



## **Environmental, Social & Governance Statement**

**Voting and engagement report**

**Q1 2026**

**1 January – 30 March 2026**

## Executive summary

**Responsible Investment (“RI”) is a subject that the East Sussex Pension Fund’s (ESPF or the Fund) Pension Committee (“the Committee”) take seriously. Environmental, social and governance factors are considered throughout the Committee’s decision-making process.**

**This report sets out voting and engagement activity carried out during the last quarter.**

## Investment strategy

Generating sustainable long term investment returns is the Fund’s primary objective and it does so by investing across a range of asset classes such as equities, bonds, property, and infrastructure using both active and passive management styles. Asset allocation is expected to be the Fund’s main driver of returns and risk over the long term. The Fund’s [Investment Strategy Statement](#) describes the high-level principles governing the investment decision-making and management of the Fund.

The Fund believes that Responsible Investment (RI) supports the purpose of the Scheme – the provision of retirement income for individuals. RI is an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions to better manage risk and generate sustainable, long-term returns.

## Investment managers

The Fund mostly uses actively managed strategies, with the Committee seeking to achieve a balance between cost and return. Active and passive managers have a duty to act as responsible investors and are expected to act as good stewards of the companies in which they invest or to which they lend.

All the Fund’s managers are required to report their engagement activity regularly and exercise the voting rights relating to the Fund’s investments as far as practicable. This report summarises those activities.

## Policies and approach

The Fund has policies detailing our Investment Strategy and approach to Responsible Investment. These policies are [available on the Fund’s website](#).

## Collaboration

The Fund believes that engagement is the most effective approach to addressing ESG concerns and driving long-lasting change. To be effective, engagement is best undertaken in conjunction with other parties. Participation in collaborative engagements enables the Fund to increase its ability to influence positive action among the companies in which it invests. The combined scale of investors’ assets makes it harder for companies to dismiss their concerns and can accelerate meaningful changes to business practices, such as the transition to a sustainable pathway.

## East Sussex Pension Fund Engagement

### East Sussex Pension Fund Commitments

As an advocate of responsible investment, the Fund is a member of the following organisations:

- Institutional Investors Group on Climate Change (IIGCC)
- Local authority Pension Fund Forum (LAPFF)
- Principles for Responsible Investment (PRI)
- Pensions for Purpose
- UK Sustainable Investment and Finance Association (UKSIF)

In addition, the Fund has committed to reporting under the following initiatives:

- Financial Reporting Council (FRC) Stewardship Code 2020
- Taskforce on Climate Related Financial Disclosure (TCFD).

In addition to being a member of these groups, the Fund demonstrates its commitment to RI through active representation in:

- Membership of the IIGCC Corporate Programme Advisory Group

The Funds' Investment Managers will also have a number of memberships which are shown in the report below.

## LAPFF Engagement Activity

All [engagement activities completed in Q1 2026 through LAPFF are available here](#)

### Sample engagement updates

#### Electric Vehicles – General Motors

**Objective:** LAPFF engages automotive manufacturers to assess how they are managing the human rights and supply chain risks associated with a transition to electric vehicles. In particular, engagements focus on critical mineral sourcing, supply chain traceability, and the extent to which companies apply robust human rights due diligence in regions where risks are more present, and supply chains more opaque. LAPFF seeks greater clarity on governance, oversight, and implementation, including how risks linked to battery production and raw material extraction are identified, mitigated, and remediated, and whether disclosure is sufficient to demonstrate that electrification plans are being delivered responsibly.

**Achieved:** LAPFF has been engaging General Motors (GM) on these issues since 2022. In a notable move, the company did not publish a standalone sustainability report in its most recent reporting period. Whilst a more fragmented approach to reporting has been taken by GM, it has made notable progress in mapping its supply chain, providing better visibility throughout its supply chains. It has also been consulting NGOs and other civil society organisations to better understand how to address both systemic and localised human rights issues, designed to complement a series of other tools that GM is using such as social auditing, capacity building, and training with suppliers.

**In progress:** LAPFF will continue to expand its engagement across automotive manufacturers and relevant value chain actors to assess how human rights risks associated with electric vehicle production are being identified and managed.

[Further information on the Funds activities and polices can be found on our investment page.](#)

## Engagement with policy Makers

### IIGCC

As a member of IIGCC, policy engagement undertaken in the quarter includes:

#### **UK Climate and nature policy in 2026: Signals, Structures and implications for investors February 2026**

2026 will be an important year for the UK's climate and sustainable finance agenda, as key policy foundations transition from design to implementation. This insight outlines the key developments expected this year and their implications for investors, with progress anticipated across six core areas of a credible transition.

These six areas are shaped by three overarching themes that define the UK's approach in 2026. First, the UK is continuing to build a strong institutional framework to support the flow of finance into the green economy. Second, regulators are advancing the rollout of robust disclosure standards to improve the quality, consistency and usefulness of corporate information. Third, climate and industrial policy are becoming more closely integrated, enabling a more strategic approach to real economy decarbonisation.

[Read the full article here.](#)

### LAPFF

LAPFF has nominated 20 of its largest holdings for consideration in the next AI Company Data Initiative (AICDI) disclosure cycle. The AICDI, led by the Thomson Reuters Foundation in partnership with UNESCO, is building a global dataset on corporate AI adoption to improve transparency and support responsible AI governance. Through its voluntary disclosure process, the initiative helps investors better understand how companies are using AI and the associated risks and opportunities for people, society, human rights and governance. The companies which LAPFF included in its target list, including Microsoft, Amazon, Netflix, Meta platforms and Mastercard, may be invited to participate directly and will also feature in the wider dataset, which is designed to support more informed stewardship and investment decision making. The initiative is expanding its coverage from 3,000 issuers in 2025 to 5,000 this year, reflecting growing investor interest in better data on corporate AI adoption.

This step reinforces LAPFF's commitment to advancing high quality workforce data across global markets and strengthening stewardship through evidence-based insights.

### **United Nations Principles of Responsible Investment (UNPRI)**

As a member of UNPRI, policy engagement undertaken in the quarter includes:

### UK

#### **PRI responds to the publication of final versions of UK Sustainability Reporting Standards: UK SRS S1 and UK SRS S2**

The UK Department for Business and Trade (DBT) has published final UK Sustainability Reporting Standards (SRS), which draw on the ISSB's general requirements (IFRS S1) and climate (IFRS S2) standards.

The PRI welcomes the UK's decision to align closely with the ISSB standards. As a major international financial centre and G7 economy, this is an important step towards more comparable, decision-useful information for investors across markets and more efficient capital allocation worldwide.

However, the PRI has concerns about UK-specific provisions that make reporting on Scope 3 greenhouse gas emissions and non-climate sustainability-related risks and opportunities voluntary, and on a “comply or explain” basis per the FCA’s ongoing consultation.

**The PRI welcomes the FCA’s proposal to require listed companies to report against the ISSB-aligned UK Sustainability Reporting Standards (UK SRS).**

The UK Financial Conduct Authority (FCA) is consulting on proposed rules to align sustainability reporting listing requirements with the UK versions of the ISSB standards (IFRS S1 and IFRS S2) – the UK Sustainability Reporting Standards (UK SRS).

As an important financial centre, the UK’s near-full convergence with the ISSB standards will help to provide investors with access to decision-useful sustainability information. This will help investors to allocate capital efficiently, accounting for sustainability-related financial risks and opportunities and addressing sustainability goals, while improving UK companies’ access to global capital.

## Europe

The PRI has submitted a response to the European Commission’s public consultation setting out an integrated framework for climate resilience and risk management, to support EU countries in taking measures to increasing climate adaptation needs.

The consultation aims to fill knowledge and evidence gaps in areas such as climate risk assessments and disclosure, regulatory frameworks and standards, governance and oversight, incentives and enforcement, financial frameworks, cross-border cooperation and consistency, sector policy commitments and contributions, stakeholder engagement and participation, emerging socio-economic trends, and technological innovation.



## Global Investor Statement

To tackle the climate crisis, seven major groups have collaborated to pull together and elevate the best investor guidance on tackling the climate crisis. Together, these groups have formed the Investor Agenda, a common leadership agenda on the climate crisis that is focused on accelerating investor action for a net-zero emissions economy. Since creation, the Fund and half of its fund managers have signed the statement.

[More details around the Global Investor Statement can be found here](#)

## Activities and training undertaken directly by the Fund.

The Fund undertook the following activities during the first quarter of 2026.

### Fund manager meetings

During the quarter, the Fund met with the following fund managers to discuss areas of concern. Priority areas discussed at these meetings included:

- Fund Performance (including risks to the fund and inflationary pressures)
- ESG (including management overview and follow ups to prior period engagements)
- Voting (what happens where votes contradict LAPFF guidelines, and challenge around votes taken)
- Others if applicable (e.g., fossil fuels, carbon intensity, portfolio emissions, and biodiversity)

|                  |                |
|------------------|----------------|
| 1. WHEB          | Equity         |
| 2. Storebrand    | Equity         |
| 3. Wellington    | Equity         |
| 4. Harbourvest   | Private Equity |
| 5. Adam's Street | Private Equity |
| 6. Atlas         | Infrastructure |
| 7. Pantheon      | Infrastructure |

### Industry meetings, events, and training

- UBS Investment Seminar (22<sup>nd</sup> January)
- LAPFF Strategic Investment Forum (2<sup>nd</sup> – 4<sup>th</sup> February)
- PRI Academy Training (19<sup>th</sup> February)
- Border to Coast Cultural Integration Day (2<sup>nd</sup> March)
- UKSIF Ownership Day (3<sup>rd</sup> March)
- UK Pensions Investment Conference (10<sup>th</sup> – 12<sup>th</sup> March)
- LGC Investment Seminar (18<sup>th</sup> – 20<sup>th</sup> March)

## Third party supplier commitments

Alongside its investment managers, the Fund encourages its third-party providers to participate in relevant responsible investment activities and industry groups and to consider these matters. Examples of supplier commitments and activities are provided below.

### **Barnett Waddingham (Fund Actuary)**

As the Fund's actuary, Barnett Waddingham is responsible for performing high-level calculations on the Fund's behalf, covering areas such as the valuation and IAS 19 reports, and analysing the financial costs of risk and uncertainty.

[Barnett Waddingham – Sustainability page available here](#)

Barnett Waddingham is a founding signatory of the Net Zero Investment Consultants Initiative and is a member of the Pensions Climate Risk Industry Group (PCRIG). They also have a net zero pledge, with details on all the above being found under the attached link. BW have been net zero on scope 1 and 2 emissions since 2021.

### **Hymans Robertson (Investment Advisory Service)**

Hymans Robertson is responsible for providing the Fund with investment advice and reporting on its current investments and strategy. It took over from the Fund's previous investment adviser, Isio, at the start of 2025.

Responsible Investment Updates can be found here: [Hymans News & Views](#)

### **Northern Trust (Custodian)**

Northern Trust is responsible for safeguarding the Fund's cash and invested assets.

[Northern Trust - Social Responsibility page - available here](#)

[Northern Trust - Latest Corporate Social responsibility report – available here](#)

Northern trust has made the commitment to be net-zero carbon by 2050  
See "Selected memberships and initiatives" page for external engagement.

### **Eversheds (Lawyers)**

Eversheds provides the Fund with legal advice on all Fund matters.

[Eversheds' sustainability page – available here](#)

Eversheds has committed to reducing its Scope 1, 2 and 3 emissions by 50% by 2030. In addition, it recently became a founding member of the Net Zero Lawyers Alliance and was the first global law firm to be accredited by the Good Business Charter. The charter comprises ten commitments, including environmental responsibility and diversity and inclusion.

## **LGPS Pooling**

East Sussex is part of the ACCESS pool, and all investment managers through which the Fund invests via ACCESS must comply with the ACCESS voting guidelines.

Examples of what should be voted for and against below:

#### **Vote for:**

- Adoption of Report and Accounts unless Auditors Report is qualified.
- The annual report should include a separate section that describes the work of the Audit Committee.
- All directors should be subject to regular re-election, at least every three years.
- Long term incentive schemes should be based on challenging performance targets over a consecutive period of at least three years. Therefore, performance targets for minimum rewards should be based on at least producing median performance for the industry or average market returns.
- All political donations should be fully disclosed and justified. Any political donations should be subject to a separate vote.
- The company should publish a formal statement setting out its approach to dealing with environmental issues.

#### **Vote against:**

- The Report and Accounts are not considered to present a true and fair view of the company's financial position.
- The re-appointment of the auditors where the fees for non-audit work are material and exceed the fee for audit work.
- The election of an executive director, who is not subject to re-election by rotation at least every three years.
- Election of a chairman where the candidate combines the roles of Chairman and Chief Executive, unless there are exceptional circumstances e.g., a temporary arrangement, pending separation of the posts.
- Proposed dividend and special dividends which are not covered by earnings and the company offers no explanation of policy.
- Annual report, where significant environmental risks in relation to the company's activities are not disclosed or reported on or reporting is considered poor or inadequate.

## **Manager Engagement and Voting Activity**

### **Longview (Active listed equity) Part of Access Pool**

#### **Fund Manager collaborate engagement groups - links on page 42**

- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)

- UK Stewardship Code
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

## Voting

| Number of Voteable meetings | Resolutions voted | Votes for | Votes against | Abstained/ Withheld/ Did not vote | With management | Against management |
|-----------------------------|-------------------|-----------|---------------|-----------------------------------|-----------------|--------------------|
| 3                           | 58                | 31        | 27            | 0                                 | 35              | 23                 |

**Note:** All data displayed is fund specific, not at fund manager level

## Engagement

### [Longview Partners - Responsible Investment & Engagement Policy](#)

Longview currently sends tailored ESG reports to ESPF each quarter. An anonymised Q1 2026 engagement example provided to the Fund is set out below:

#### Company A

In March 2026, Longview held a conference call with Company A to discuss a range of topics relating to the company's strategy, competitive positioning, decarbonisation strategy and climate targets. The engagement summary below focuses on the climate-related aspects of our discussion. We also sought to understand the implications of regulatory uncertainty for Company A's clean hydrogen and broader energy transition-related projects.

We asked Company A to summarise its decarbonisation plan, including its targets, timeline and the main levers expected to drive emissions reductions. The company explained that the energy transition had been a central pillar of its Advance strategic plan and that this would remain an important focus going forward, with a new strategic plan expected in due course. Under the Advance plan, the company stated that it had achieved its emissions inflection point and reduced Scope 1 and Scope 2 emissions by 30% in 2025 relative to 2020. Its next target is a 33% reduction by 2035 against the same baseline.

The company outlined three main levers for delivering these reductions: asset management, energy sourcing and carbon capture and storage. Asset management includes measures such as electrifying carbon-intensive operations, while energy sourcing involves securing lower-carbon electricity, including through power purchase agreements. As an example, the company highlighted its steam-driven air separation units in China, where steam is currently generated from coal. They explained that electrifying these units and shifting to grid electricity could significantly reduce the associated emissions. For harder-to-abate processes, particularly hydrogen production from steam methane reformers, the company sees carbon capture and storage as a key solution. In this context, Company A highlighted its proprietary Cryocap technology, with a first large-scale deployment expected at its Rotterdam site in 2027.

We also sought to understand Company A's approach to clean hydrogen, the regulatory uncertainty affecting these projects, and the extent to which the current project backlog is exposed to subsidy and regulatory risk. Company A explained that it has a diversified backlog comprising both energy transition and clean hydrogen projects. The company noted that these opportunities are concentrated primarily in Europe, where regulatory support has been more conducive to project development, and highlighted examples of low-carbon hydrogen projects in the Netherlands and France that have progressed under favourable regulatory frameworks to increase clean hydrogen capacity for sulphur removal.

At the same time, the company emphasised that it remains cautious in committing capital, given the uncertain pace at which regulation, subsidies and customer demand are evolving, and that it does not view itself as overexposed to clean hydrogen. Nevertheless, the company said it remains convinced that the energy transition will continue, although the timing of further progress will depend on how quickly regulators, subsidy regimes and customers move forward.

Overall, Longview's engagement provided further insight into Company A's decarbonisation strategy, the credibility of its climate targets, and the measures it is taking to deliver emissions reductions. The discussion also helped us better understand the company's approach to clean hydrogen and energy transition-related projects in an environment shaped by regulatory uncertainty. We will continue to monitor the company's progress against climate targets and the implementation of their decarbonisation initiatives.

## Newton (Diversified Growth Fund /Absolute Return) Part of Access Pool

Fund Manager collaborate engagement groups - links on page 42.

- Climate action 100+
- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- UN Global Compact
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

### Voting

| Number of Voteable meetings | Resolutions voted | Votes for | Votes against | Abstained/ Withheld/ Did not vote | With management | Against management |
|-----------------------------|-------------------|-----------|---------------|-----------------------------------|-----------------|--------------------|
| 3                           | 35                | 32        | 3             | 0                                 | 32              | 3                  |

**Note:** All data displayed is fund specific, not at fund manager level

### Engagement

[Newton – Responsible investment page - available here](#)

[Newton – Quarterly Reports - available here](#)

### Example ESG Engagement

#### Barclays

**Engagement Objectives:** Strengthen disclosures about the key metrics used in its client transition framework, and Strengthen disclosures about its engagement process with clients on their transition

**Materiality to Investment:** Enhanced disclosure would help investors better understand how the bank assesses client transition readiness and how the framework is applied in practice, particularly in high emitting sectors where transition risk is more material.

**Context:** The bank said the client transition framework has expanded significantly in 2025 and is now central to transition assessment, financing decisions, and client engagement. Framework outcomes increasingly influence pricing, limits, and capital allocation, while lower scoring clients are subject to more structured escalation, clearer expectations, and targeted support to advance transition planning.

**Engagement Outcome:** The engagement remains on track. We continue to view the bank's overall approach to climate transition as credible and note ongoing improvement in disclosure, reflecting our feedback. We will continue to encourage clearer reporting on the client transition framework, including its metrics, methodology, client engagement process, and how outcomes inform decision making.

## Ruffer (Diversified Growth Fund /Absolute Return) Part of Access Pool

Fund Manager collaborate engagement groups - links on page 42.

- Climate action 100+
- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Sustainability Accounting Standards Board (SASB)
- Transition Pathway Initiative
- United Nations Principles for Responsible Investment (UNPRI)

### Voting

| Number of Voteable meetings | Resolutions voted | Votes for | Votes against | Abstained/ Withheld/ Did not vote | With management | Against management |
|-----------------------------|-------------------|-----------|---------------|-----------------------------------|-----------------|--------------------|
| 22                          | 310               | 238       | 53            | 19                                | 241             | 69                 |

**Note:** All data displayed is fund specific, not at fund manager level

[Ruffer – Quarterly Reports available here](#)

### Engagement – from Quarterly Responsible Investment Report

#### Micron Technology

**OBJECTIVE:** to understand how the company is setting its sustainability targets and the resources it has to meet these targets.

We focused on the company's approach to climate-related target setting, particularly on resource intensity and its ability to meet future commitments. Micron outlined its existing interim targets for Scope 1 and Scope 2 emissions, including an absolute Scope 1 reduction goal of 20%. It also said it has already met its 2025 milestone for its renewable energy target, as will be formally reported in the 2025 sustainability report. The company noted it held a sustainability summit in Singapore in 2026 and is now engaging with stakeholders to review and establish new targets for 2035. In setting these goals, Micron considers a broad range of external reference points, including peers, competitors, local conditions, customers and investor expectations, while maintaining a near-term focus on its 2025 objectives.

When asked about areas where new targets may be warranted, Micron highlighted energy availability as its primary concern. The company expects demand for electricity to outpace supply in several operating regions, making energy strategy a central priority. It is working closely with local governments and actively exploring emerging energy solutions to address this challenge.

On Scope 3 upstream emissions, Micron confirmed it is undertaking extensive supplier engagement and is encouraging suppliers to adopt ESG targets aligned with its own. However, it does not currently have a public Scope 3 commitment. The company indicated that setting a Scope 3 target remains an internal discussion, with data accuracy and supply chain readiness cited as key constraints. Micron emphasised its intention to ensure suppliers share similar sustainability ambitions before formalising any commitments.

In response to our suggestion of setting a target related to the proportion of suppliers with science-based targets, Micron noted it is prioritising areas of the supply chain where it can exert the greatest influence. Its new supplier selection process already gives preference to suppliers with Net Zero commitments, and existing suppliers undergo an annual review that incorporates sustainability considerations.

**OBJECTIVE:** to gauge willingness to give preferential rates to suppliers that can help it develop sustainability capabilities.

Micron said it has committed \$1 billion to sustainability initiatives over 2021-2028 and has already deployed more than half of this allocation. This funding supports projects involving key suppliers, with a focus on partnerships that deliver operational and environmental improvements across the value chain.

Micron indicated it is willing to provide preferential support to suppliers where this can accelerate progress, particularly in areas such as emissions reduction and water efficiency. The company has established programmes that set expectations for suppliers to reduce emissions, water usage and other environmental impacts by defined amounts, reinforcing its broader objective of driving sustainability performance throughout its supply chain.

**OBJECTIVE:** probe how the company tracks how improved employee engagement aligns with financial and extra-financial metrics.

Micron described several initiatives aimed at strengthening employee engagement and reducing voluntary turnover, which is included as a key performance indicator in the executive annual incentive plan. The company highlighted the role of its ten Employee Resource Groups in fostering inclusion and building a supportive culture. Competitive compensation, regular employee surveys and a strong emphasis on understanding feedback were also cited as important contributors to retention. Leadership said people are a core part of the business and that creating a productive and rewarding employee experience is central to its human capital strategy.

We also explored Micron's employee satisfaction (ESAT) score of around 80 and the steps being taken to improve it further. With a workforce of more than 50,000 employees and rapid growth, Micron tracks both the ESAT score and participation rates, encourages open expression of views and supplements surveys with interactive focus groups to capture more nuanced insights. While ESAT is only one metric, Micron benchmarks its performance against peer groups and noted its score is slightly above the professional industry benchmark. The company continues to monitor emerging themes, including employee perspectives on AI, as part of its broader engagement and human-capital management efforts.

**OBJECTIVE:** encourage the use and public disclosure of a MACC.

In querying how the company integrates sustainability considerations into its broader strategic and financial decision making – particularly in relation to sustainability reporting – Micron explained its approach is evolving as it expands its operations. The company noted it is increasingly focused on developing products that use less energy than previous technology nodes. In many cases, these products also consume less energy than competing alternatives. The company views this as a core element of its sustainability strategy and a differentiator in the market.

Micron highlighted several initiatives within its fabrication facilities that demonstrate this approach. In Idaho, for example, new fabs incorporate waste heat recovery systems that capture heat generated during

production and use it to warm facilities, reducing reliance on gas boilers. For existing fabs, Micron continues to allocate budget to drive incremental efficiency improvements and reaffirmed it is not stepping back from its sustainability commitments.

The company said it already uses a MACC internally to assess and prioritise sustainability projects, and each project must present a clear business case. However, Micron does not currently publish this analysis externally. The discussion prompted the company to reflect on whether greater transparency in this area may be valuable.

When asked whether its conviction in sustainability is driven by cost-effective footprint reduction or by customer expectations, Micron said both factors play a role. The company believes its sustainability initiatives strengthen its competitive position, noting customers increasingly recognise and value these efforts. Micron also said many new employees are deeply committed to the company's sustainability goals, reinforcing the internal cultural importance of this work. The company stated that customers are willing to pay more for products that reflect strong sustainability performance, indicating that these initiatives contribute to pricing power and commercial resilience.

## **NEXT STEPS**

We will continue to monitor the company's disclosure and await the outcome of its internal cost benefit analysis on publishing a MACC.

## Baillie Gifford Global Alpha Paris Aligned (Active listed equity) Part of the Access Pool

Fund Manager collaborate engagement groups - links on page 42.

- FRC Stewardship Code 2020
- Climate Action 100+
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)

### Voting

| Number of Voteable meetings | Resolutions voted | Votes for | Votes against | Abstained/ Withheld/ Did not vote | With management | Against management |
|-----------------------------|-------------------|-----------|---------------|-----------------------------------|-----------------|--------------------|
| 8                           | 132               | 127       | 5             | 0                                 | 107             | 25                 |

**Note:** All data displayed is fund specific, not at fund manager level

**Resolutions voted on in quarter.**

[Baillie Gifford – Governance and sustainability \(LGPS\) – available here](#)

**Baillie Gifford voting policies and guidelines**

[Baillie Gifford - Stewardship & Climate Documents – available here](#)

### Engagement

[Baillie Gifford - ESG information available here](#)

[Baillie Gifford - Quarterly reports available here](#)

Examples of engagement in quarter (as per Quarterly report)

### Coinbase Global, Inc

**Objective:** We spoke with Coinbase's chief financial officer (CFO), Alesia Haas, to understand what still needs to change for on-chain finance (financial services built on blockchains) to be used by everyday people, not just early enthusiasts, and which parts of the ecosystem Coinbase thinks will be most important to own or control as the market matures and fewer, bigger players emerge.

**Discussion:** Alesia Haas believes mainstream on-chain finance to be a sequencing challenge: the industry first needs cheaper, easier blockchains (shared ledgers) that can support real commerce, then regulated stablecoins (digital dollars) that function like programmable dollars, and finally, clearer market-structure and

tax rules so institutions can move workflows on-chain. She noted that Europe has a regulatory head start, with the United States in close pursuit, which could be a key growth unlock once finalised.

On control points, she highlighted developer momentum on Base (Coinbase's blockchain for apps) and argued Coinbase should keep the stack open by sharing economics with builders, for example, by paying developers a portion of sequencer fees. Haas expects the ecosystem to standardise as large institutions converge on a smaller set of connected rails, which should improve developer tools and user experience. She also referenced work with Cloudflare and Google on agent payment authorisation as an example of the practical standards the ecosystem still needs. Finally, she positioned on-chain dollars as a wedge into improved compliance and automated financial flows, tying that to Coinbase's 'Everything Exchange' ambition and the possibility that wallets and AI agents increase transaction frequency across assets and payments.

Outcome: The conversation improved our understanding of what is required to unlock mainstream on-chain adoption and of Coinbase's intended control points. We still need to consider what standardisation will look like in practice, but Coinbase sits within the leading group and could benefit if tokenised finance scales.

## Netflix, Inc.

Objective: We engaged with Netflix's lead independent director and compensation committee chair to discuss the company's recent attempt to acquire Warner Bros. Discovery. Our aim was to understand how the board assessed the merits of the deal, its interactions with management and why it ultimately chose to step away from the transaction.

Discussion: We started by focusing on board governance and decision-making. Directors described a months-long process with early visibility of management's intentions, frequent debate, and scrutiny of strategic rationale, valuation and execution risk. The scale of the proposed transaction tested Netflix's "build versus buy" discipline, with the board framing Warner Bros. Discovery as an offensive, value-add opportunity rather than a prerequisite for long-term growth, which reinforced the importance of maintaining financial discipline.

We then discussed what the acquisition might have added and how the decision to withdraw was reached. The board saw clear appeal in the depth of Warner Bros. Discovery's intellectual property and studio capability, but it did not view this as sufficient to match Paramount Skydance's higher offer and more shareholder-friendly package. Directors described management and the board as aligned and highly analytical in stepping away once the economics moved beyond Netflix's valuation parameters, while remaining confident in the company's organic growth runway and existing platform strengths.

Outcome: We were reassured by the rigour of Netflix's board oversight and the discipline shown in withdrawing when valuation and deal terms moved beyond what it considered acceptable. This matters because it signals mature capital allocation and a governance culture willing to challenge attractive opportunities without compromising long-term returns. We will monitor how the competitive landscape evolves following Warner Bros. Discovery's eventual ownership outcome, and we will look to engage with Netflix to track its long-term strategy and continued ability to create shareholder value.

## Storebrand Global ESG Plus (Passive listed equity)

Fund Manager collaborate engagement groups - links on page 42.

- Carbon Disclosure Project
- Climate action 100+
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

## Voting

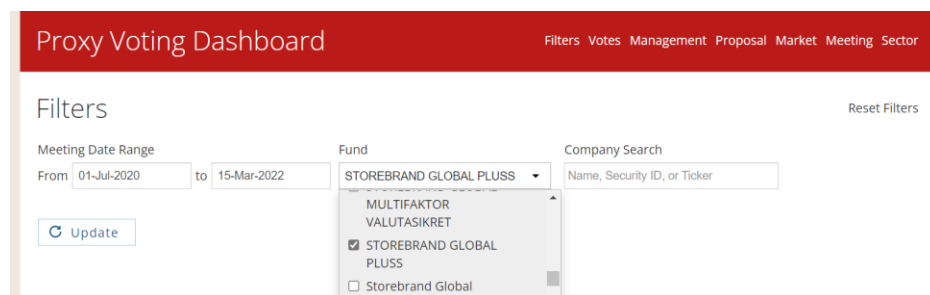
| Number of Voteable meetings | Resolutions voted | Votes for | Votes against | Abstained/ Withheld/ Did not vote | With management | Against management |
|-----------------------------|-------------------|-----------|---------------|-----------------------------------|-----------------|--------------------|
| 69                          | 882               | 832       | 46            | 4                                 | 841             | 41                 |

**Note:** All data displayed is fund specific, not at fund manager level

**Resolutions voted on in the quarter:**

[Storebrand – Proxy voting dashboard – available here](#)

Note: Please select 'Storebrand Global Plus' in the 'Fund' dropdown box



**Storebrand voting guidelines and policies:**

[Storebrand – Proxy voting policy – available here](#)

## Engagement

[Storebrand – Sustainability page available here](#)

[Storebrand – Quarterly Reports available here](#)

## Engagement Example: Dyno Noble

In 2008, Incitec Pivot was excluded from our investment universe due to activities involving phosphate extraction in Western Sahara without obtaining the consent of the Saharawi people.

### Illegal occupation and lack of consent

Since 1975, Morocco has occupied about two-thirds of Western Sahara, a UN-designated non-self-governing territory, following Spain's withdrawal. Considered an illegal military occupation under international law, Morocco manages this territory as its "Southern Provinces," engaging in natural resource extraction (phosphates/sand) and population transfer. However, the Polisario Front, a politico-military organization striving to end Moroccan control of the former Spanish territory of Western Sahara, seeks independence for the Saharawi people of the territory. Today, approximately 200 000 Saharawis — the People of Western Sahara — live in refugee camps in the vicinity of the Algerian town Tindouf, near the Western Sahara border. The UN, the International Court of Justice, and the Court of Justice of the EU recognize the Saharawi people's right to self-determination; that Western Sahara is not part of Morocco; and that sovereignty remains with the Saharawi people. The Saharawi people's right to manage its own resources has also been repeatedly underlined by The United Nations, The UN Human Rights Council and the Court of Justice of the EU. Norway agrees to the view of the CJEU: carrying out business in Western Sahara without first obtaining the consent of the people of the territory, violates international law.

### Norwegian authorities advise against involvement

The Norwegian Ministry of Foreign Affairs urges Norwegian enterprises not to engage in Western Sahara, due to the applicable international law. Norway does not recognize Morocco's sovereignty claims over the territory. Western Sahara's status as a non-self-governing territory gives the Saharawi people what international law refers to as 'permanent sovereignty' over the territory and its resources. This follows from Article 73 of the UN Charter Chapter XI: "Members of the United Nations which have or assume responsibilities for the administration of territories whose peoples have not yet attained a full measure of self-government recognize the principle that the interests of the inhabitants of these territories are paramount, and accept as a sacred trust the obligation to promote to the utmost within the system of international peace and security established by the present Charter, the well-being of the inhabitants of these territories."

### Operations ceased

Incitec Pivot became Dyno Nobel in April 2025. Dyno Nobel ceased operations in Western Sahara in May 2025 and will no longer be sourcing phosphate from Western Sahara. Following our assessment we have included Dyno Nobel in our investment universe, which means that our portfolio managers may consider investing in the company

[Read more in the quarterly report available here](#)

## Wellington (Active listed equity – impact fund)

Fund Manager collaborate engagement groups - links on page 42.

- FRC Stewardship Code 2020
- Climate Action 100+
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)

### Voting

| Number of Voteable meetings | Resolutions voted | Votes for | Votes against | Abstained/ Withheld/ Did not vote | With management | Against management |
|-----------------------------|-------------------|-----------|---------------|-----------------------------------|-----------------|--------------------|
| 9                           | 87                | 84        | 2             | 1                                 | 85              | 2                  |

**Note:** All data displayed is fund specific, not at fund manager level

### Resolutions voted on in the quarter:

[Wellington – Global proxy voting disclosure – available here](#)

### Wellington voting guidelines and policies:

[Wellington – Global proxy voting policy – available here](#)

[Wellington Sustainability related investment Disclosures – available here](#)

## Fund Overview

### Engagement

During the quarter, Wellington engaged with the CEO of Kingspan (Resource Efficiency, Ireland) at its Boston office. The discussion increased Wellington's confidence in the company's medium- to long-term outlook. Management is focused on driving revenue growth across both core insulation panels and newer platforms while delivering incremental margin expansion and improved free cash flow. Wellington was particularly encouraged by growing US penetration and the strength of the ADVANSYS data centre business—an area where progress continues to exceed internal expectations and, in its view, is not fully reflected in the valuation. Wellington continues to recognise that Kingspan's strategy aligns with decarbonisation trends through energy-efficient building systems, while its continued investment in innovation, manufacturing efficiency and integrated solutions supports both sustainability outcomes and long-term value creation.

## WHEB (Active listed Equity – Impact fund)

Fund Manager collaborate engagement groups - links on page 42.

- Access to Medicines Foundation
- B Corps
- British Standards Institute
- Carbon Disclosure Project
- Chemical Footprint Project
- Climate action 100+
- EUROSIF
- FRC Stewardship Code 2020
- Future Fit Business
- Global Impact Investing Network
- Impact Management Project
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Net Zero Carbon 10
- The Big Exchange
- UKSIF
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

### Additional Information

WHEB were awarded Best ESG Global Equity Fund 2023 by MainStreet Partners, an ESG advisory and portfolio analytics firm

WHEB utilizes analysis tools to inform investors of the beneficial aspects of their investments. As of 31st March 2026, East Sussex Pension Fund has £205.8m invested in WHEB, which has resulted in:

99,607 MWh of renewable energy generated (equivalent to 8,644 European households)  
 147,559 tons of CO2 emissions avoided (equivalent to the average yearly electricity use of 73,676 houses)  
 247m litres of water use avoided (equivalent to the water used by 3.9m showers)

### Voting

| Number of Voteable meetings | Resolutions voted | Votes for | Votes against | Abstained/ Withheld/ Did not vote | With management | Against management |
|-----------------------------|-------------------|-----------|---------------|-----------------------------------|-----------------|--------------------|
| 17                          | 176               | 146       | 27            | 3                                 | 147             | 29                 |

**Note:** All data displayed is fund specific, not at fund manager level

### Resolutions voted on in the quarter:

[WHEB – detailed voting record – available here](#)

### WHEB voting guidelines and policies:

[WHEB – Stewardship and Engagement policy – available here](#)

[WHEB – RI policy – available here](#)

## Engagement

[WHEB – Quarterly Reports available here](#)

[WHEB – Impact report available here](#)

## Engagement milestones:

| Company                            | Topic                             | High-level objective                                                    | Company objective                                                                                                                                                                                                                                                          | Method                |
|------------------------------------|-----------------------------------|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| American Water Works Company, Inc. | Carbon - Net Zero Target/Strategy | Limiting material negative social or environmental impacts              | Improve climate strategy credibility including clearer alignment with best practice. Improve disclosure and integration of climate considerations into capital allocation and operations, particularly linking decarbonisation and adaptation to core business activities. | Meeting/Video Meeting |
| Croda International Plc            | Product Impact                    | Delivery, acceleration and enhancement of the company's positive impact | Disclose carbon avoided data generated through product sales                                                                                                                                                                                                               | Meeting/Video Meeting |

Complete list of milestones can be found in the quarterly report found [here](#)

## Atlas (Infrastructure listed equity)

Fund Manager collaborate engagement groups - links on page 42.

- FRC Stewardship Code 2020
- Climate Action 100+
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

## Voting

| Number of Voteable meetings | Resolutions voted | Votes for | Votes against | Abstained/ Withheld/ Did not vote | With management | Against management |
|-----------------------------|-------------------|-----------|---------------|-----------------------------------|-----------------|--------------------|
| 0                           | 0                 | 0         | 0             | 0                                 | 0               | 0                  |

**Note:** All data displayed is fund specific, not at fund manager level

### Resolutions voted on in the quarter:

Atlas does not provide underlying quarterly voting information or their voting policy on their website. If required, this information should be requested directly from the fund manager.

[Atlas – Environmental, social and governance – available here](#)

### Atlas voting guidelines and policies:

[Atlas – Responsible investment policy – available here](#)

## Engagement

[Atlas - ESG Page available here](#)

### Engagement Example taken from annual report:

#### SES

Closed October 2025

#### Background:

SES is one of the highest returning assets in the universe. Even after accounting for the use of \$3bn of C-band proceed for acquisition of Intelsat with conservative revenue growth assumption, DCF of the combined business is well over the market implied EV. In addition, the FCC has started the process around clearing of additional C-band which represents upside currently not captured by the ATLAS model nor by the market suggesting high degree of uncertainty over the use of these cash flow and potential proceeds.

### **Engagement objectives:**

The main objectives of the engagement are: 1) To communicate clearly to the board the interests of ATLAS as a material shareholder (progressive dividend and cash returns rather than growth) 2) To encourage the board to adopt a more ambitious dividend policy, in line with the operating cashflows of the business 3) To encourage the board to adopt management incentives that are tied to cashflow returns as opposed to headline growth numbers

### **Engagement outcomes:**

The OBBBA identified the upper C-band spectrum (first 100Mhz) for priority clearing (to be auctioned in the next 2 years) and granted/reinstated auction authority to the FCC. This provided some clarity around the minimum quantum and rough timeline to clearing. If we apply the same valuation to the second C band spectrum clearing, the estimated proceed from the sale would be eur1.6bn for SESG ATLAS has been working closely with SESG with the goal of ensuring capital discipline is maintained and at least a majority of the potential C-band proceeds are returned to shareholders. ATLAS has put forward a non-binding shareholder proposal to a similar effect to be voted on at the AGM (3rd April). This has received management endorsement. SESG has agreed to undertake a review of the current Board composition and most recently (26 Sept) has appointed Joseph Cohen (an ATLAS endorsed candidate with capital market experience) to its Board, ahead of the target 2026 AGM deadline We understand that the board will be creating a new capital spending review sub committee which will include the new director - Joe Cohen - and this will help scrutinize future capex and M&A commitments. This is a further move by the board in response to the engagement from ATLAS.

### **Investment impact / next steps:**

We have identified reinvestment risk as the most material risk for the SES investment case in the next 3 years. However, this risk has been partially mitigated by commitment from the company and endorsement from the Board to increase annual base dividend and to return at least a majority of future exceptional cashflow to shareholders. Our model assumes SESG acquires Intelsat and maintains dividend of eur0.5/share until end of 2034. We assign 50% probability of C-band proceeds being received in 2030 (valued eur800m pre tax), of which 50% is returned back to investors. We assume excess cash is reinvested at sub WACC return post 2030 (0.85x/EV/IC).

## UBS Osmosis Resource Efficient Core Equity (ex- Fossil Fuels) (Passive listed Equity) Part of the Access Pool

Fund Manager collaborate engagement groups - links on page 42.

- Carbon Disclosure Project
- Climate action 100+
- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

### Voting

| Number of Voteable meetings | Resolutions voted | Votes for | Votes against | Abstained/ Withheld/ Did not vote | With management | Against management |
|-----------------------------|-------------------|-----------|---------------|-----------------------------------|-----------------|--------------------|
| 66                          | 960               | 859       | 96            | 4                                 | 876             | 84                 |

**\*I vote made was date related**

**Note:** All data displayed is fund specific, not at fund manager level

**Resolutions voted on in the quarter:**

[UBS – voting record – available here](#)

UBS Osmosis Achieved Environmental fund of the year 2021 for their listed equity portfolio.



### Engagement

[UBS Sustainability page available here](#)

[UBS Annual Report available here](#)

### Microsoft:

In 2025, artificial intelligence emerged as a key shareholder point of interest, with Microsoft being the recipient of multiple proposals on this issue. As You Sow and co-filers submitted a shareholder proposal requesting Microsoft to publish a report analysing the climate and financial risks arising from providing AI tools to facilitate oil and gas development and production.

In their supporting statement, the proponents acknowledge Microsoft's climate commitments but argue that the company remains a key provider of advanced technologies that enable new fossil fuel development. They argued that this creates material reputational, legal, and human capital risks, citing reported employee resignations in protest and concerns about greenwashing, given Microsoft's ambitious emissions reduction

targets alongside its continued support for fossil fuel expansion. In response, Microsoft's board opposed the proposal, stating that the requested report falls outside the scope of established financial and climate risk reporting standards and would not provide additional value to shareholders. Osmosis voted in favour of this resolution, as while Microsoft has made meaningful progress in managing its own operational emissions, shareholders would benefit from greater transparency regarding how the company assesses and manages the climate, reputational, and financial risks associated with the use of its advanced AI in carbon-intensive sectors such as oil and gas.

## UBS Infrastructure Fund

Fund Manager collaborate engagement groups - links on page 42.

- Carbon Disclosure Project
- Climate action 100+
- FRC Stewardship Code 2020
- Institutional Investors Group on Climate Change (IIGCC)
- Net Zero Asset Managers Initiative
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

## Engagement

[UBS Sustainability page available here](#)

[UBS Annual Report available here](#)

See previous engagement section from UBS

## CBRE (Property)

Fund Manager collaborate engagement groups - links on page 42.

- United Nations Principles for Responsible Investment (UNPRI)
- Institutional Investors Group on Climate Change (IIGCC)
- Sustainability Accounting Standards Board (SASB)

### Engagement

[CBRE - Sustainability page available here](#)

Engagement Example: Industrial Property Investment Fund

### Challenge

The IPIF portfolio is larger and highly diversified, with exposure to 1,523 units across 126 estates (data as of December 2025). As such, ensuring that the portfolio remains high quality and future-proofed from an ESG perspective is a continuous engagement point of CBRE IM Indirect, and also a focus that is evidently shared by the fund manager through their asset management initiatives.

### Solution

At one of IPIF's multi-let industrial estates in East London, three vacant units presented a risk of income loss, but they also presented an opportunity to improve environmental performance and future-proof the entire terrace. The units' previous specifications no longer met modern occupier standards or increasing EPC and carbon requirements. By integrating sustainability into the refurbishment of these three vacant units, asset quality can be elevated while also setting a stronger rental benchmark for the wider estate.

### Result and next step

The refurbished units are now among the highest quality industrial stock in the local market, demonstrating strong leasing performance. This approach successfully future-proofs the asset against regulatory changes and drives value creation. Key achievements: EPC A+ rating, net zero carbon in operation, a unit let at £24 per sq ft (25% above pre-works ERV), and a second unit under offer at £25 per sq ft, establishing a higher rental tone.

## Infracapital (Infrastructure unlisted equity)

Fund Manager collaborate engagement groups - links on page 42.

- Carbon Disclosure Project
- Climate action 100+
- Climate-wise Disclosures
- Financial Reporting Council
- ILPA Diversity in Action Initiative
- Institutional Investors Group on Climate Change (IIGCC)
- Investors Forum
- UK Sustainable Finance and Investment Association

## Engagement

[Infracapital - Responsible Investment approach including ESG engagement available here](#)

## Responsible Investment Update taken from the Q1 2026 Management Report

During the quarter, the team continued to scale infrastructure aligned with the energy transition and essential services across the portfolio. Activity focused on expanding electrification infrastructure, enabling renewable energy integration and strengthening sustainable transport networks.

In transport electrification, GRIDSERVE continued to expand its UK charging network, adding new ultra-rapid charging capacity along key motorway and strategic road corridors. This rollout is increasingly focused not only on passenger vehicles but also on heavy goods transport, where charging infrastructure remains a key barrier to decarbonisation. The platform's growth reflects a maturing market in which reliability, utilisation and network coverage are becoming as important as footprint expansion. Within rail freight, GB Railfreight progressed the introduction of Class 99 bi-modal locomotives, which can operate on both electrified and non-electrified sections of the UK rail network. These locomotives provide a pathway to reduce reliance on diesel and lower emissions intensity across freight operations while maintaining operational flexibility. This represents a pragmatic step towards rail decarbonisation in a network where electrification is not yet complete.

## Pantheon (Infrastructure unlisted equity)

**Fund Manager collaborate engagement groups - links on page 42.**

- Initiative Climate International (iCI)
- RepRisk
- Sustainability Accounting Standards Board (SASB)
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)
- Global Investor Statement

### Engagement

[Pantheon - ESG Page available here](#)

[Pantheon - ESG Reports available here](#)

Pantheon do not produce quarterly engagement reports; however, they do have a strict ESG Monitoring process both in securing investments and afterwards, including maintaining a log of ESG issues that are not dependent on themselves finding the issue, Customized monitoring on portfolio companies to track adverse ESG publicity, and utilization and provision of ESG metrics.

Engagement update from pantheon:

Following our 2025 annual GP Sustainability Survey, Pantheon requested and held an engagement call with a US-based infrastructure manager in March 2026. The call covered Pantheon's scoring feedback and priorities around climate maturity and decarbonisation progress:

**Priority 1 – Climate Maturity:** Pantheon provided feedback that the manager scored strongly across all categories while lagging behind peers in Climate Maturity. The manager acknowledged the feedback around climate which is consistent with other LPs. They confirmed plans to make progress on climate maturity this cycle, including integrating climate considerations into due diligence processes and producing a portfolio heatmap.

**Priority 2 – Decarbonisation:** Pantheon also discussed the topics around decarbonisation, particularly for one asset that was a top emitter on the Pantheon platform. The manager highlighted ongoing progress at the company-level such as expanding its geothermal capacity and building out battery storage.

**Priority 3 – GHG Data:** The manager continues to make progress around its approach to emissions reporting, such as working with a third-party consultant to support data collection obligations across the portfolio. Pantheon encouraged continued focus on data coverage and quality as a strong foundation for future progress on climate maturity scoring.

## IFM Infrastructure Fund

Fund Manager collaborate engagement groups - links on page 42.

- United Nations Principles for Responsible Investment (UNPRI)
- Institutional Investors Group on Climate Change (IIGCC)
- Climate action 100+
- Global Real Estate Sustainability Benchmark (GRESB)
- Financial Reporting Council
- Net Zero Asset Managers Initiative

### Engagement

[Sustainability Reports available here](#)

**Engagement Example:** Veolia Energia Polska

**Topic:** Environment - Climate change

**Rationale:** IFM is targeting Net Zero across all asset classes, including GIF by 2050.

IFM engages with our assets through our active management approach, either at the Board level via our Board seats, or through frequent direct interactions with management.

**What have IFM done:** Through our active management, Veolia Energia Polska has committed to transitioning away from coal, and in doing so, seeks to support Poland's transition towards a cleaner energy mix.

Veolia Energia Polska's strategy sees an estimated 40% reduction in tonnes of CO<sub>2</sub>e by 2030. The strategy focuses on future-proofing energy generation assets for use with lower emissions fuels, while increasing output to support a lower coal energy mix.

**Outcomes & Next Steps:** Phase I decarbonisation is progressing well, with construction underway on the €400 million gas-fired CHP plant in Łódź to replace the existing coal facility; civil works are ahead of schedule.

**Engagement Example:** Aqualia

**Topic:** General Sustainability and Environmental

**Rationale:** Our Infrastructure team has a strong track record of working closely with investee companies to drive and continuously improve sustainability initiatives.

IFM engages with our assets through our active management approach, either at the Board level via our Board seats, or through frequent direct interactions with management.

**What have IFM done:** Aqualia successfully completed the audit process of the 2025 Corporate Sustainability Report, which is publicly available via this link:

<https://www.aqualia.com/documents/d/aqualia-es/2025-sustainability-report-pdf>

The Carbon Disclosure Project ("CDP") has endorsed Aqualia's environmental strategy with a 'B' rating.

**Outcomes & Next Steps:** In 2025, Aqualia reported 65.3%, 77.6% and 61.0% of EU Taxonomy-aligned revenues, opex and capex respectively. The EU Taxonomy is a regulation tool designed to guide investments

towards sustainable projects. This implies that the specified proportion of Aqualia's 2025 revenues, opex and capex comply with the ESG criteria set by the EU Taxonomy regulations to be deemed sustainable.

CDP applies a scoring methodology ranging from 'A' (highest) to 'D-' (lowest).

## M&G (Fixed Income) Part of the Access Pool

**Fund Manager collaborate engagement groups - links on page 42.**

- Carbon Disclosure Project
- Climate action 100+
- Climate-wise Disclosures
- Diversity in Action Initiative
- Financial Reporting Council
- Institutional Investors Group on Climate Change
- Investors Forum
- UK Sustainable Finance and Investment Association
- Net Zero Asset Managers Initiative

### Engagement

[M&G - Sustainability page available here](#)

[M&G - Responsible Investment & Reports available here](#)

### Engagement Example – Ørsted

**Meeting Outcome** – We met with Danish offshore wind specialist Ørsted to ensure the company remained on track in the path to its 2030 nature positive targets (including working through its framework and developing metrics), to revisit our previous request concerning the publication of overall avoided emissions, which the company had completed, and to request that this number was published annually going forward.

In terms of avoided emissions, in 2025 we requested that the company returned to reporting the overall avoided emissions of its energy generation, as it had changed its reporting to only include generation funded by green bonds. Having run through our reasoning behind this, the company agreed to take our request away, and we were pleased to see that it has now returned to reporting its overall generation, as well as a separate number for green bond funded, and agreed to publish both numbers annually going forward.

In terms of the biodiversity, Ørsted is already making clear, practical progress in implementing its biodiversity framework at a project level, despite the long timeframe between framework development and formal targets. Several European projects are trialling the first five steps of the eight-step framework\* to test feasibility, with a strong focus on early-stage, site-specific risk assessment and monitoring. These risk assessments are primarily desk-based, using location-specific biodiversity databases and buffer zones, and are designed to identify no-go risks early in the project lifecycle—including cases where projects have been abandoned due to the presence of endangered species. Monitoring approaches are deliberately designed to be “plug-and-play” to limit extensive fieldwork, while still allowing projects to track relevant biodiversity features using emerging technologies such as AI-based bird tracking and underwater cameras. As projects advance, Ørsted is beginning to model lifetime biodiversity impacts and consider appropriate Nature Positive Initiative (NPI) actions.

In parallel, Ørsted is progressing more gradually on biodiversity metrics, which have not yet been standardised across all assets. The company is actively collaborating with industry partners to help shape comparable, cross-industry metrics, with an initial set expected around 2027. Progress so far has focused on pilots, including terrestrial NPI metric trials in the UK and US and early-stage freshwater and marine pilots, which have highlighted significant data gaps—particularly for marine infrastructure where SBTN methodologies are still under development. In the interim, Ørsted is exploring whether phased or project-level metrics (such as species-specific measures, hectares restored, or biodiversity enhancement actions) could be deployed ahead of full nature-positive metrics. Again, the company aims to be ready to adopt broadly aligned nature metrics by 2027 while continuing to influence emerging frameworks through pilots and partnerships, and remains engaged in ongoing dialogue on progress.

#### **Meeting Objectives:**

- Given the potential negative biodiversity impacts of offshore wind, to ensure that Danish offshore wind specialist Ørsted was advancing its approach to biodiversity - given its nature positive by 2030 target.
- To discuss with Danish offshore wind specialist Ørsted the reasoning behind a large reduction in its disclosed avoided emissions, and to request that the company returns to reporting the overall avoided emissions of its energy generation.

**Next Steps:** Overall, we were very pleased with the progress Ørsted is making, and will meet for further discussion on the topic at the beginning of 2027, if not earlier.

## BlueBay (Total Return Credit) Part of the Access Pool

Fund Manager collaborate engagement groups - links on page 42.

- Climate action 100+
- Global Impact Investing Network
- IFRS Sustainability Alliance
- Responsible Investment Association
- UK Stewardship Code
- United Nations Principles for Responsible Investment (UNPRI)

### Engagement

[BlueBay Responsible Investment and Climate Change policies available here](#)

#### BlueBay views and engagement: Axian Telecom Holding & Management PLC

**Summary:** Axian Telecom is a pan-African telecommunications group providing mobile, fixed, digital infrastructure, and mobile financial services across multiple African markets.

A call with EMIA TMT working group took place to discuss sustainability progress and climate strategy.

**Objectives:** The BlueBay team engaged collaboratively with the EMIA TMT working group to cover all questions asked on the TMT climate questionnaire.

**Dialogue Progression:** A meeting with Axian Telecom's sustainability leadership team, including Head of CSR, International Corporate Manager and Impact and Sustainability Manager entailed a detailed technical deep-dive following comprehensive presentation covering all TMT climate questionnaire topics. The dialogue revealed sophisticated understanding of regional challenges, with candid acknowledgment that emissions appear "non-negligible compared to peers" due to high-carbon electricity grids in operational countries and significant Scope 3 transport emissions from Asian imports, while addressing practical constraints including frequent power outages in Madagascar necessitating diesel backup units and complex handset collection challenges due to limited waste management policies and informal resale markets. The engagement showcased advanced planning capabilities through granular climate risk assessment incorporating geospatial data and financial impact modelling for physical risks (cyclones, floods, droughts), comprehensive emissions mapping covering 97% of operations with SBTi validation (1.5°C for Scope 1&2, <2°C for Scope 3), and detailed renewable energy strategy targeting 42% absolute decline by 2030 with 50% achievement via tower solarization complemented by wind and biofuel solutions.

The discussion evolved into problem-solving around methodological challenges, including engagement with GSMA for mobile credit emissions methodology development, exploration of affordable eco-friendly handset options and refurbishment programs, and supplier engagement targeting 80% of top suppliers by 2028 despite data collection difficulties with numerous small vendors. The dialogue demonstrated institutional commitment through management compensation linkage to climate KPIs (including 2% Scope 1&2 decline targets), expected Climate Transition Plan completion by end-2025, and ongoing board integration of climate risks and opportunities, while acknowledging backloaded target achievement concentrated in 2028-2030 period with emissions growth expected to stabilize in 2025, reflecting transparent, technically grounded engagement on operational climate transition challenges and opportunities in emerging market telecommunications.

**Outcome:** The EMIA TMT working group conducted a comprehensive call with Axian Telecom's senior leadership team, including Chief Corporate Affairs Officer Abuo Bakar, Head of CSR & ESG Manon Rivet, and Climate Transition and Carbon Manager Paul Bardon, demonstrating significant progress since previous engagements through concrete achievements and forward-looking commitments.

The dialogue revealed substantial institutional development with the establishment of comprehensive ESG governance structures in 2025, including ESG steering committees at both group and operating company levels, while achieving measurable environmental progress including -2.6% absolute scope 1&2 emissions reduction in 2025, 30% scope 2 emissions decline, and scope 3 emissions peak passing in 2024.

Axian demonstrated enhanced transparency and accountability through third-party KPMG assurance across all emission scopes, CDP rating improvement from B- to B with ambitions for A- in 2026, and development of a detailed two-year climate transition plan extending to 2030 with specific trajectories for scope 1+2 (energy efficiency, renewables, EAC certificates) and scope 3 (supplier engagement and circularity).

The engagement showcased strategic depth through comprehensive climate risk assessment covering 9 hazards affecting 34% of assets, USD 80 million capex commitment until 2030 primarily for solar installations with strong ROI financing internally, and advanced supplier engagement including renewable energy requirements in tender processes as part of GSMA Climate Action Taskforce participation.

The dialogue evolved into a collaborative monitoring relationship with commitments to publish sustainability reports and climate transition plans imminently, roll out transition and adaptation plans in 2026, evaluate net-zero feasibility beyond their current SBTi near-term certification, and maintain ongoing engagement through established governance frameworks while targeting CDP A- rating achievement, reflecting mature institutional commitment to climate action and stakeholder engagement in the telecommunications sector.

## **Golub (Private Credit)**

**Fund Manager collaborate engagement groups - links on page 42.**

- ILPA “Driving inclusion in alternatives” Initiative
- United Nations Principles for Responsible Investment (UNPRI)

### **Engagement**

[Golub Responsible Investment available here](#)

**No engagement updates this quarter**

## Adams Street (Private Equity)

Fund Manager collaborate engagement groups - links on page 42.

- Initiative Climate International (iCI)
- RepRisk
- Science based targets Initiative
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)

### Engagement

[Adams Street - Responsibility page available here](#)

[2025 ESG Report available here](#)

Every investment decision Adams Street make is based on a careful analysis of both risk and opportunity. By integrating ESG considerations at every stage of the investment life cycle — from deal sourcing, through investment due diligence, to portfolio construction, and reporting and monitoring — they can better identify opportunities for risk mitigation and long-term value creation in their investments.

We can confirm that over the course of Q1 2026, Adams Street engaged with 134 GPs to which East Sussex currently has exposure through their Adams Street portfolio. The type of interactions was as follows:

- 27 due diligence meetings
- 3 operational due diligence calls
- 35 advisory board meetings
- 11 LPAC meetings

## Harbourvest (Private Equity)

Fund Manager collaborate engagement groups - links on page 42.

- Diverse Alternative Investment Industry Statement
- Diversity in Action Initiative
- Initiative Climate International (iCI)
- Taskforce on Climate Related Financial Disclosure
- United Nations Principles for Responsible Investment (UNPRI)

### Engagement

[Harbourvest – Annual ESG report available here](#)

#### Engagement Update (from 2025 sustainable Investing Report)

##### Xylem Kendall

The company operates at the intersection of public safety, environmental stewardship, and infrastructure resilience. For example, vegetation management is one of the most effective tools to mitigate wildfire risk. Invasive species present nature-based risk that can erode the health of forests and require stronger monitoring and early-response programs. With climate change linked to more frequent and severe weather events, storm response services are increasingly needed. The company is well positioned to engage with sustainability headwinds and tailwinds.

Xylem Kendall is also committed to minimizing its environmental footprint and improving its efficiency of resources over time. Initiatives include an Idling Reduction Program, a pilot program to trial electric-powered equipment onsite, and a program to divert wood chips from landfill. It has a long-term goal to reduce carbon emissions by 50% by 2050, and measured 600 tCO<sub>2</sub>e saving in 2024.

## Fossil Fuel Exposure by Fund Manager

The fund actively monitors the fossil fuel exposure of its fund managers to allow for engagement when we feel that these values are of concern. The below table lists fossil fuel exposure as of 31<sup>st</sup> March 2026

| Fund                      | Mandate                                   | Exclusion        | % Fund Assets | % Fossil fuel exposure of total fund value |
|---------------------------|-------------------------------------------|------------------|---------------|--------------------------------------------|
| UBS Osmosis               | Equity - Passive - Resource Efficient     | Fossil Fuel free | 8%            | 0.0%                                       |
| Longview                  | Equity - Global                           |                  | 8%            | 0.0%                                       |
| WHEB                      | Equity - Sustainable Global               | Fossil Fuel free | 4%            | 0.0%                                       |
| Baillie Gifford           | Equity - Global                           | Fossil Fuel free | 4%            | 0.0%                                       |
| Wellington                | Equity - Sustainable Global               | Fossil Fuel free | 5%            | 0.0%                                       |
| Storebrand                | Equity - Passive - ESG Plus               | Fossil Fuel free | 9%            | 0.0%                                       |
| Harbourvest               | Private Equity                            |                  | 3%            | 0.0%                                       |
| Adams Street              | Private Equity                            |                  | 3%            | 0.0%                                       |
| Ruffer                    | Absolute Return                           |                  | 11%           | 0.3%                                       |
| Newton                    | Absolute Return                           |                  | 6%            | 0.0%                                       |
| CBRE                      | Property                                  |                  | 6%            | 0.0%                                       |
| ATLAS                     | Infrastructure Equity                     |                  | 3%            | 0.1%                                       |
| Pantheon                  | Infrastructure                            |                  | 1%            | 0.0%                                       |
| UBS                       | Infrastructure                            |                  | 0%            | 0.1%                                       |
| M&G                       | Infrastructure                            |                  | 1%            | 0.0%                                       |
| M&G                       | Fixed Income - Private Debt               |                  | 0%            | 0.0%                                       |
| M&G                       | Fixed Income - Multi Asset Credit         |                  | 4%            | 0.1%                                       |
| M&G                       | Fixed Income - Corporate Bonds            |                  | 2%            | 0.1%                                       |
| BlueBay                   | Total Return Credit                       |                  | 3%            | 0.0%                                       |
| Golub                     | Private Credit                            |                  | 1%            | 0.0%                                       |
| UBS - Over 5 Year IL Gilt | Fixed Income - Passive Index Linked Gilts |                  | 9%            | 0.0%                                       |
| IFM                       | Infrastructure                            |                  | 5%            | 0.3%                                       |
| Cash                      | Cash                                      |                  | 2%            | 0.0%                                       |
| <b>Total Assets</b>       |                                           |                  | <b>100%</b>   | <b>0.9%</b>                                |

## Engagement Group Links

[Access to Medicines Foundation](#)

[B Corps](#)

[British Standards Institute \(BSI\)](#)

[Chemical Footprint Project](#)

[Climate Action 100+ \(CA100+\)](#)

[European Sustainable Investment & Finance Association \(EUROSIF\)](#)

[Financial Reporting Council Stewardship Code \(FRC\)](#)

[Future Fit Business](#)

[Global Impact Investing Network](#)

[Global Real Estate Sustainability Benchmark \(GRESB\)](#)

[ILPA Diversity in Action Initiative](#)

[Impact Management Project](#)

[Initiative Climate International \(iCI\)](#)

[Investors Forum](#)

[Local Authority Pension Fund Forum \(LAPFF\)](#)

[Net Zero Carbon 10](#)

[Net Zero Asset Managers Initiative](#)

[RepRisk](#)

[The Big Exchange](#)

[Transition Pathway Initiative \(TPI\)](#)

[Sustainable Accounting Standards Board](#)

[UK Sustainable Investment & Finance Association \(SIFA\)](#)

[UN Global Compact](#)

[United Nation Principals for Responsible Investment \(UNPRI\)](#)