importance of transparency around conduct.

Rio Tinto acknowledged the seriousness of safety incidents and emphasised efforts to strengthen training, improve disclosure and address cultural shortcomings. We will continue to monitor Rio Tinto's progress closely, particularly on safety metrics and governance improvements, and plan to engage again in 2026.

Our engagements during the year have contributed to:

- Improved communication with management teams on ESG strategy and performance
- Better understanding of company approaches to material ESG issues
- Positive momentum on several issues including supply chain practices, governance, and sustainability disclosures
- Deepened relationships with portfolio companies which support our long-term investment thesis

ESCALATION

Where engagement at the management level does not result in satisfactory progress on material issues, we escalate through one or more of the following approaches:

- Raising concerns at company Board level or with the Board committee responsible for the relevant area
- Joining or supporting collaborative investor engagement initiatives focused on the specific issue
- Using our voting rights at company AGMs to signal concern or to support management change where appropriate
- In cases where we believe concerns are not being adequately addressed, divesting from the holding

Our escalation activities are designed to drive meaningful change on issues we believe material to long-term value. Where companies demonstrate responsiveness to our concerns and make progress on issues we have raised, we continue engagement. Where companies do not respond adequately, we reserve the right to divest.

The following is an example of an escalation with a company during 2025, additional examples are outlined in the case studies in Principle 5 involving our third-party funds.

AMPHENOL

Amphenol is a global leader in electronic connectors and sensors. We have engaged with Amphenol on climate-related governance over multiple years, building a sustained dialogue on emissions reduction and environmental disclosure. We have reported on our engagement with Amphenol in previous Stewardship Code Reports.

Our objective during this long-standing engagement has been to understand improvements in Amphenol's climate commitments and disclosures, consistent with our expectations for portfolio companies.

When Amphenol did not fully meet our stated climate policy expectations, we escalated our engagement actions by voting against the re-election of the Board Chair at the 2025 AGM, signalling the seriousness of our concerns through our voting rights.

Amphenol has since strengthened its climate disclosures and updated its targets. The company achieved its prior operational emissions-intensity goal early, reducing scope 1 and 2 greenhouse gas emissions by 34% in 2024 versus its 2021 baseline, exceeding its earlier 15% reduction target.

Notably, Amphenol established its first absolute operational emissions target and published a Climate Transition Plan with annual scope 1, 2 and 3 inventories, with third-party assurance to improve data credibility. The company also increased renewable energy targets to 50% by 2030 and set water reduction targets for its top 20 facilities.

We have since hosted Amphenol's management at our London offices for further discussions. We plan to engage again with them in early 2026 on wider environmental targets, building on the significant progress achieved.

PRINCIPLE 4 – EXERCISING RIGHTS AND RESPONSIBILITIES

VOTING

We maintain a comprehensive voting record which is available to clients and external parties. Our voting is undertaken in accordance with our Voting Policy which is available on our website, [here](#), and sets out our approach to voting on key governance and ESG matters. The policy was updated in February 2025 and February 2026 following changes to ISS' Benchmark Policies.

Our full 2025 voting record is available [here](#) on our website. A summary of our voting activity is also included in our Annual Voting Report, which is published [here](#) on the JH&P website.

OUR VOTING ACTIVITY

In 2025, we voted at 63 meetings, voting on 943 proposals. This represented 95% of proposals we were eligible to vote on.

In 44 of these meetings, we voted with management on all proposals.

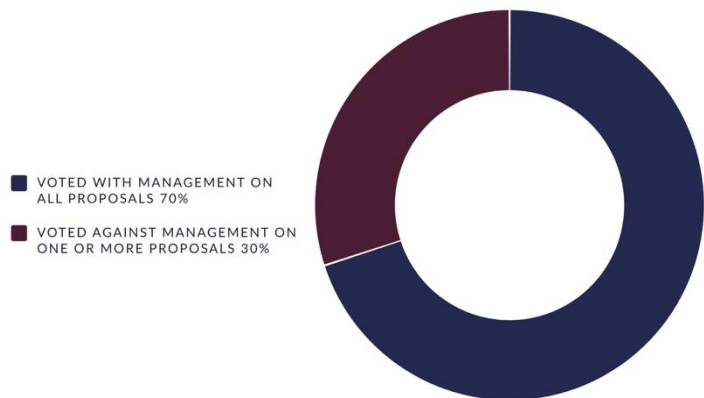
In 19 meetings we voted against management on one or more proposals.

We voted with management on 898 proposals (95%) and against management on 45 proposals (5%).

We voted on 57 shareholder proposals (6% of total proposals).

We vote all shares held in portfolio companies where it is practical and cost-effective to do so. We aim to vote on all company AGMs and any extraordinary general meetings (EGMs) where required.

MEETING OVERVIEW 2025



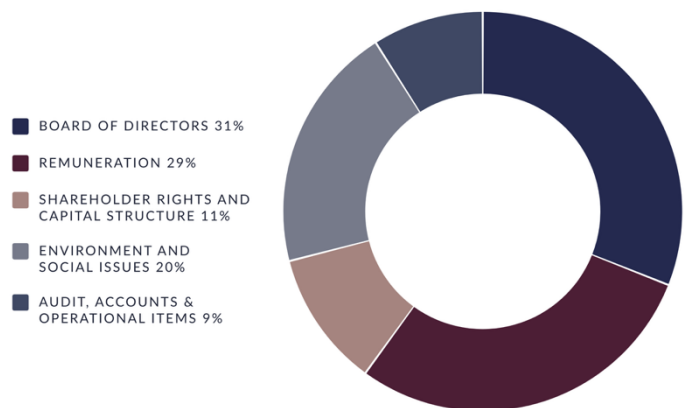
Number of proposals voted	943	
Number of proposals with management	898	95%
Number of proposals against management	45	5%
Number of votes on shareholder proposals	57	6%

VOTES AGAINST MANAGEMENT

This chart shows how we voted against management. We have broken down the proportion of votes to correspond with the five sections of our voting policy.

For the 2025 calendar year, we voted against management most frequently on director elections and compensation.

VOTES AGAINST MANAGEMENT



SIGNIFICANT VOTES

We vote according to our own internal standards and beliefs. The areas we vote on include:

- Board composition, independence and diversity
- Executive remuneration including bonus, LTIP and pension arrangements
- Dividend policy and capital returns
- Acquisitions and other material corporate actions
- Environmental and social matters
- Shareholder resolutions on environmental, social and other matters

JPMORGAN CHASE

JPMorgan Chase is the largest US bank. We regularly engage with their ESG Investor Relations team, as discussed earlier in this report.

We assessed a shareholder proposal in 2025 calling for an independent Board Chair and CEO/Chair separation, weighing this against our voting guidelines and our understanding of the company's governance structure.

We voted against ISS's recommendation to support the proposal. While we generally support CEO/Chair separation as per our voting guidelines, we noted that separation is already in motion for when Jamie Dimon steps down as CEO. The proposal would have accelerated the process and stipulated that no former CEO could act as Chair.

After careful analysis, we concluded it was in shareholders' best interests to support Jamie Dimon as Chair given the current governance trajectory. Our vote reflected independent analysis informed by ongoing dialogue. We continue to speak with members of JPMorgan's ESG IR team and will monitor the governance transition as it unfolds.

VOTING AS ESCALATION

Our voting activities are linked to our broader engagement strategy. Where engagement has not achieved satisfactory outcomes, we may use our voting rights to escalate our concerns. This may include voting against management or Board recommendations where we believe this action will drive positive change or improve governance.

The Amphenol example below exemplifies this approach and builds upon the previous case study.

AMPHENOL

Amphenol is a holding with which we have had multi-year engagement on climate governance (see Principle 3 for the full case study).

To escalate concerns about Amphenol's climate commitments, we voted against the re-election of the Board Chair, consistent with our voting guidelines on climate policy expectations.

The vote signalled our expectations, and we continued our conversations with the company as explained earlier in this report.

For each significant vote, we provide a rationale to clients when requested, explaining our voting decision and the reasoning behind it.

CONFLICTS OF INTEREST AND VOTING

We manage conflicts of interest in our voting activities as outlined under Disclosure D in Part 1 of this Report. As described there, we have procedures to identify when voting decisions may involve a conflict of interest, particularly when clients or their connected parties have roles at portfolio companies. In such cases, voting decisions are reviewed and approved by the Responsible Investment Committee. During 2025, there were 4 instances where we voted against ISS recommendations, and none involved conflicts of interest.

We will vote against management and contrary to ISS recommendations where we deem it appropriate, exercising our independent judgement based on our own investment criteria and principles.

PRINCIPLE 5 – SELECTION AND OVERSIGHT OF EXTERNAL MANAGERS

We expect managers of third-party funds we use to share our commitment to investing responsibly.

Our analysis of third-party funds includes both an assessment of the parent company's approach alongside an analysis of how ESG factors are incorporated into each underlying fund strategy. We believe a commitment towards responsible investing at a parent company level is indicative of strong internal governance and culture and leads to a more rigorous integration of ESG considerations in underlying fund strategies.

A qualitative approach is undertaken to assess the relevance of certain considerations to a fund's investment strategy. We recognise that different asset classes require a different approach. Within our equity and bond fund universe this is more easily applicable than for some of our diversifying strategies funds, where the ESG factors may be less relevant to the trading of currencies and interest rate futures. A flexible qualitative assessment is necessary to reflect the range of fund strategies and asset classes covered by third-party funds.

We meet the managers of all funds we invest in as part of our initial due diligence and post-investment on a regular basis. Discussion on material changes to the fund's responsible investment approach forms an important part of this ongoing engagement, along with other key issues such as ensuring our clients benefit from fair and transparent charging structures. Where possible, we strive to leverage the benefits of our scale for our clients through negotiation of lower fees.

MANAGER SELECTION PROCESS

We assess third-party fund managers' stewardship capabilities during the selection process; this includes their responsible investment process, ESG integration, stewardship approach, engagement practices, and voting. These areas are then monitored during our holding period, as described below.

An important stage of our initial assessment involves a qualitative and quantitative scoresheet completed by the Investment Committee following a meeting with the manager. The post-meeting scoresheet includes a specific question addressing the fund manager's approach to ESG, which every attendee is required to answer: "*How credible is the approach and commitment to ESG in the context of the strategy?*"

The answer and rating contribute to whether a fund reaches a threshold score for the Investment Committee to take it forward for further analysis.

Prior to progressing to the investment stage, we require each fund to complete a due diligence questionnaire (DDQ), which is reviewed by the Funds Team. Our formal due diligence process includes a specific analysis of each fund's approach to ESG. The DDQ requires questions to be answered at both firm and individual fund level, covering the integration of ESG into the fund process, the level of engagement from a fund manager, whether positive or negative screens are implemented, the measurement of emissions and certain risks posed by portfolio holdings, and PRI signatory status and assessment ratings. It also allows us to judge the commitment of an institution to responsible investment.

The DDQ for each fund on the approved list is sent to the relevant fund house for completion on an annual basis. Where an initial DDQ has been completed, an updated document is required annually to provide the most current information and highlight material changes since it was last completed. A DDQ log is administered, recording when each was last completed, which individual is responsible for reviewing it, and

details of any concerns queried with the fund house along with the action taken. The Funds Team discuss and address any concerns raised in the weekly Funds Team meeting.

INTEGRATION INTO MANDATES

We expect all the fund managers with whom we invest to be signatories to the UN PRI in line with our own commitment. In exceptional circumstances we will consider funds where the manager is not a signatory to the PRI but require a clear understanding as to why this is the case; we would expect funds in these circumstances to have an intention and clear plan to become signatories.

HOW WE MONITOR THIRD-PARTY MANAGERS AND COMMUNICATE OUR STEWARDSHIP EXPECTATIONS

Our approach is to hold external managers to the same standards we set for ourselves. At the firm level, we assess whether the company is a signatory to the PRI, as outlined above, and whether they have a firm-wide responsible investment or stewardship policy. At the fund level, we examine whether ESG considerations are integrated into the investment process. Similar to our direct equity voting process, we also have certain expectations for third-party fund managers, particularly investment trusts, where we are able to vote.

We communicate and reinforce these expectations through several channels. Our annual DDQ updates cover responsible investing integration and fund-level implementation. We also engage with fund managers directly in meetings to discuss ESG practices and monitor their stewardship activities.

Where there is any concern with a fund, and most importantly where there has been a breach relating to their stewardship approach, the lead analyst on the fund engages with the fund house to understand the process followed and reports back to the RIC.

HERMES ASIA EX-JAPAN EQUITY FUND

The Hermes Asia ex-Japan Equity Fund is held within JH&P's internal Harrier Fund range and across client portfolios. We have a long-standing relationship with Hermes as a fund house.

Anhui Conch Cement Co. is China's largest cement manufacturer. It is a holding within the Asia ex-Japan fund, representing approximately 0.1% of our Harrier Global Equities Fund but accounts for a disproportionate share (approximately 20%) of our fund's scope 1 and 2 financed emissions, owing to the carbon intensity of cement production.

The genesis of this engagement dates back to mid-2025 when we began gathering TCFD-aligned metrics for our Harrier Funds and noticed Anhui Conch's outsized contribution to financed emissions.

We wanted to better understand how the Hermes Asia ex-Japan Equity Fund team addresses financed emissions from carbon-intensive holdings and what direct engagement has been undertaken with Anhui Conch.

We engaged with the fund's lead portfolio manager, Jonathan Pines, and Hermes EOS (their stewardship arm). We learned that Anhui Conch is investing in CCUS (carbon capture, utilisation and storage) technology, aligning with China's 2060 carbon neutrality goal. Hermes EOS completed a site visit to Anhui Conch in 2024, observing significant clean-tech investment. The company has committed

to carbon neutrality for its Jiangsu, Zhejiang and Shanghai subsidiaries by 2050, though we queried what percentage of their approximately 50 production plants this target covers.

We also reviewed the fund's broader stewardship practices and engagement reporting, including Hermes EOS's well-known corporate governance work in South Korea, which contributed to Commercial Act reforms during the year.

The engagement provided confidence that Hermes is actively monitoring and engaging with carbon-intensive holdings. We have scheduled a follow-up EOS meeting in 2026 to assess progress on climate target coverage and Anhui Conch's trajectory towards China's 2035 interim emissions reduction targets. We will continue to hold the fund manager accountable for managing financed emissions within the portfolio.

SPECIALIST GLOBAL TECHNOLOGY FUND

We invested in a specialist global technology fund within our Harrier Fund range and across client portfolios until early 2026. Our Investment Committee hosted the fund managers for a regular update in 2025, which revealed some governance concerns warranting escalation.

Our aim was to address these issues; specifically relating to unclear research ownership, insufficient depth of knowledge on key portfolio holdings, and an engagement style with underlying companies that we considered insufficiently constructive.

We escalated our approach by placing the fund on "caution" status, restricting further capital allocation. We held further meetings with the fund managers and conducted our review over several months. The concerns were documented and reported to the wider Investment Committee for ongoing monitoring.

Our confidence in the fund's stewardship capability was weakened materially. We felt the governance concerns were not adequately addressed and therefore we elected to divest our holdings. This case demonstrates our willingness to hold external managers to the same standards we set for our own direct investments.

We also use meetings and conferences with third-party fund managers to complement our existing research and analysis into a certain theme or understand an industry holistically.

Examples from 2025 include meetings with the managers of the Clean Edge Smart Grid Infrastructure Fund and Water Fund, and the Galvanize Global Equities Fund, both of which we assessed as potential ideas for client portfolios. Beyond the investment opportunity itself, these meetings provided a valuable opportunity for learning from individuals at the vanguard of the responsible investment industry and international environmental advocacy.

The discussions deepened our understanding of emerging clean technology themes, the evolving regulatory landscape for climate-related investments, and best practice in sustainability-focused fund management. These insights complement our own research and help inform our broader approach to integrating environmental considerations across our fund selection process.

Looking ahead

We are making improvements to enhance our engagements with third-party funds; this includes additional requests for stewardship information to allow for more detailed monitoring throughout the year. This data provides us with opportunities for collaboration and knowledge sharing where managers of our third-party funds have had direct engagements with companies we also own, or are actively researching.

We look forward to reporting on our progress in future reports.

PRINCIPLE 6 – MONITORING AND HOLDING TO ACCOUNT SERVICE PROVIDERS

We use a range of external data and service providers to support our stewardship and responsible investment activities. Our principal providers and how we use them are as follows:

MSCI

MSCI provides ESG ratings, data alerts, and portfolio-level analytics across our client base. We use MSCI data for negative screening, tracking material ESG rating changes, and identifying controversies. Importantly, we are not led by MSCI's scoring methodology; we use their output as one resource among several to inform our own proprietary 5-Point Sustainability Framework. We also use MSCI's reporting capabilities and we are increasingly exploring their third-party fund data and metrics for use within our own analysis and monitoring.

ISS

ISS provides proxy voting research and recommendations on governance and environmental/social matters at portfolio companies. We use ISS as a resource and guide but retain full independence in our voting decisions. ISS also facilitates our proxy voting execution and record-keeping.

CDP

CDP provides qualitative environmental data and facilitates engagement on climate, water and nature themes. CDP's disclosure platform allows us to assess company-level environmental performance using a standardised framework, and its Non-Disclosure Campaign enables us to request information from companies that have not yet reported through CDP.

Other sources

We also draw on data and insights from the World Benchmark Alliance, Forest500, CA100+, Style Analytics (for fund analysis), SBTi, PRI, Bloomberg, and many others. These supplementary resources broaden the evidence base for our investment and engagement decisions.

DATA PROVIDERS

Our data and research providers have been chosen to be additive to our investment process. In recent years this has included an increased focus and spend on data providers to support the integration of explicit analysis of ESG risks and opportunities into our primary research process.

These data providers have also been used to enhance our stewardship processes, particularly helping to monitor and quantify ESG-related policies and progress at our underlying investment companies and funds.

The data provided in relation to ESG research and stewardship is continuously reviewed by the RIC with a focus on assessing the quality, accuracy and relevance of the data provided. Ease of interaction with the data provider platform as well as ease of integration with JH&P's systems is also assessed.

For MSCI, we actively monitor data quality by cross-referencing MSCI ratings and alerts against our own primary research findings. Where we identify discrepancies between MSCI's assessment and our own analysis, this informs our engagement priorities and helps us maintain an independent view. We regularly provide feedback to MSCI on data quality issues and have established a productive working relationship with their client service team.

All our data and research providers are also included in our annual Research Provider Review in December each year. This involves canvassing the full Investment Committee for their view on the quality and relevance of all external research providers that we have partnered with over the prior 12-month period. Each Investment Committee member provides a quantitative ranking of providers against similar peers and qualitative discussion on their strengths, weaknesses and overall importance to our investment process.

Our approach to data service provider monitoring is consistent with our broader philosophy of independent analysis. We recognise the inherent limitations of any single data source and therefore maintain multiple overlapping sources of ESG information. This allows us to triangulate assessments and maintain the independence that we believe is essential to effective stewardship.

PROXY ADVISERS

We use research from ISS to support our voting activities and to provide background analysis on governance matters at portfolio companies. ISS provides analysis and recommendations on voting matters which we consider as part of our voting decision-making process.

However, we are not bound by ISS recommendations and frequently vote according to our own internal standards and beliefs. We may vote against management and contrary to ISS where we deem it appropriate. During 2025, there were 4 instances where we voted against ISS recommendations.

We monitor the quality of ISS research and recommendations on an annual basis to ensure that their analysis is appropriate and aligned with our investment principles. We regularly engage with ISS to discuss specific voting matters and their recommendations, and we provide feedback on our voting decisions where they differ from ISS guidance. We undertake our own research to form a judgement on the appropriate course of action and do not outsource our voting decision-making to external service providers. We also monitor MSCI data quality and utility for our ESG analysis.

During 2025, ISS conducted a governance survey of its clients, to which we contributed. The survey sought views on key governance topics including Board chair independence, policies on director overboarding, and the evolving landscape around diversity, equity and inclusion at Board level. We use our responses to these surveys, alongside responses and feedback from other investors, to help shape our voting policy and to ensure that our views are reflected in future ISS recommendations where possible.

CUSTODIAN DUE DILIGENCE

We also conduct due diligence on our custodian, CACEIS, to ensure that the safekeeping and administration of client assets meets our standards. Our oversight of CACEIS includes regular review of their operational resilience, regulatory standing and service quality. We engage with CACEIS on an ongoing basis and conduct formal due diligence annually to satisfy ourselves that they continue to provide a secure and reliable custody service for our clients' assets.

Regulatory information

This document is a Financial Promotion for UK regulatory purposes and is directed only at investors resident in the United Kingdom.

This document does not constitute investment advice or a recommendation.

Past performance is not a reliable indicator of future performance. The value of investments, and the income from them, may go down as well as up, so you could get back less than you invested.

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