

# Redwheel Stewardship Report

2025

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# Foreword



**Arthur Grigoryants**

**Head of Investments**

Redwheel

When Kipling wrote his famous line about the importance of keeping your head when all about you are losing theirs, it's unlikely he was thinking first and foremost about capital markets. Even so, those wise words resonated strongly in 2025, a year of significant volatility in markets driven in no small part by volatility in the macro-economic backdrop.

As globalisation gave way to protectionism, the headwinds facing investors strengthened again. Sure, there were opportunities to make impressive returns in pockets of the market, in particular in the wake of the announcement of a new battery of tariffs by the US Government; perhaps most notably the Magnificent Seven rode again and did very well for a while, right up until the point where they didn't. Meanwhile, what did really well across the whole of last year was 'value'.

It is not easy being a value investor. For extended periods, you can end up holding companies which the market seems systematically to overlook despite their rock-solid fundamentals. They often aren't particularly heavily exposed to the themes that are 'flavour of the month', so don't sparkle quite like the other stars in the investment universe. But these are the companies we all depend on in so many ways and which often reflect the foundations on which economies are built. Energy. Utilities. Banking. Miners. And in times of turbulence, investors time and again have moved away from growth and perceived fads, preferring to go back to the tried and tested approach of investing in value and quality.

Our Global Intrinsic Value team made its name investing in the UK market and have continued to enhance their reputation as managers of the

As globalisation gave way to protectionism, the headwinds facing investors strengthened again.

Temple Bar Investment Trust. Characterised by some (unfairly!) as dinosaurs from a bygone age, investment trusts nonetheless retain a loyal fanbase and our team has done a fantastic job delivering for the Temple Bar board, helping the trust become one of the most attractive in its class. Sensing the opportunity of the moment, the team has seized the chance to scale its approach internationally through the development of new products that have truly global focus, all driven by the same highly-disciplined value-focussed approach which has been bearing such ripe fruit for the patient investor.

Our Global Equity Income team meanwhile have a slightly different approach, preferring to hold names that are resilient to volatility, but with similar outcomes. Investors appreciate the team's approach to focussing on high quality companies, steadily creating value in what remains for many a very treacherous environment.

The interest in responsible investment and the integration of sustainability considerations remains strong at Redwheel.

Volatility has consequences though and many asset managers have had to take a very critical look at their balance sheets and growth opportunities. We are no different from our peers in that respect. Our assessment of conditions resulted in us narrowing our product range. Steady outflows across the market from sustainability-focussed funds proved too hard to ignore; it was a difficult decision, but ultimately the right one, to reduce the number of sustainability focussed products that we offer.

Despite this, the interest in responsible investment and the integration of sustainability considerations remains strong at Redwheel. As an organisation, our purpose is to invest with conviction for long-term client outcomes. Nothing has changed in this regard. Our stewardship and sustainability teams continue to work hard to share their significant collective expertise with our investment teams, helping them to stay aware of evolving best practices and providing constructive challenge to the consideration of sustainability risks. This approach ensures that the “voice of the client” is regularly heard in internal discussions. Our investment teams meanwhile feel keenly the importance of meeting the investment needs and expectations of clients, including in relation to sustainability.

If market conditions improve, and demand for sustainability products returns, it is entirely possible that we would consider expanding our fund range again. Indeed, the outlook for 2026 looked positive initially; growing tension in the Middle East means it is now much more uncertain. In the meantime therefore, we do what we have always done; we stay true to our values and focus on doing our best for our clients. We “hold on”.

# A year in review



**Chris Anker**

**Head of Stewardship and Regulatory Change**

Redwheel

## Pushed to describe 2025 in a single word, I would choose “tumultuous”.

The year started brightly here in the UK. Client interest in stewardship was strong; expectations were high that 2025 would see continuation of broader efforts to promote the UK as a leading global financial centre; and a revised UK Stewardship Code was imminent.

But positivity soon turned to uncertainty as events taking place overseas came to dominate the narrative around stewardship.

I wrote last year about the need for there to be greater clarity on the roles and responsibilities of those involved in stewardship, and that there should be more careful use of terminology relating to “responsible investment”. Unfortunately, it seems that a tipping point had already been reached. The consequences of this were, in some cases, severe.

In Europe, a new Omnibus legislation was launched, its intention being to reduce the scope and complexity of many of the EU’s recent policy positions touching on sustainability and responsible investment (not least the Sustainable Finance Disclosure Regulation) which critics considered to be ‘anti-business’. A new approach, eschewing ‘principal adverse impacts’ and the need for related stewardship, was quietly ushered in through the publication of “SFDR 2.0”; this labelling regime is proposed as a replacement for the existing SFDR disclosure-based regulation. A new ‘Transition’ label has been proposed; for the label to be valid, negative exclusions must be applied to portfolio holdings. Whilst “SFDR 2.0” is yet to be ratified, given the nature of the exclusions proposed this

sends a mixed message about the extent to which stewardship of energy companies particularly is considered important.

Meanwhile, in the United States, variation to SEC disclosure regulations meant potentially onerous new disclosure requirements for those engaging companies whilst owning more than 5% of an individual share class; the trickle of 2024 became a surge in 2025 as Boards continued to move away from Delaware and its shareholder protections to reincorporate in e.g. Texas and Nevada; the Autumn US government shutdown led to the SEC issuing blanket authority on an emergency basis to corporations, enabling them to decide for themselves whether or not to host shareholder proposals on the ballot; and anti-trust accusations continued to be levelled at asset managers for having sought to encourage action on climate by the world’s largest corporate greenhouse gas emitters.

Even in the UK, whilst there was less in the way of direct pushback against sustainability and responsible investment initiatives, the muted inflows into SDR labelled funds (including funds designated as “Sustainability Improvers”) gave rise to questions about the strength of asset owner interest in supporting responsible investment in practice.

Nonetheless, we know from our direct interaction with asset owners that there remains strong interest in the engagement undertaken by our teams with investee companies as well as the engagement undertaken by Redwheel with policy makers and regulators.

So, how best to move forward constructively?

Taken at face value, it may seem that policymakers are trying to frustrate engagement efforts. However,

on closer inspection, I believe that what we are seeing is in fact a very healthy adjustment that should encourage portfolio managers to keep their sights trained on factors they consider most likely to be material within their time horizon; enabling them to maintain sharp focus by descoping the specious and tendentious.

To avoid being inadvertently drawn into a debate about the nature and intent of stewardship though, it will be ever more important for managers engaging corporates (and US corporates in particular) on behalf of clients to have a clear rationale for the stewardship work they do.

Where stewardship focuses on issues that are not likely to be material to the portfolio manager but which are nonetheless of interest to the client, it is especially important that the basis for this should be clear. Expecting portfolio managers to be involved in all stewardship work creates potential for conflict with the delivery of fiduciary duty; it may therefore be beneficial for stewardship relating to matters that sit outside the area of primary interest to the portfolio manager to be undertaken by some other party, for instance an internal team not directly involved in the management of client assets yet still with an interest in acting in their broader interests. In this way, portfolio managers' ability to focus on fiduciary duties (and the evaluation of risk and return factors material within their time horizon) can be left undiminished, the disapprobation of regulators can be avoided, and real world outcomes of interest to clients can continue to be pursued leveraging today's investment exposure to the extent appropriate.

This approach recognises implicitly that not only the time horizon of the client but also the time horizon of the asset management organisation is

typically longer than that of the individual portfolio manager. It is worth highlighting though that clients should not expect the appointed asset management organisation to offer a fully comprehensive stewardship service; the organisation's values and purpose will be important determinants of what gets done in addition to the stewardship undertaken by investment teams.

Values and purpose are also now being given greater emphasis by the Financial Reporting Council; the living guidance document published to help respondents meet the new expectations under the UK Stewardship Code was adapted in October 2025 to highlight that both organisational purposes AND values should be articulated to help readers understand what the organisation does and the nature of the services it provides.

This is important as it is the organisational values and beliefs which backstop why companies engage in responsible investment in the first place. An organisation without principles is hard to trust.

An asset manager's stewardship approach should therefore be consistent with its values and purpose, as should its broader responsible investment approach. Inconsistency and misalignment may over time undermine an asset owner's confidence in the commitment of the manager to responsible investment, as well as the commitment of the organisation to act in its broader interests. Asset owners should therefore take comfort when investing with Redwheel; the promotion of core values and the pursuit of a defined purpose provide the platform that ensures we remain dependable stewards of capital today and tomorrow.

# Redwheel Stewardship Policy and Context Disclosure

Prepared March 2026

To be read in conjunction with the most recently published Redwheel Stewardship Activity and Outcomes Report.



# Stewardship at Redwheel

## Who we are

Established in 2000, Redwheel is a global asset manager specialising in the active equity and convertible bond segments. Our enduring mission as a business is to empower exceptional fund managers with the freedom to act on their convictions and create enduring value for clients; in this way we fulfil our purpose which is to invest with conviction for long term client outcomes.

Our active investment heritage is built on a foundation of innovation and efficiency, underpinned by an approach that emphasises the importance of being collaborative, empowered, and inclusive in our work.

Redwheel's product offering comprises a range of truly active investment solutions that we have curated and which we continue to enhance in order to help institutional and wholesale investors located in the markets we cover achieve their investment goals.<sup>1</sup> Mindful that investor preferences can and do evolve, we regularly assess the need to adapt our offering and develop new solutions in response to changing investor interests. By being thoughtful in our approach and by placing the client at the centre of all we do, we hope to achieve our vision of being recognised in the market as a trusted client-oriented investment manager.

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<sup>1</sup> Redwheel does not distribute funds directly to retail clients.

# 154



We have **154** people including **53** dedicated investment professionals working across **7** independent investment teams.

# \$22 bn

We manage **\$22.0bn** for our clients, from offices in London, Miami, Singapore and Copenhagen.



Redwheel (December 2025)

## Our unique approach

Across four equity capability sets, and the range of strategies managed by our Convertible Bond team, we manage assets for clients spread around the world.\*

### Our equity capabilities:

- Value & Income
- Emerging & Frontier Markets
- Active Ownership
- Sustainable & Thematic

A key differentiating feature of our business model as compared to those of our peers is that we do not have a Chief Investment Officer providing a top-down directive view; adopting this approach ensures that each of our investment teams is able to operate with a high degree of investment autonomy. It also ensures that primary responsibility for the identification and evaluation of risk within portfolios rests squarely with the leadership of individual investment teams, as do decisions regarding portfolio management and stewardship in practice.

### Our convertible bond strategies:

- Global Convertibles
- Asia Convertibles
- Enhanced Index Focus Convertibles

Whilst our approach gives our investment teams significant investment freedom, balancing this are firm level policies that set out our expectations as to how our investment teams should act. The Redwheel Policy on Responsible Investment, and the related Redwheel Stewardship Policy,<sup>2</sup> provide a flexible yet consistent framework that sets out for all teams – current and future – our expectations as to how sustainability considerations should be integrated within relevant aspects of investment processes and how stewardship should be undertaken.

<sup>2</sup> [Resources, Redwheel](#)

\* For a recent breakdown, please see our most recent Activity and Outcomes Report

At the core of our business, helping to support the delivery of investment mandates, are our central corporate functions including those focussed on stewardship and sustainability as well as others including Trading, Operations, Risk Management, Client Management, Data Management, Legal and Compliance, Human Resources, Finance, Technology and Business Development. These teams work closely with our portfolio managers and analysts, providing day to day assistance as well as advice on commercial strategy and product design as appropriate.

The combination of functional investment autonomy and management independence of investment decision making, coupled to the fact that our business is majority employee-owned, give us the freedom to focus on helping clients achieve their long-term goals, whether by investing on their behalf or by investing in the development of new solutions to meet evolving needs. This strong alignment of interests is reinforced by portfolio managers co-investing in the funds they manage, enabling us to build and cement lasting partnerships which are a key contributor to our long-term stability.

## Our culture

In investment management, the quality of investment decision-making is a direct reflection of the environment in which portfolio managers operate. We believe that to ensure the strongest possible alignment of interest with clients, investment teams need to have freedom to think independently, the psychological safety to challenge consensus, and the long-term orientation to ride through periods of short-term underperformance.

“Responsible autonomy” is what drives our business model, enabling us to be agile, focused and purposeful in our approach; for example, we encourage our staff to freely seek to involve others when looking to solve challenges whilst at the same time trusting them to remain aware of potential risks and impacts that this can create to the successful delivery of broader business objectives.

Our teams are led by people with established expertise in their respective fields; our Executive Committee keeps our people well-informed of corporate developments, enabling us to maintain an organisational structure that is relatively flat and yet fully focussed on delivering our corporate strategy.

Our desire to maintain a collaborative culture at Redwheel stems from our collective belief that diverse and inclusive workplaces encourage innovation, help companies make better decisions, and enable individuals to excel in all areas of their performance. We want to attract a highly competent, diverse range of people to help drive innovation and better decision making and believe this is critical to our long-term stability as an organisation.

As a business our purpose is to invest with conviction for long-term client outcomes. Fulfilling that purpose depends on building and maintaining trust and credibility with clients and providing the reliability they rightfully expect from a long-term investment relationship. To this end, fostering a culture that aligns to our purpose is treated as a key priority by our senior leadership, reflecting our ambition to create enduring relationships with our clients through the provision of compelling investment propositions and exemplary client service.

Our culture is underpinned by clear and well-understood values. In the conversations that take place regularly across our business and with our clients, we place particular emphasis on communicating the importance of:

- Collaboration – colleagues working constructively together, sharing knowledge, and supporting team success;
- Openness and Inclusivity – colleagues working openly together, respecting diverse perspectives, ensuring everyone feels welcome and valued, and fostering an environment where differences are embraced; and
- Empowerment – building trust and confidence by taking ownership, showing initiative, and enabling others to succeed.

## Our clients

Over recent years, the vast majority of our clients have been located in the UK, Continental Europe, the Middle East, Australia or North America. By type, these have included:<sup>3</sup>

- Private Banks
- Financial Advisors
- Pension Funds
- Sub-advisory firms
- High Net Worth Individuals
- Investment Trusts
- Endowments
- Foundations
- Multi-managers
- Wealth Management Platforms
- Sovereign Wealth Funds
- Redwheel staff

When it comes to monitoring evolution in market expectations relating to responsible investment, the fact we are based in the UK combined with the historic significance to our business of UK investments, UK clients, and pension funds encourages us to pay particularly close attention to developments that have relevance to how UK asset owners and pension schemes are expected and encouraged to act.

## Integration

We and our investment teams strongly believe that the consideration of both material financial and material sustainability factors within a fully integrated investment process can help to enhance assessments of risk and return. Active stewardship with investee companies within this approach helps to protect and enhance the long-term interests of our clients, on the one hand as part of risk discovery and risk mitigation, whilst on the other supporting the implementation of best practice, reducing the adverse environmental and social impacts of operations, and encouraging investment in long-term value creation opportunities.

In more extreme situations, for instance where a takeover has been proposed, it may also help companies avoid making decisions that we would not consider to be in our clients' interests.

The approaches deployed by our investment teams to integrate sustainability considerations within portfolio management can and do vary, reflecting the specifics of their investment style, the markets in focus, the characteristics of specific investment strategies, and the asset class in question. However, all teams recognise the desirability of excluding controversial weapons from portfolios; our policy in this regard is set at the firm level and all investment teams are required to implement it.<sup>3</sup>

Generalised expectations relating to the integration of sustainability factors within investment processes are set out in the Redwheel Policy on Responsible Investment.<sup>3</sup> As for decisions in relation to the specific themes and activities to reflect within portfolio management (including in relation to stewardship), responsibility rests with the portfolio managers and analysts of the relevant strategies. As a client-focussed business, maintaining awareness of evolution in the specific interests of clients is an important consideration within this.

We also believe in the importance of transparency as a means to foster debate about the nature and extent of the work we do for clients. Regular reporting on our activities (for example by sharing engagement case studies and voting records) provides insight into the work we do whilst frequent interaction with clients ensures there is regular opportunity for dialogue on the breadth, depth and direction of stewardship work and how this supports delivery of the investment mandate.

Taken all together, our approach enables our investment teams to connect deeply with the concept of stewardship, helps assure our clients that Redwheel and its investment teams are effective as stewards both as regards managing the capital entrusted to us and in respect of acting in their broader interests, and helps us be authentically responsible in what we do.

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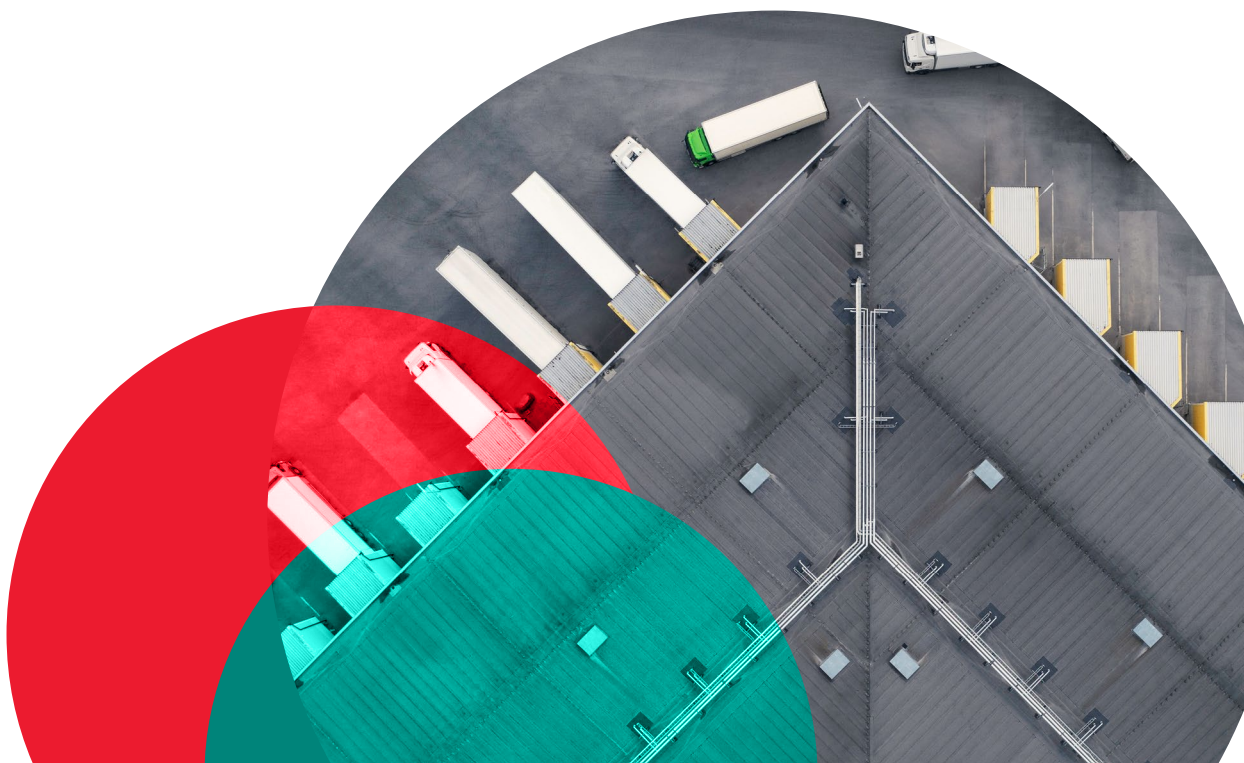
<sup>3</sup> For a recent breakdown, please see our most recent Activity and Outcome Report.

## Corporate stewardship

Redwheel, as a corporate entity, also strives to support stewardship in its interactions with suppliers, regulators, and wider stakeholders.

In terms of good market formation, we will, as the opportunity arises, contribute to market initiatives intended to help raise awareness of issues that we consider as frustrating our ability to act in our clients' best interests and which promote the development of related solutions. Similarly, we may also submit responses to consultations on proposals for new regulation and law in the markets in which our investment teams are active, as a means to support constructive market reform.

As a stakeholder in the management of the buildings in which our offices are located, we also strive to be an active participant in tenant discussion forums, contributing views where we can to help managing agents understand and resolve issues that affect our ability to operate efficiently and sustainably.

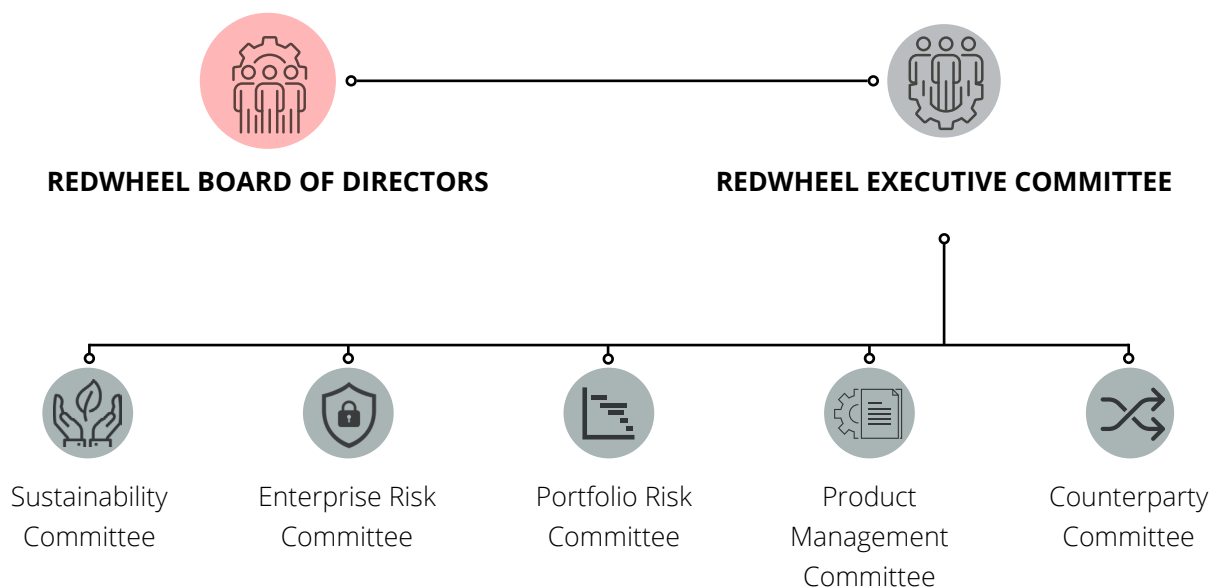




# Enabling effective stewardship

Within our governance structure, our Sustainability Committee has primary responsibility for overseeing how our investment teams approach the identification and management of sustainability

related risks and opportunities, as well as their stewardship activity. The committee meets at minimum quarterly and typically monthly.



Redwheel (December 2025)

A number of the Redwheel Executive Committee are also members of the Redwheel Board. The involvement of Redwheel directors on the Sustainability Committee has historically helped to ensure that the Redwheel Board more broadly is aware of ongoing discussions relating to the delivery of responsible investment in practice, supplementing the regular standalone update provided by the Head of Investments who, as a member of the Executive Committee, provides executive level sponsorship for all our firm's activities relating to responsible investment.

The role of the Sustainability Committee is to monitor and challenge Redwheel's investment teams on their individual approaches to integrating sustainability considerations within investment processes and stewardship activities, while taking account of evolution in regulatory and client expectations. The Committee is chaired by our CEO, and other members include:

- Head of Investments
- General Counsel and Chief Compliance Officer
- Head of Sustainability Strategy, Governance & Policy
- Head of Stewardship & Regulatory Change
- Co-Heads of Greenwheel
- Head of Marketing
- Representative from our Product Team.

## Redwheel's stewardship and sustainability specialists

Day to day support and challenge in relation to stewardship and sustainability is provided primarily by members of our three specialist teams.

### **Stewardship and Regulatory Change**

Led by Chris Anker who provides support to investment teams as regards engagement and proxy voting and, working closely with our Legal and Compliance teams, monitors and evaluates global regulatory initiatives relating to responsible investment. In 2025, Chris was the recipient of the Investor Forum's Simon Fraser Stewardship Award, presented to recognise his contribution and commitment to advancing stewardship within investment decision making.

### **Sustainability Strategy, Governance and Policy**

Led by Olivia Seddon-Daines and responsible for policy design, sustainability strategy setting, building and operating governance processes, communication and advisory with investment teams, and communication with a range of internal and external key stakeholders.

### **Thematic Sustainability Research (Greenwheel)**

Greenwheel's remit is to produce actionable research relating to sustainability themes to support Redwheel's investment teams. Subject-matter specialists include Jessica Wan who leads social research, and Paul Drummond who leads climate and environment research.

The leads of all three teams report to Head of Investments, Arthur Grigoryants.

## Oversight and support

Sitting within our central corporate functions is our stewardship team. The Head of Stewardship provides day to day oversight of all engagement and proxy voting activity undertaken by our investment teams. The Head of Stewardship will also, as requested, advise on the content of engagement correspondence as well as on voting strategies but it is usually the case that our investment teams - as experienced professionals with expertise in specific fields - establish these independently. Broader aspects of the role include interacting with peers in the market on matters relating to stewardship, leading Redwheel's policy advocacy effort on matters relating to stewardship and responsible investment, liaising with custodians and colleagues in our Operations team to resolve proxy voting matters, interacting with relevant service providers to ensure a smooth user experience for our investment teams, and raising awareness internally of market developments relating to stewardship and responsible investment.

Ultimate oversight of the stewardship activity undertaken by investment teams is provided by the Redwheel Sustainability Committee whose remit is to ensure that investment teams meet their commitments in relation to responsible investment and to provide constructive challenge to teams where enhancement is considered to be required.

As well as periodic engagement and proxy voting reporting provided by the Head of Stewardship, the Committee receives in-person presentations from investment teams on a rolling quarterly basis regarding their investment approaches, and feedback is provided as appropriate. The Committee typically meets monthly; in those instances where investment teams are not invited to present, discussions typically focus on assessment of quantitative dashboards relating to fund positioning, or on strategic matters. The Committee is supported by the central sustainability functions who also lead in the ongoing review and selection of third-party products and services, helping to identify those that have potential to be 'decision useful' for our investment teams and which could, as a consequence, be of use in the assessment and monitoring of teams' approaches to integration.

A further layer of oversight takes the form of monitoring undertaken by the directors of relevant funds boards, who request reporting on proxy voting activity for in-scope funds on a quarterly basis.

## Resourcing

Responsibility for determining the size and composition of each investment team, as well as the backgrounds, experiences, qualifications and skills that in aggregate are needed to steward client assets responsibly, rests with the leadership of each team; they are free to add headcount and to obtain expert third-party resource at any time.

Support is also available from Redwheel's own expert teams (not just those involved in sustainability but also those focussed in other areas, for example, Legal, Compliance, Product, and IT).

Information regarding market developments in relation to stewardship and responsible investment are typically distributed in the first instance to members of the Redwheel Sustainability Forum, comprising those individuals designated by their investment team as primary point of contact in relation to responsible investment matters. The Sustainability Forum provides the main platform within our business for collaboration, discussion and debate across investment teams in relation to responsible investment developments and practices. Meetings of the Forum are led by our sustainability specialists and are held monthly to provide regular opportunity for learning and development.

The kind of information distributed can include insight into stewardship-related legislative and regulatory developments in the markets in which our investment teams are active; they may also include thematic research notes generated by our Greenwheel team which will often offer pointers on issues to pursue when engaging companies in relevant sectors.

In this way, information relating to stewardship and sustainability matters can be efficiently cascaded through our investment teams.

## Collaboration

Where stewardship involves collaboration with peers as a means to draw attention to relevant issues (for example, to increase the weight of assets behind specific requests made of corporates, or to highlight investor concerns to a broader audience), work will typically be coordinated by our Head of Stewardship. As a matter of preference we will look to support collaborative initiatives that are co-ordinated by organisations of which we are a member, although may from time to time work with other groups or organisations as we consider appropriate, as part of contributing to the development of solutions to some of the most pressing challenges faced by our clients.

## Systems

Reflecting our business model, in relation to stewardship administration, primary responsibility for allocating and prioritising engagement resource, for record keeping, and for reporting stewardship activity rests with investment teams.

To facilitate the compilation of aggregated records and to assist the production of related analytics, a parallel process has been developed to capture records centrally on a third-party engagement management platform. Using a standardised data entry approach, engagement records are maintained using a library of pre-defined data attributes to record e.g. the format of interactions, the role of the counterparty, and the topics under discussion; in this way, comparability of records is assured.

Our goal remains to leverage this data collection effort to generate stewardship reports that facilitate ongoing monitoring and which can be used to support client reporting. For now, given that the vast majority of requests we receive from clients relate to specific funds or strategies, engagement reporting is produced largely by the investment teams themselves. As a consequence, the nature and content of reports can and does vary; for instance, they may not necessarily reflect Redwheel's ongoing involvement in collaborative engagement initiatives that are supported at the corporate level. For clients keen to gain a comprehensive sense of our stewardship approach, we encourage them to read our annual Stewardship Reports alongside the more

regular reporting that is issued by investment teams.

Having high-quality engagement records, compiled in a timely manner, helps not only enable effective oversight but also facilitates the generation of case studies and reports to clients. Whilst there remains work to do in this connection to improve efficiency around data capture, observations relating to stewardship activity and updates of a more general nature are regularly discussed by the Redwheel Sustainability Committee, enabling the committee to offer effective challenge to investment teams when receiving presentations on their stewardship approach.

## External service providers

### Engagement

No Redwheel team uses dedicated third party engagement services as part of the delivery of stewardship obligations, although clients may choose to do so in relation to the assets Redwheel manages for them.

### Data sources

A wide range of external data resources are used by our investment teams and our sustainability and stewardship specialists to support stewardship. The precise range of resources available to the individual depends on role but includes:

- Financial and non-financial data and research (e.g. Bloomberg, Sustainalytics, ISS)
- Company and industry reports
- Conventional and specialist broker research
- Insight and commentary from organisations of which we are a member
- Mainstream and specialist media sources
- Third party public reports (e.g. academic papers, research from think tanks, NGO accounts)

Portfolio data, financial data and sustainability data are also brought together within a third-party data aggregation platform, enabling our investment teams to quickly identify and interrogate the information that is most relevant to them in the portfolio management context.

## Proxy voting

For our equity teams, a key aspect of stewardship is the use of voting rights. Redwheel aims to enable its teams to vote all holdings in full and so, as a matter of course, prefers not to support securities lending which can impact participation in shareholder meetings. For our more liquid funds, securities lending is not allowed. For funds investing in less liquid securities, arrangements with Prime Brokers (where they exist) may allow for positions to be used as collateral in order to support credit needs, which reduces the impact of fund cashflows on portfolio management. Where such arrangements exist, we retain the right to substitute collateral to facilitate voting.

We maximise the number of ballots we vote by requiring our custodians to send both ballots and holdings to our proxy voting partner Institutional Shareholder Services ("ISS"); by sending holdings data, not only are our investment teams able to reconcile their records on the number of shares held at the relevant record date with the records provided by custodians to ISS, but ISS is able to source on a pro-active basis any ballots that have for whatever reason not been provided through the normal chain of custody.

Across all teams, we aim to cast votes in respect of all shares where we have authority to do so and where we have investment exposure at the time of the relevant shareholder meeting. Nonetheless, shareblocking, the need to address other local market technicalities (including the filing of authorised powers of attorney), and errors made in the chain of custody, can occasionally frustrate our ability to participate in the voting process.

Responsibility for voting rests with the relevant investment team. Given that we do not as a matter of policy support client directed voting in pooled funds, the approach adopted by each team is framed through recognition of the need to meet the expectations of their respective clients as well as evolving market best practice. Considering how best to reflect the centre of gravity of client views is a critical component within this, as is calibrating the voting approach to ensure consistency with the application of broader stewardship responsibilities. Where voting rights are formally delegated to Redwheel, vote reports can be provided on

request, to facilitate discussion and debate on our stewardship approach.

Teams have a general preference to support management when voting; however, as required, dissenting votes may be cast across all proposal types. In formulating vote decisions, the process followed reflects the stewardship approach of each team. In the main, teams draw on their own past engagement experience as well as other information sources including corporate governance research issued by ISS.

All teams receive by default recommendations reflecting ISS's Climate Voting Policy research which itself is an extension of ISS' Sustainability Voting Policy. The Climate Voting Policy serves to place greater emphasis on climate considerations when formulating vote recommendations as compared to other ISS voting policies, and the underlying methodology is publicly available. It is important to note that ISS research is an input to, rather than the sole determinant of, the voting decisions taken by our equity teams. Each team retains full discretion to vote as it believes is appropriate under the circumstances, with the rationale recorded for any vote deviating from policy or otherwise opposing management's recommendation. Where teams have their own established positions on corporate governance matters (e.g. remuneration), these views will be reflected within the votes cast at a company's AGM to the extent that relevant proposals are presented.

Given that multiple investment teams may hold securities issued by a common issuer, it is possible – albeit relatively rare in practice – that at the same shareholder meeting two or more teams are eligible to vote and have differing opinions as to how votes should be cast. Where multiple teams hold securities in a commonly held company and intend to participate in a shareholder meeting, our Head of Stewardship will convene meetings with relevant team members to help pool knowledge and insight, explore options to align vote intentions and, if necessary, record any irreconcilable disagreements.



# Stewardship policies and processes

The Redwheel Stewardship Policy, together with the parent Redwheel Policy on Responsible Investment, set out the generalised expectations that we have of our investment teams in relation to stewardship.<sup>4</sup>

Policy documents relating to stewardship and responsible investment are drafted primarily by the leaders of our Stewardship and Sustainability functions; they are though developed in close consultation with our investment teams, typically via roundtable discussions. Policy scope is intended to reflect the breadth of issues on which we are most frequently asked to comment by strategic partners, clients and prospects, focussed on the specific asset classes in which we invest at the time.

A comprehensive list of Redwheel's principal policies applicable to stewardship as well as responsible investment more generally is shown below:

- Redwheel Policy on Responsible Investment
- Redwheel Stewardship Policy
- Redwheel Controversial Weapons Policy
- Redwheel Breaches Policy
- Redwheel Conflicts of Interest Policy
- Redwheel Remuneration Policy

The Redwheel Stewardship Policy sets out the expectations we have of our investment teams in relation to stewardship and in particular details:

- Our views on the purpose of stewardship and our collective commitments to stewardship

<sup>4</sup> [Resources, Redwheel](#)

- Preferred approaches to engagement and escalation
- The conceptual relationship between objectives, results and outcomes
- Details on our approach to proxy voting
- The management of conflicts of interest
- Our approach to securities lending and shareblocking.

The policy also describes a number of key reference frameworks that our teams use when assessing standards of governance, and highlights the importance to our teams of the issues of remuneration, climate change, and director accountability to shareholders. The policy is binding on all teams and applies to all assets managed by Redwheel.

## Objectives, results and outcomes

At a conceptual level, we believe there are four main objectives for engagement:

- Encourage improved or additional disclosure
- Encourage change to governance/oversight approach
- Make meaningful contribution to Board discussions (e.g. in relation to strategy)
- Directly influence a management/Board decision

Depending on the circumstances, an investor may seek to pursue one or more of these objectives with achievement of the following outcomes in mind:

- Enhancing perspective on risk and return
- Informing assessment of the extent/quality of board oversight procedures and their effectiveness in practice
- Building conviction in the enduring alignment of interests between manager and company, or
- Encouraging activity considered likely to be value creative / discouraging activity considered likely to be value destructive.

All engagement informs the ongoing assessment of companies and their suitability for inclusion in portfolios, whether specific objectives are achieved or not.

## Policy register

Our Compliance team retains a policy register of all Redwheel policies and within this our Head of Stewardship is identified as the owner of the Redwheel Stewardship Policy i.e. has primary responsibility for undertaking an annual review of the policy and for maintaining it in good standing.

Amendment to the Stewardship Policy is subject to approval by the Redwheel Sustainability Committee, with Heads of Investment Teams and our Compliance team providing additional layers of oversight. The overarching Policy on Responsible Investment and the Redwheel Controversial Weapons Policy are owned by the Head of Sustainability Strategy, Governance and Policy and also reviewed annually, subject to oversight by the Sustainability Committee; working closely together, these individuals ensure that our policies remain internally consistent in relation to responsible investment and stewardship issues.

Our Executive Committee has ultimate oversight of the policy register. The Redwheel Board is not formally required to approve policy as it has already delegated responsibility for policy development to the executive body. It does, however, take an active interest in understanding the scope of policies relating to responsible investment issues, as well as the effectiveness of the controls that have been put in place to ensure that policies can be delivered in practice.

## Assurance

Specific to proxy voting, annual assurance is provided in the form of the ISAE 3402 audit of our risk management controls framework. The external audit service is provided by BDO and conducted in accordance with the guidance issued by the International Federation of Accountants in its Technical Release AAF 01/06. The identification of issues in the audit would serve as a prompt to consider enhancement to pre-existing controls.

Assurance and assessment of our approach is enhanced also by the annual submissions we make to external organisations such as the UK's Financial Reporting Council and the UN PRI. Having joined the PRI in 2020, we completed the PRI member survey on a voluntary basis in 2021, on a mandatory basis for the first time in 2023 (reporting having been stood down in 2022 for technical reasons), and annually since then. The feedback we receive informs the evolution of our responsible investment strategy.

On the issue of client reporting, we know that for many clients stewardship reporting is an area of growing interest and that they would prefer to receive reports on a regular basis; work continues to improve and enhance the ability of our core business to support stewardship reporting. Our intention is that the introduction of the SI-Engage platform will enable the production of high quality internal and external reports relating to stewardship activity, facilitating ongoing monitoring and client reporting. Whilst all investment teams are now using the platform, for the time being, engagement reporting continues to be produced largely by the investment teams themselves. As such, the nature and content of reports can and does vary, and may not necessarily reflect Redwheel's involvement in collaborative engagement initiatives that are supported at the corporate level. Summary data on the engagement undertaken by investment teams is reviewed regularly by the Redwheel Sustainability Committee, underpinned by an oversight approach that sees engagements and related engagement events tagged in a consistent manner within a third-party engagement management platform.

# Putting clients' interests first

Our firm-level Conflicts of Interest policy sets out the principles and guidelines for identifying, managing, recording and, where relevant, disclosing actual or potential conflicts that may constrain the extent to which our staff and partners are able to act in the best interests of clients. The policy can be accessed via the Redwheel website.<sup>5</sup> It is applicable to all Redwheel staff and partners and is updated annually.

As outlined in the policy, all staff are required to identify actual or potential personal conflicts of interest in the first instance, and to raise issues or concerns with Redwheel's Compliance team; where it is established that issues have potential to affect the day-to-day operation of distinct business areas, the introduction of formal monitoring and oversight (e.g. through the implementation of controlled processes) may be required.

Our Compliance team maintains a Conflicts of Interest 'Map' which documents the different types of conflicts inherent to our business and the associated controls for each potential conflict. Conflict types are generally gathered into two principal categories: conflicts inherent to the company and any other individual based conflicts. The team also maintains a Conflicts of Interest Register for one-off events that do not fit the Map.

The Conflicts of Interest Policy, Register (both at an individual and corporate level) and Map are reviewed by the Redwheel Executive Committee and Board on an annual basis.

As part of the introduction of the Redwheel Stewardship Policy, our process for managing conflict

of interests relating to stewardship was reviewed and formalised. Extending from the review of proxy voting arrangements undertaken at that time, oversight of the management of conflicts of interest was also enhanced, with exceptions reports now provided as standard to relevant bodies, to highlight and record instances where votes deviated from policy in respect of companies with whom business conflicts exist.

No stewardship-related conflicts of interest were identified during 2025 as requiring active management. Nonetheless, six conflict types relating to stewardship are recognised within our Conflicts of Interest approach. These are described below:

## **Client conflicts arising from retention of 'engagement overlay' service providers**

The appointment of external engagement providers by clients in respect of funds we manage creates potential for engagement activities to become misaligned. Since 2021 we have sought to deepen our understanding of the engagement objectives of a particular third-party engagement provider appointed by one of our clients, involving proactive contact to help us take account of client needs and ensure that the stewardship activities undertaken by the third party were reflected back into portfolio management in a timely manner. In this way, we hope we have made a constructive contribution to the development of the stewardship approach applied by the third-party provider and managed the risk of interests becoming conflicted.

<sup>5</sup> [Resources, Redwheel](#)

## Conflicts arising between clients

Over time one or more clients within a strategy may develop more explicit stewardship aims and objectives which may not align with those of the manager or other clients in the strategy. Each investment team will strive to represent the centre of gravity of client and target market views, which we see as the most effective way for them to fulfil their fiduciary duties in the investment management context. However, should client views become highly polarised, it may not be possible to meet stewardship expectations effectively.

## Cross-team holdings

Where multiple investment teams hold securities of a common issuer, conflict can arise in relation to voting and engagement given that there is no requirement for all teams to hold common views on a particular company. Information on the holdings of Redwheel strategies is not routinely shared between investment teams, and so the identification of conflict risk cannot be delegated to investment teams. Our central business therefore monitors regularly for issuers held across multiple Redwheel teams. Where two teams hold securities in a commonly held company and intend to participate in a shareholder meeting, our Head of Stewardship will convene meetings with relevant team members ahead of the shareholder meeting to encourage alignment of vote intentions and if necessary record any irreconcilable disagreement. In a similar connection, there would be scope for conflict to arise within teams where a company's securities are held in multiple funds and those funds either have divergent stewardship approaches, or underlying clients have divergent stewardship expectations.

## Conflicts of time horizon

As mentioned above, objectives as regards stewardship can and do change through time. The importance of certain issues can also rapidly escalate and require urgent responses from investee companies. In an extreme situation, where a company's responses are deemed to be insufficient, divestment will likely be considered. However, for

strategies investing in illiquid companies or adopting large positions, there is a reduced ability in practice for investors to exit positions at speed and so the threat of divestment has much more limited value; as such, even if clients would prefer to see a manager use the threat of sudden divestment as part of an engagement strategy, embracing these structural barriers and engaging using alternative mechanisms (e.g. through pursuing Board positions) may be more appropriate in context.

Redwheel's **European Active Ownership** team takes meaningful ownership stakes in a small number (<20) of listed European companies. The team frequently holds positions in small and mid-cap companies that account for <5% of issued share capital, but on occasion can hold significant positions in individual names. The team's typical investment horizon is 3-5 years, but in some cases they will remain invested for substantially longer. 'Deep engagement' with a strong and active focus on governance is a core feature of the strategy and, as part of its approach, the team may from time to time seek appointment to the board of directors of investee companies. However, unlocking investment potential can take significant time as businesses go through periods of transformation. To help provide stability and support delivery of outcomes which may only occur over the truly long-term, the redemption of client capital is therefore constrained in some share classes.

## Where we hold securities issued by companies with which we have a material business relationship

Conflict can also arise with respect to companies with which we have a material business relationship, whether through financial arrangements or as a result of directors (or other persons of influence working for the companies in which we invest) having material relationships with Redwheel colleagues. As part of monitoring the extent to which conflicts exist in practice, our Compliance and Enterprise Risk teams initially review, add mitigation where relevant and then monitor material business relationships on a quarterly basis. Where any of our investment teams invest in such companies, a record is maintained of proxy voting activity and supplied to relevant oversight bodies as part of monitoring the existence and management of conflicts on an ongoing basis. In line with regulatory obligations, where colleagues have material relationships with persons of influence at companies in which Redwheel is invested or may invest, the individual bears primary responsibility for declaring this to our Compliance team for monitoring purposes.

## Commitment to promote responsible investment

There may be potential for a conflict to arise where the firm promotes investment in products that undermine the delivery of responsible investment. This could produce confusing messaging to clients. To prevent this possibility, Redwheel publicly commits to responsible investing and is a signatory to several related initiatives. Combined with this, Redwheel has committed to corporate responsibility via our Responsible Business programme, details of which are set out in our Policy on Responsible Investment,<sup>6</sup> helping to ensure that as a business we act in a manner consistent with the expectations applicable to our investment teams. The firm also has a thorough review system for financial promotions.

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<sup>6</sup> [Resources, Redwheel](#)





# Calibrating our stewardship approach

Engagement can be both pro-active and reactive, but in either case is undertaken cognisant that whilst some sustainability issues are material in investment terms, others are not. Our activity tends to concentrate on issues likely to have an impact on the investment thesis which we believe is the most effective way to serve the interests of all clients, although we will from time to time engage on issues where the investment materiality argument is less widely accepted; this could for example occur where a team manages assets for a client on a segregated basis and conducts engagement on a narrow set of issues of specific significance to them. For instance, were any of our teams to manage assets for a charity engaged in tackling knife crime, in acting as the client's agent our stewardship with retailers whose shares are held in relevant portfolios might include discussion of policies and approaches applicable to knife sales.

## Time horizon

We recognise that many clients, as owners of substantial assets and with liabilities extending out decades into the future, are exposed to risks that play out over the long-term. Within the context of our work to help clients achieve their long-term goals, all our investment teams adopt a similarly long-term focus although there are however practical limitations to this; for instance, the risk / return models used by our equity teams are relatively insensitive to events that play out in the medium to long-term and so in practice these events do not always have a clear bearing on investment theses; meanwhile, our **Convertible Bonds** team operates in a market where the average maturity is around seven years, meaning that investments are

largely insulated from events playing out only in the long-term as these will occur after the typical bond matures.

For these reasons, whilst sustainability factors of primary relevance over the longer term may feature in stewardship activity, it remains the case that they may in a practical sense play a rather more limited role in the management of portfolios on a day-to-day basis, not least given the implied discount factors that must be applied when modelling far out into the future.

We are conscious that client views can vary on this subject and we do look to adapt our offering where we can to meet client needs. For instance, our **Emerging and Frontier Markets** team has experience of managing an adjusted version of our core Emerging Markets fund for a European client. As well as applying a suite of client specified exclusions, the team adapted its process to manage the portfolio against a carbon emissions intensity target that the client provided and updated from time to time. The client also periodically provided their own assessments of companies held within the portfolio, highlighting 'ESG laggards' and the reasoning for this. Related engagement plans were communicated to the client's external managers, ensuring an efficient and coordinated response to issues of established significance to the client.

Analyst approaches do vary across sectors as well; for example, in respect of capital-intensive sectors where payoff periods can be considerably protracted as compared to other sectors (e.g. mining versus technology), models used to assess future profitability will look further into the future.

## Consultation and alignment of interests

We speak regularly to clients for whom we manage segregated mandates; we also speak regularly to the Boards of the Investment Trusts we support, wealth managers and private banks allocating to our strategies on behalf of clients, platforms distributing our funds on a wholesale basis, and investment consultants. The opportunity to debate and discuss directly with them the outcomes of our stewardship activity provides a valuable mechanism for us to continually monitor the extent to which our processes remain robust as well as the need for any enhancement. Our teams place great value on being able to retain the trust of clients and so welcome direct input on their stewardship work as well as the opportunity to learn more about the themes of ongoing and evolving significance to clients. These sessions are supplemented by occasional “teach ins” for portfolio managers and analysts, hosted by the Head of Stewardship, where peers and/or clients are invited in to talk specifically about the importance of stewardship to them.

From these interactions we know also that focussing our stewardship efforts on ‘Principal Adverse Impacts’ (“PAI”, the set of factors identified under the Regulatory Technical Standards of the EU’s Sustainable Finance Disclosure Regulation, and subject to change through time) remains an area of particular interest – especially for those clients investing in our European-domiciled funds. It is for this reason that technical capabilities have been developed to monitor and assess portfolios through time against the SFDR PAI framework.

Consulting directly with underlying clients i.e. those investing via platforms, private banks and wealth managers, remains challenging though, not least on account of the lack of narrative information that is passed through to us to enable us to identify who they are and what their specific stewardship preferences might be. In our experience, underlying clients are reluctant to provide explicit direction; many would seem yet to develop distinct stewardship expectations that they would wish us to follow. Accordingly, for the time being we prefer to concentrate our efforts to understand evolving needs on our most strategically important clients and their representatives, supplementing this with regular monitoring of investment news services and the output of responsible investment

membership organisations to assess the evolution of expectations in the wider market, as well as by referencing the stewardship questionnaires that we are asked to answer through the year. Participation in conferences through the year relating to sustainability and stewardship, occasional conversations with NGOs and advocacy groups, as well as engaging in debate when speaking on panels, also helps with this.

We are very conscious also that the responsible investment landscape has experienced significant change in recent years; clients have been under significant pressure to establish what their needs and expectations are in relation to a wide range of factors. With so much having been in debate, there has been a tendency to express expectations around the integration of stewardship and sustainability considerations within portfolio management ambiguously or otherwise at a very high level; whilst we and our portfolio managers are confident in our collective ability to fulfil the stewardship expectations of the most exacting of clients, we are mindful also of the need to avoid misinterpretations as these will create a fundamental misalignment of interests.

The majority of clients appoint us as manager of their assets on the basis that our investment teams will take full responsibility for stewardship undertaken with portfolio companies. Where a client elects to appoint a third party engagement overlay partner, we will typically make contact with that third party proactively to understand whether there may be opportunities to undertake mutually supportive stewardship work in respect of holdings in the relevant fund. It is our experience that clients appreciate this pro-active and collaborative approach.

Reporting to evidence our stewardship activity in practice is available on request, and can include case studies and voting reports, as well as the wider responsible investment characteristics of portfolios. Where requested, written reports are typically provided on a quarterly or annual basis. Updates are also available through client meetings.

## **Co-engagement**

On occasion, our investment teams may undertake engagement alongside clients, developing the engagement strategy and objectives through direct collaboration. An example of this occurred in 2024-2025, where members of our **Global Intrinsic Value** team engaged the Canadian miner Barrick Mining Corporation (then still Barrick Gold) alongside a client, itself an asset manager. The client had exposure to Barrick Gold across a wide range of its portfolios but having become concerned about the company's approach to managing human rights risks in its operations had found it challenging to establish a constructive conversation with the company. The Redwheel team already had a good line of communication with senior leadership at Barrick Gold and so engaged together with the client, providing an opportunity for the client to converse with the company directly on issues of concern to them.

## **Engagement regarding asset owner voting preferences**

In recent years, we have held occasional discussions with the fintech company Tumelo on the issue of pass-through voting. This concept had started attracting significant interest from asset owners but, in 2024, we noticed a shift; conversations regarding pass-through voting services became more associated with passive investment options, and relatively less associated with active investment options. This is consistent with our own thinking in this area, that pass-through voting is most appropriate to deploy when clients have strongly divergent stewardship preferences on stewardship topics, or when stewardship is incidental to the investment proposition. We believe that our clients have a good understanding of what our investment teams are trying to achieve as active managers and as stewards of their capital, and recognise therefore that it may be more beneficial to engage with our portfolio managers on stewardship than to require development of a parallel process via which to effect proxy voting.

The one client of ours that had been particularly keen for us to explore enabling pass-through voting ultimately indicated that this was no longer of interest and so work in relation to pass-through voting was deprioritised at that time. Nonetheless, given the rapid growth in availability of "voting choice" programmes, we continue to monitor for developments and reaction in this space.

## **Transparency**

In addition to the reports and client interactions mentioned above, our responsible investment approach (including, in part, our approach to stewardship) was formally assessed by the UN PRI in 2025. The assessment related to our positioning as at the end of 2024. The submission we provided to the PRI and a summary of the Assessment we received in return are available on request.

For funds managed directly by Redwheel, full proxy voting activity records going back to 1 January 2021 are also now available for inspection via our website. For our Ecofin team, records extend back to the point of onboarding which was 1 October 2024.

# Redwheel Stewardship Activities and Outcomes Report 2025

Prepared March 2026

Together with the Redwheel Stewardship Policy and  
Context Disclosure (March 2026), comprising the  
Redwheel Stewardship Report 2025.



# Introductory statement

Welcome to the Redwheel Activities and Outcomes Report 2025. This report summarises the stewardship work undertaken at Redwheel across calendar year 2025.

This report is to be read in conjunction with the Redwheel Stewardship Policy and Context Disclosure 2025, which sets out Redwheel's approach to governing, overseeing and supporting stewardship. The Policy and Context Disclosure document will be updated no later than 2030 and prior to that should material changes be made to our governance and oversight approach.

Together, the Redwheel Stewardship Activities and Outcomes Report 2025, and the Redwheel Stewardship Policy and Context Disclosure 2025, represent the Redwheel Stewardship Report 2025.

## At a glance

The Redwheel Stewardship Policy and Context Disclosure 2025 provides a generalised introduction to Redwheel and an indication of our strategies, markets of operation and clients. More specific statistical information, as at 31 December 2025, is provided on the next page.

## Asset class

Equity*	94.8%
Fixed Income (Convertible bonds)	3.3%
Internal Funds	0.2%
Hedging instruments / FX / Options	1.7%

## Investments by country of risk\*\* (USD million)

United Kingdom	7,840
Asia (ex China)	3,639
Europe (ex UK)	2,405
USA	1,761
China	1,696
Africa	1,548
South America	1,197
North America (ex USA)	251
Middle East	251
Other	118

## Client type (by % AUM)

Private Bank / Financial Advisory / Other intermediaries	23.47%
Pension Funds (Corporate / Public)	21.03%
Sub-Advisory	21.03%
Platform / Aggregator	9.21%
Investment Trust	8.71%
Multi-Manager (Institutional / Wholesale / Alternatives)	8.36%
Endowments / Foundation	5.37%
HNW	2.53%
Redwheel Staff	0.19%
Sovereign Wealth Fund	0.1%

## Client location (by % AUM)

United Kingdom	61.12%
United States of America	16.19%
Europe (ex UK)	15.71%
Australia	5.58%
Other	0.93%
Asia	0.43%
Middle East	0.03%
Latin America	0.01%

Redwheel (31 December 2025)

\*Products distributed by Redwheel but managed by external managers represent less than 1% of equity assets under management.

\*\*For reasons of length, aggregated data is presented. In total, our teams invest in almost 70 different markets.



# Stewardship: How we approach it

Our firm-level policies relating to responsible investment together describe the commitment we make to responsible investment, including stewardship, and set out our expectations as to how our investment teams deliver this in practice.

Central within these is our overarching Policy on Responsible Investment which reflects our enduring commitment to responsible investment by enabling portfolio management teams to integrate sustainability considerations within their investment processes, and to engage in stewardship. More specific detail on stewardship expectations and commitments are recorded within our separate Stewardship Policy; commitments relating to the avoidance of investment in companies engaged in the production of cluster bombs, landmines and biological and chemical weapons are recorded within our Controversial Weapons Policy.

Across all strategies and products, the specific approaches adopted to investing responsibly are documented for each investment team. Our teams retain a high level of autonomy over their investment processes and so these documents are developed and curated by the teams themselves consistent with applicable firm-wide policies.

As active managers, the factors considered material by each of our investment teams at the issuer level can and do vary given the nature of the strategies that are managed, the geographies in which investee companies are based, and the asset classes in which investments are made. For instance, whilst all teams commit to integrate the consideration of sustainability factors within “bottom up” investment research, it could be the case that one team adopts an approach that favours companies with good standards of sustainability risk management whilst

another, facing a very different opportunity set, instead prefers to avoid companies with a track record of involvement in sustainability-related controversy due to the comparatively lower standards of risk management within the market. A third team meanwhile might incorporate both these approaches. As such, additional to core financial factors, when assessing materiality the issues our investment teams consider across the lifetime of an investment may include, amongst other things:

- A company's overall approach to sustainability risk management, including the assessment of specific aspects considered by the relevant team to be material within the context of their investment thesis
- The track record of a company's involvement in sustainability controversies, and the quality of management's response to those controversies
- Corporate governance characteristics such as board independence, board diversity, and respect for minority shareholders
- The extent to which a company's products/ services are aligned to or support the delivery of sustainability outcomes
- How companies are positioned from an emissions perspective and the extent of their capacity to avoid being locked-in to high emissions pathways
- Trends over time in relation to these factors

Redwheel's investment teams are also expected to act as good stewards of the capital entrusted to us by clients. As with the core investment process, specific stewardship approaches can and do vary across teams to the extent appropriate; training and support is provided by a central Stewardship function which also circulates related news items to ensure that teams remain abreast of evolving market and regulatory developments. The central Stewardship function also provides day-to-day support to teams on proxy voting matters. However, consistent with our operating model, to ensure a tight alignment of interest with clients, primary responsibility for engagement with portfolio companies rests with the members of individual investment teams. Members of our central stewardship and sustainability resources may be invited to attend engagements (for example, to

speak to issues where they have specific expertise) but not as a matter of routine. More typically, portfolio managers and analysts consult with central team members in advance of engagements as part of the preparation for meetings.

## Issuer-level considerations

A variety of information is used by our portfolio managers and analysts to support the identification of factors that have potential to have a material impact on the investment thesis. For instance, as well as drawing on their own skill and experience as active investors, our teams will often use objective external references when considering which issues may be most material given an issuer's sector and its operational footprint. Where relating to sustainability factors, key references may include:

- The Sustainability Accounting Standards Board (SASB®) materiality map
- Research generated by Greenwheel, our in-house sustainability-focussed thematic research team
- Research produced by specialist sustainability-focussed sell-side brokers
- Risk ratings and ancillary sustainability-related data available from third party research providers such as Sustainalytics

Each team will leverage these inputs, as well as other services provided by third parties, in different ways and to different extents, as part of developing a view on the factors most material to their investments.

## Stewardship as an input to investment research

Over the lifetime of an investment, stewardship will be undertaken as part of the ongoing process of information discovery and the review of investment theses (i.e. as an input to investment research), as well as to commend investee companies to adopt new approaches where our teams believe that change is warranted and would benefit shareholders more widely. Stewardship tends to focus on factors that portfolio managers consider as having greatest potential to be material to investments within the relevant time horizon; where companies have

relatively short capital cycles, these factors tend to relate to core financial and governance matters; where companies have relatively long capital cycles, there is greater scope for conversations to relate to sustainability matters.

Depending on the size of holding, the track record of engaging with the issuer, and other factors besides, dialogue may be undertaken either directly or through participation in collaborative initiatives. The exchange of information may take place virtually (e.g. by email or video conference) or in person (e.g. analysts visiting the company, through broker events, or via company representatives attending our offices when passing through London, Miami or Singapore). We do not outsource our engagement to third-parties, although from time to time we may participate in collaborative engagement initiatives that are led by other investors.

For some teams, stewardship plays a particularly significant role within the delivery of the wider strategy. For instance, our **European Active Ownership** team engages deeply with the companies in its portfolio to identify and unlock hidden value, using corporate governance – including, from time to time, taking seats on company Boards – as an enabler. Through the promotion of improved standards of internal operations, oversight and governance, the team seeks to apply management consultancy and stewardship techniques directly to the delivery of investment returns. Where governance approaches improve, a consequential improvement in the management and mitigation of environmental and social liabilities created through the course of operations would normally be expected. Drawing on their extensive collective experience, the team has built a strong track record of identifying opportunities for European companies to harness efficiencies, embrace new opportunities, and deliver improved returns to shareholders.

The situation is somewhat similar for our **Japan Active Engagement** team which again uses governance-focussed engagement to unlock value within the focus universe (Japanese companies), albeit without the portfolio management team (based at Nissay Asset Management) going so far as to take seats on the Boards of investee companies. The specific issues reflected within stewardship will also vary in accordance with the nature of the

investee company's business model. Receptiveness, or resistance of the management of a company to a notional change agenda forms a key aspect of the investment thesis. The "engageability" of management is assessed by the team prior to investment, with the team preferring to focus on companies open to change and to avoid investment in companies where the risk of confronting deeply entrenched management opposition is high. In cases when the initial assessment proves to be excessively optimistic in this regard, the team will typically look to liquidate the position rather than expend engagement effort that is likely to go unrewarded.

For other teams, ongoing holistic research provides the main mechanism for each team to identify and prioritise issues for discussion on a pro-active basis. For example:

Our **Emerging and Frontier Markets** team's ESG analysis forms an integral part of issuer due diligence. Results are summarised within each research report as part of a multifactor assessment to inform the team's "Buy List". Identification of significant ESG related issues and information gaps occurs early in the process. Where analysis suggests that there may be scope for a company to improve on a given factor, that company is prioritised for engagement. Past assessments are kept under regular review by the team's sustainability specialists as part of ensuring that research remains fresh and the engagement approach is well-focussed.

Our **Global Equity Income** team invests in companies where they believe there is potential for transition. As such, it may take time for portfolio holdings to present what might be considered as positive ESG characteristics. Key inputs to research include management's willingness to address salient ESG challenges, and investors' ability to support management and hold them accountable on relevant issues.

## Product considerations

The role of stewardship within other aspects of the investment process will also be a function of the design of the specific investment product. Redwheel's Product Matrix is shown below; the potential for stewardship and sustainability considerations to influence security selection and portfolio management increases from left to

right. For any products in the Transition category, stewardship would be expected to play a key role in pursuing the achievement of product goals e.g. the real world decarbonisation of the companies whose securities are held. Pertinent regulation, such as the EU Sustainable Finance Disclosure Regulation ("SFDR"), or the UK Sustainability Disclosure Requirements ("SDR"), may also serve to shape the nature and focus of engagement that is undertaken.

Product Category	ESG Integrated	Enhanced Integration	Transition	Sustainable	Impact
<b>Description</b>	<p>The foundation for all products. Financially material ESG factors integrated within:</p> <ul style="list-style-type: none"> <li>• Research</li> <li>• Engagement</li> <li>• Proxy Voting</li> </ul>	<p>ESG integrated plus...</p> <p>Additional emphasis given to portfolio ESG characteristics through, for example:</p> <ul style="list-style-type: none"> <li>• Negative Screens</li> <li>• Tilts vs benchmark</li> <li>• Best in class approach to security selection</li> <li>• Commitment to Sustainable Investments (&lt;50% of portfolio)</li> <li>• Select environmental/social factors subject to enhanced due diligence</li> </ul>	<p>ESG integrated or enhanced integration plus.</p> <p>Security selection focuses on return opportunities related to the energy transition including:</p> <ul style="list-style-type: none"> <li>• Climate Solutions and Enablers</li> <li>• Engagement with high emitting companies</li> </ul>	<p>Enhanced integration plus.</p> <p>Security selection identifies companies that, through contributing to environmental and/or social objectives, present compelling return potential.</p> <p>At least 50% of the portfolio qualifies as a 'sustainable investment'.</p>	<p>Enhanced integration plus.</p> <p>The strategy has a dual objective to generate return and have clear, measurable positive impact on environmental or social outcomes through security selection.</p>
<b>Alignment to EU SFDR</b>	Art. 8	Art. 8	Art. 8	Art. 8	Art. 9
<b>Alignment to UK SDR*</b>	N/A	N/A	Sustainability Focus for solutions, Sustainability Improvers for engagement	Sustainability Focus	Sustainability Impact



# Stewardship and the promotion of well-functioning markets

Redwheel as a business focuses on providing access to actively managed investment services, and a key differentiating feature of our business model as compared to those of our peers is the absence of a Chief Investment Officer; across our investment teams, primary responsibility for the identification and evaluation of risk within portfolio management rests with the individual portfolio manager. Where risks are considered to be significant in context, portfolio management teams seek to understand the potential impact of future risk events to the financial performance of relevant issuers and develop their investment thesis around this. Portfolio weights may be adjusted as part of managing the overall risk and return characteristics of the relevant investment product, ensuring that the product continues to meet client expectations.

Our portfolio managers have a responsibility to assess whether:

- The risk is relevant in context (are portfolio holdings actually exposed to the risk?)
- The risk is material (could a relevant future risk event without appropriate management have an appreciable impact on the valuation of the company?)
- The risk is bearable (could a company survive the risk event?)
- The relevant risk event is likely to occur within the time horizon relevant for the product (would action be needed if a future risk event occurred only at some point far off in the future?)

- The risk event is likely to be acute (i.e. experienced only for a short period of time and so not requiring of a substantive review of the central investment thesis) or persistent over much longer periods (and therefore directly relevant to the assessment of companies' enduring ability to remain investable)
- Recommending alternative options would address the risk (recommending options to manage risk, such as establishing a formal workstream to monitor risk exposure and advise management on necessary resources or strategic changes, can be positively received and reinforce confidence in the investment)

As participants in a dynamic financial system, we understand that risks and returns have a fundamental interrelationship. Exposure to systemic risks sets the backdrop for our ability to generate returns, and being able to assess the scale of risk exposure helps to price the return per unit of notional risk to which client assets are exposed. Systemic risks are, however, simultaneously complex to conceptualise, hard to quantify and may be highly interdependent. As such, it can be difficult to gain a comprehensive understanding of systemic risk exposure at any given point in time; there will always be unknowns. Nonetheless, we try where we can to improve our appreciation of the nature of these risks, how they are related, and the extent to which they can be effectively addressed through portfolio management and related stewardship with the resources available to support the protection

of client interests. Our Sustainability Forum – led by our Greenwheel specialists – focuses routinely on issues relating to climate change, environment and human rights; regarding the management and mitigation of sustainability-related systemic risks, participation in the Forum provides a key mechanism for our investment teams to learn how to put theory into practice, as well as an opportunity for those with prior experience to share knowledge and understanding of what has worked in the past.

Objective assessment of managers' exposure to investment financial risks is provided on a day-to-day basis by our dedicated Risk and Quantitative Analysis (RQA) team which sits independent of our investment teams. Our Portfolio Risk Committee, chaired by our Head of Investments, provides formal oversight of investment teams' exposure to risk (relating to factors such as interest rates, liquidity, FX etc.) through consideration of the scenario modelling and assessments undertaken by the RQA team in respect of our funds and strategies. The committee has included a sustainability representative from our central resources since 2022, appointed to enhance the committee's approach to consideration of portfolio exposure to sustainability risks.

As regards market-wide and systemic risks that might be considered to relate to sustainability themes, portfolio managers bear primary responsibility for the identification and evaluation of those relevant in a portfolio management context. Numerous inputs inform the work undertaken to assess and consider which risk factors might be considered relevant, as well as how market and systemic risk is evolving, both on a relative and absolute basis; sources of information used to contextualise our understanding of the evolving risk environment include sustainability-related surveys and analyses that are issued throughout the year by brokers, consultants, and other third-party organisations.

From this and our ongoing work to track the evolving interests of clients and asset owners more broadly, we believe that three themes remain of particular interest; Climate (Mitigation and Adaptation), Human Rights (including Modern Slavery) and Biodiversity.

It is in recognition of this that our Greenwheel team - set up to advise our investment teams on how to integrate related issues into their investment approaches – is co-led by a Climate and Environment Research Lead and a Social Research Lead. The development of quantitative solutions and tools by Greenwheel focussing on sustainability-related systemic risks - in part as an outturn of the discussions taking place within the Sustainability Forum - provides a key pathway for us to bring more rigorous assessment frameworks into analysts' desktop resources. The team's research is highly valued by our investment teams, and was recognised also this year at the Environmental Finance Sustainable Investment Awards in two categories.<sup>7</sup>

Our teams' responses to the presence of material related risks within portfolios, as well as related opportunities, are in practice effected through both portfolio management and stewardship; for instance, by encouraging companies to improve disclosures without which the manager's ability to integrate relevant sustainability considerations may be frustrated. This can be supplemented via proxy voting as needed, reinforcing the desire to see expanded disclosure in relevant areas and holding relevant individuals accountable for this.

Our success in managing portfolios is ultimately gauged through assessment of assets under management and client satisfaction. Our teams are rewarded based on their ability to understand risk and to identify baskets of companies which, under the circumstances, are likely to generate compelling return characteristics for invested clients over a particular time horizon. Failure to adapt to an evolving risk landscape would not serve clients' best interests. However, given the fast evolving world of sustainability, the identification of risks that are material in context is not always straightforward; it is for this reason that we have created dedicated functions, whose responsibility it is to support and advise our investment teams (as well as our wider business, Executive Committee and Board) on sustainability and stewardship issues, helping to identify what is material today, offering opinion on what may be material tomorrow, and enabling us to maintain consistency within investment and corporate processes.

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<sup>7</sup> "Thought leadership paper on sustainable investing, Global"; "ESG research of the year, Europe"

## Participation in industry initiatives

As a firm, we are actively engaged in a number of initiatives promoting the introduction of progressive policy and thus better functioning markets. Our involvement helps ensure that, as perceptions of risk evolve through time, we can as a firm contribute to efforts designed to encourage legislators and regulators to adopt laws and guidance in relation to applicable standards of practice. Companies subject to those laws and/or regulatory oversight must necessarily respond in an appropriate manner. In this way, risk can be managed through the introduction of enhanced requirements binding

on all participants in a sector/market. Failure to act in accordance with these requirements may leave companies at risk of litigation or otherwise identified as a sector laggard, creating a reputational disadvantage.

We have historically interacted regularly with peers to promote well-functioning markets and, over time, have looked to formalise our interactions through involvement in structured industry initiatives. The full list of our active memberships as at the end of 2025 is shown below although ad-hoc interactions with peers continue on a variety of issues, for example as we look to develop our thinking and socialise the sustainability thematic research produced by our Greenwheel team:

Membership	Year joined
UN Principles for Responsible Investment	2020
Investor Forum	2020
ClimateAction100+	2021
Institutional Investors Group on Climate Change	2021
Investment Association – Sustainability & Responsible Investment Committee	2021
Investment Association – Stewardship Committee	2024
Corporate Governance Forum	2021
Pensions UK - Stewardship Advisory Group	2021
CDP	2021
NatureAction100	2023
Access to Medicines Foundation	2023
UNPRI Sustainable Systems Investment Managers Reference Group	2023
CityHive ACT – Global Leadership Council	2025

## Redwheel participation in ClimateAction100+

In March 2021 Redwheel joined ClimateAction100+. In the initial phase of our involvement, members of our investment teams joined the collaborative engagements being undertaken with two companies: Reliance Industries (as co-lead), and Shell.

Over time, we have looked to expand and adjust our involvement and are now active in the work of a total of eight collaborative engagements:

- Anglo American (co-lead)
- Centrica (co-lead)
- Vale (lead)
- Samsung Electronics (participant)
- Petroleo Brasileiro (participant)
- Shell (participant)
- Reliance Industries (participant)
- AES Corporation (participant)

The engagements in which we participate moved more slowly in 2025 than in prior years, in significant part a reflection of prevailing market conditions. For example, announcement of the merger of Teck Resources and Anglo American resulted in a reduction of engagement intensity, giving the company space to focus on addressing the proposed combination. For Centrica, progress also slowed although this was in part a reflection of significant progress having been achieved in prior year. Conversations meanwhile continued with Samsung Electronics with members of our **Global Equity Income** team speaking to the company alongside peers as part of encouraging a strategic approach to the management of climate related risks.

Reference information relating to the initiative, its goals, and a list of target companies are available on the [CA100+ website](#).

## Redwheel participation in NatureAction100

In 2023 Redwheel became a supporter of the NatureAction100, an initiative launched to help develop a benchmark of current corporate practices relating to nature and biodiversity and to promote

understanding amongst target companies of the significance of related systemic risk factors. The initiative launched in Autumn 2023, with collaborative engagement groups formalised towards the end of the year and assigned to target companies all of whom had been identified for inclusion via a multi-factor assessment process.

Members of Redwheel investment teams are actively involved in three of these collaborative engagement groups, involving Mondi plc, Merck & Co. Inc, and Vale SA.

Again, as with ClimateAction100+, market conditions meant that engagements ran more slowly in 2025. After initial outreach to companies in 2024, 2025 saw investor groups continuing to come together regularly for discussions, in the main part working together to review company reactions to the first round of engagement and to recalibrate and refine the nature of the requests being raised. There were though substantially fewer interactions with companies overall, in part a reflection of the relatively nascent state of broad-based nature-related engagement and the lack of capacity on the part of many companies targeted by the initiative to maintain high-frequency conversations. The framework used to inform each group's approach nonetheless remains the so-called "NatureAction100 Investor Expectations", which focuses on the six areas of Ambition, Assessment, Targets, Implementation, Governance, Engagement.

For each group, an 'Engagement Planning Form' was completed and returned to the relevant network support partner. Redwheel also submitted a range of observations and comments to the network support partners as part of their "Collecting Best Practices" exercises that ran in April 2025, in order to help shape and inform the wider strategy.

Reference information relating to the initiative, the "investor expectations" that are being used to underpin development of the corporate benchmark, a full list of target companies, and the initial benchmark results, are available on the [NA100 website](#).

## Redwheel participation in 2025's CDP Non-Disclosure Campaign ("NDC")

Issue: Every year, CDP (formerly the Carbon Disclosure Project) runs an annual campaign that seeks to encourage improvement in the disclosures made by companies considered not to have met CDP's expectations in relation to climate change, forests and water security considerations. Having joined CDP at the end of 2021, Redwheel first became a supporter of the NDC in 2022.

Outcome: Consistent with prior editions of the campaign, the 2025 version saw the names of all campaign supporters added to the letters sent to companies not already disclosing to CDP. In total, letters were sent to over 1,300 companies, signed by 223 financial institutions including Redwheel. Despite the global shift in the political and regulatory landscape, the campaign continues to prove effective with engaged entities 2.4x more likely to disclose on climate change versus a control group (2.9x for forests, and 2.1x for water security).

A full summary of the results of the 2025 campaign is available on the [CDP website](#).

## Redwheel participation in Rathbones' and CCLA coordinated Votes Against Slavery (VAS) coalition

Issue: Section 54 of the UK's Modern Slavery Act 2015 requires large UK-based companies to report on how they identify and eliminate modern slavery within their supply chains; under this legal requirement, however, there is no legal redress for companies that fail to comply. As in prior years, the objective of the 2025 edition of the VAS campaign was to target FTSE 350 and AIM companies whose modern slavery reporting was identified as failing to meet disclosure requirements under the Act. The campaign was supported by over 160 investors with just under £3 trillion in AUM. Redwheel first joined the initiative in February 2022.

Outcome: As at the end of December 2025, 25 of the 26 FTSE 350 companies targeted by the initiative had moved into compliance with Section 54 of the Act with the other confirmed as not being in scope. Meanwhile, of the 60 AIM-listed companies originally targeted, 42 had moved into compliance. By the time of relevant 2025 AGMs, all targeted companies whose securities were held by Redwheel investment teams had moved or had committed to move into compliance with the Act.

## Other engagement

Further examples of Redwheel's engagement as part of making an effective contribution to promoting and supporting well-functioning financial markets follow - with regulators, policymakers, NGOs, trade associations, and with other stakeholders - to offer a sense of the breadth of issues on which we are active.

- Throughout the year, members of our sustainability and stewardship teams participated in meetings of the "Sustainable Systems Investment Management Reference Group" of the **UN Principles for Responsible Investment**, helping to give shape to the development of the UNPRI's strategy and approach to the delivery and promotion of responsible investment in practice. A member of our Greenwheel team also attended the annual **PRI in Person** event in São Paulo, Brazil, having been invited to speak on the topic of "Mining and commodities: supply chain integrity and stakeholder engagement".
- In February, Redwheel submitted a response to the consultation launched by the **Financial Reporting Council** in relation to the UK Stewardship Code. Our Head of Stewardship also met with FRC representatives later in the year to discuss the guidance being developed to assist preparers.
- We met with a policy advisor from the **UK Clean Energy Mission** to discuss recent developments on UK government policy relating to energy infrastructure and to offer views on what would be most helpful from an investor perspective. During the summer, we took the opportunity to meet with a representative of the UK's **Department for Business and Trade**

for a discussion around factors holding back growth in the UK market. In a similar connection, we also attended an event bringing together experts from the investment and life sciences industries to pool knowledge and insights as part of helping to inform the work of the **Investment Association** relating to the UK industrial strategy.

- Again organised by the Investment Association, we attended a presentation regarding cyber security and investment materiality hosted by the **National Cyber Security Centre**, as part of which we were able to offer our own views and insights on the materiality of cyber crime.
- We also gave input to work being undertaken by the **Investor Forum** regarding UK disclosure requirements in relation to share buybacks for discussion with the Financial Conduct Authority. Separately, we participated in a roundtable on “Strengthening Alignment in the Investment Chain” and gave input to the content of the **Investor and Issuer Forum Compass** that was published subsequently.
- To encourage the UK government to maintain focus on delivering its “Carbon Budget Growth and Delivery Plan”, we assisted in the preparation of a letter sent to the **UK Chancellor** by WWF to highlight the critical need for sector decarbonisation plans.
- We engaged directly with representatives of the **Financial Conduct Authority** regarding climate reporting in the UK market, also participating in an interview relating to the streamlining of reporting applicable to investment managers. In a related connection, we also participated in a roundtable attended by representatives of the **Department for Business and Trade** and the **Department for Energy Security and Net Zero**, hosted by the Investment Association, to discuss issues relating to the introduction of UK Sustainability Reporting Standards, Assurance, and Transition Plans.

- We actively contributed to development of a public statement prepared by the **Institutional Investors Group on Climate Change** relating to the EU Methane Emission Regulation
- Redwheel’s Social Research Lead spoke at **RightsCon**, the annual global summit on tech and human rights, which in 2025 was held in Taipei. Many of the discussions at the conference provided opportunity to share knowledge and learn about investor approaches at the intersection of human rights and AI, creating a platform through which to inform future policy and to develop best practices.
- Our Head of Stewardship spoke at the Investment Association’s **Stewardship and Corporate Governance Forum 2025** to speak on the topic of “How can stewardship practices be improved?” and at **TSESG London** on the topic of “The responsible investment lens: What does good stewardship, engagement and governance look like in 2025 and beyond?”, offering thoughts on the outlook for stewardship in light of recent regulatory developments.



# Stewardship in action: Engagement with issuers

## Purpose and outcomes

Engagement with issuers is central to Redwheel's approach to stewardship. As outlined in our Stewardship Policy, our investment teams engage with a view to achieving distinct outcomes. These may include:

- Better informed investment research
- Improved conviction in the alignment of company and investor interests
- Enhancement of our assessment of the effectiveness of oversight processes in practice

The nature of the outcome sought informs the objective(s) of an engagement. Objectives could for instance include improving or expanding disclosure, making a meaningful contribution to Board discussions in relation to strategy, or to encourage change to governance arrangements. Through the series of individual events that relate to an engagement, teams can create momentum in the conversations taking place with a given target company on relevant underlying issues; by maintaining focus on the achievement of engagement objectives, the likelihood that desired outcomes will occur can be increased.

Given the nature of Redwheel's business model, responsibility for engagement rests with each investment team. Additional support is provided by Redwheel's central Stewardship function where engagement is undertaken through collaborative initiatives, relates to securities held across multiple teams, or otherwise relates to good market

formation where it is more often the case that the engagement is conducted by Redwheel as a corporate entity as opposed to one or more of its investment teams. Where engagement relates to narrowly defined issues e.g. in the areas of climate and human rights, members of our Greenwheel team may on occasion also be asked to provide support, helping to accelerate progress by leveraging their domain expertise.

## Prioritisation

The financial and sustainability factors that are considered to be material to an investment thesis and the quality of an issuer's approach to managing them will influence the selection and prioritisation of issuers for engagement, and the issues on which conversations are focussed. Teams may also engage companies to raise awareness of emerging best practice, encourage a focus on new opportunities, and seek to address/reduce adverse sustainability impacts arising through the course of operations. In this connection, we have in the past led training sessions for investee companies in order to provide insight into how investors make use of corporate sustainability disclosures; by offering real life examples of how disclosures are used, we hope to encourage companies to put appropriate effort into quality assurance, which helps preparers feel more engaged in their work and enables subsequent engagement by investors to be well-informed and constructive.

Decisions around the need for engagement with companies, and the manner in which this work is approached, are determined with respect to a range of considerations including:

- Engagement/proxy voting history with the company
- Percent of market cap held, significance of company within strategy, and expectations of engagement success
- Extent to which concerns are 'acute' (one time) or 'chronic' (persistent)
- Extent to which we see risk to sector view or to specific investment thesis
- Marginal benefit of the engagement outcome in securing continued investment
- Company's pre-existing involvement in stewardship initiatives of relevance
- Extent to which we can leverage memberships to support/encourage novel stewardship approaches

Depending on the nature of the specific concern and issuer in question, engagement may be proactive (i.e. risk/opportunity driven) or reactive (i.e. event driven). For instance, whilst teams with significant positions in UK companies may expect to be consulted as a matter of course on corporate remuneration arrangements given the maturity of this conversation in the market (meaning that related engagement would be considered reactive), those investing in companies based elsewhere may need to be more proactive in raising concerns and making recommendations.

## Methods of engagement

Engagement is typically conducted diplomatically and discreetly. It is also normally conducted directly but may also occur via collaborative initiatives arranged by organisations of which we are a member. The size of the holding, where Redwheel is on the shareholder register, and the nature of the issue, are all factors that teams consider when evaluating whether to work bilaterally or collaborate with others. During the year Redwheel investment teams used a variety of means to communicate concerns and recommendations to target companies. Whilst in-person face to face

meetings remain strongly preferred as these are felt to be most helpful as building constructive relations between counterparties (whether that be directors as representatives of shareholders, senior management, sustainability specialists, or investor relations) the increased availability of technology is enabling investors and corporates to shift to engaging via video/online. Letters and emails continue to be sent though as well as part of maintaining momentum in engagements.

## Success measures

Measuring the success of engagement is often a complex endeavour. It depends on both the type of engagement and its goals. Some engagements will be undertaken in order to nudge issuers in a certain direction or otherwise to confirm that they remain committed to a strategy or certain principles (such as low financial leverage and the avoiding of acquisitions). Others however will be much more resource intensive and may play out over the longer term.

Assessments of engagements are currently highly qualitative and dependent largely on how issuers respond to our teams. Assessment of engagement impact over the long-term however requires more in the way of monitoring the issuer's future actions regarding related matters.

Some engagements, for example on remuneration policy, have relatively binary outcomes. If the remuneration chairperson incorporates feedback from one of our investment teams on policy design, that is a success. However, if the team's suggestions do not appear in the final policy, that could be considered a failure, even if the objective was to raise awareness of our views in recognition that we are one voice amongst many on the company's share register. Conversely, where a company sets more stringent emissions targets but these do not exactly meet our team's recommended approach, this could be both a success and a failure.

Success is also hard to attribute credibly to a single investor's endeavours, particularly when it is known that other investors are pursuing the same or similar objectives. It is for this reason that our teams do not overstate their contribution where corporate practice changes.

Within our own approach, teams are encouraged to record the progress of engagements against generic milestones as a means to capture progress towards the achievement of objectives. Our five step framework is as follows:

## 1 Tier 1 Engagement initiated

This reflects that fact that a decision has been taken to pursue one or more objectives with a company and that related correspondence has been sent.

## 2 Tier 2 Preliminary response received

Used to note that a holding response has been received.

## 3 Tier 3 Substantive response received

Used to record that information relevant to the objectives has been provided.

## 4 Tier 4 Engagement continuing

Used to record that one or more additional rounds of discussion are being undertaken.

## 5 Tier 5 Engagement completed successfully

Objective wholly or substantially achieved.

Where we exit a position whilst engagement is ongoing, a company is taken over, or other similar factors mean it is no longer appropriate to pursue objectives, our framework allows for engagements to be marked as having been halted. The framework also enables us to capture instances where our objectives were not achieved within the applicable timeframe.

## Issuer Engagement Examples<sup>8</sup>

To offer a sense of the engagement work undertaken by our investment teams outside of structured initiatives, and the rationale for this, brief examples are provided below:

### GOVERNANCE

#### ➔ Nexi SpA

Rationale: To help safeguard minority shareholder interests by ensuring shareholders had independent representation on the Board.

Approach: We supported the filing of a shareholder proposal at Nexi, a company held by our **European Active Ownership** team. The proposal was led by Assogestioni, an organisation representing fund and asset management company interests in Italy. Shareholder support was sufficient to enable two of the nominated candidates to retain their seats on the board.

#### ➔ TotalEnergies SE

Rationale: To improve the narrative on governance by encouraging the company to commit to the separation of the roles of Chair and CEO.

Approach: A detailed letter was sent to the Senior Independent Director, jointly signed by portfolio managers within our **Global Equity Income** and **Global Intrinsic Value** teams who both held the company. Ongoing conversations continue to highlight the potential benefit of a future separation of roles for shareholders.

#### ➔ Anglo American plc

Rationale: To avoid company and shareholder interests becoming misaligned through the combination of the company with Teck Resources.

Approach: Ahead of the December 2025 special shareholder meeting, our **Global Intrinsic Value** team met with the Chair of the Anglo American Remuneration Committee to highlight concerns regarding amendments proposed to the company's Long-Term Incentive Plan. The resolution seeking approval of the plan was ultimately withdrawn ahead of the meeting.

<sup>8</sup> Information on our engagement with issuers under collaborative initiatives can be found under "[Participation in industry initiatives](#)"

## ➔ First Quantum Minerals

Rationale: To improve the alignment of company and shareholder interests.

Approach: At the 2025 AGM, the decision was taken by our **Emerging and Frontier Markets** team to withhold support from the Chairman of the Board, reflecting a variety of concerns that existed at the time. Shortly after the AGM, a follow-up meeting with the Chairman was held during which the team's concerns were acknowledged, including in relation to the need for increased insider equity ownership. Subsequent engagement at the start of 2026 confirmed there had been significant increase in the Chairman's shareholding, helping to create a stronger alignment with investors.

## ➔ Investor Forum

Rationale: As a member, and given the significance of the UK market to our business, we believe it is important to make an effective contribution to the Forum's work engaging UK corporates on issues of concern to UK investors. A member of our Global Intrinsic Value team sits on the Board as a director. Our Head of Stewardship was awarded the Simon Fraser Stewardship Award by the Investor Forum at the start of 2025.

Approach: We make proactive use of the Investor Forum where we believe that there may be value in raising concerns through collaborative action. We are also responsive to requests for insight as raised by other members where we have common holdings, and on occasion support initiatives organised by the Forum that have significance more at the market level e.g. engagement with AstraZeneca seeking clarity on its intentions to delist from the UK market.

## ENVIRONMENT

### ➔ Shell plc

Rationale: To improve the company's appreciation of the depth of investor views on climate disclosure and governance as an input to ongoing conversations about the company's positioning on a variety of climate- and renewables-related matters.

Approach: For this particular engagement, our **Global Intrinsic Value** team invited a client to attend and observe. This both helped the company to understand the alignment of interests in this area, and gave the client direct insight into our engagement approach (focussing on social licence to operate, profitability and investability).

### ➔ Tullow Oil

Rationale: To hold the company accountable for its commitment to achieving net-zero emissions by 2030.

Approach: Having faced scrutiny for its approach to flaring, the **Emerging and Frontier Markets** team engaged to encourage the company to fulfil its pledge to end routine flaring by the end of 2025, a critical aspect of achieving its broader emissions goal. The conversation confirmed that most of the necessary engineering upgrades to boost gas handling capacity had been completed, meaning that efforts to eliminate routine flaring remain on track.

### ➔ Macy's Inc.

Rationale: To improve the company's perception amongst investors regarding its approach on climate.

Approach: Following a meeting with representatives from the company's Investor Relations and Sustainability teams, the **Global Intrinsic Value** team wrote to the Chair-CEO to put on our record their support for greater transparency on climate, and to offer insight into European investor views on climate disclosure. Over time, we hope the company will adopt a more open approach to shareholder engagement on this issue, in line with the recommendations we put forward.

## SOCIAL

### ➔ ACEN Corp

Rationale: To encourage continued improvement to supply chain management practices.

Approach: The **Emerging and Frontier Markets** team have an ongoing engagement regarding supplier management. During the year, further detail emerged on company initiatives to strengthen supply chain transparency, due diligence, and supplier accountability. The team continues to encourage improvement, to enhance upstream visibility - particularly for critical solar materials sourced from high-risk jurisdictions - through strengthened supplier mapping and expanded use of traceability tools.

### ➔ Marks and Spencer plc

Rationale: To protect shareholder value by helping the company to avoid incurring reputational damage.

Approach: A shareholder proposal, seeking enhanced disclosure of Marks & Spencer's UK wage policies was filed ahead of the 2025 AGM. The **Global Intrinsic Value** team took part in a call hosted by the Investor Forum, at which the company set out the board's case for voting against the proposal. The team then engaged directly with management to seek further clarification on a number of points. Based on their analysis and engagements, the team took the decision to vote against the proposal. The resolution did not pass; however, it received 30.7% support. Following the AGM, M&S contacted the team for their feedback on the vote. The team provided feedback on how the company approached the Shareholder Proposal and where the company might improve communications with shareholders.

### ➔ Shell plc

Rationale: To improve shareholder and executive alignment through revision of the approach to using safety metrics within remuneration plans.

Approach: A letter was sent to the Chair of the Remuneration Committee, jointly by portfolio managers within our **Global Equity Income** and **Global Intrinsic Value** teams who both held the company, highlighting the desirability of the company adopting formally the right to apply downward discretion on pay outcomes in light of safety performance. The remuneration consultation will continue in 2026.



## Escalation examples

### ReNew Energy Global plc

During 2025, our **Ecofin** team made two public statements in relation to its engagement with ReNew Energy Global plc. This engagement related to the proposed acquisition of the entire issued and to be issued share capital of ReNew Energy Global Plc for \$7.07 per share by a consortium of Abu Dhabi Future Energy Company PJSC-Masdar, Canada Pension Plan Investment Board, Platinum Hawk C 2019 RSC Limited as trustee for the Platinum Cactus A 2019 Trust (a wholly owned subsidiary of the Abu Dhabi Investment Authority) and Sumant Sinha (the Founder, Chairman and CEO of ReNew).

The team felt that the non-binding offer that had been proposed understated both the present value of the Company and also its potential future value. Multiple conversations were held with members of the special committee appointed to oversee the arrangement, the Board, and the company's broker. Attempts to involve the Investor Forum proved unsuccessful though due to low ownership of the company amongst the Forum's members.

As the engagement progressed, letters were issued so that the company's wider shareholder base could see the Ecofin team's arguments as to why the offer should be increased. These letters are available on the Redwheel website:

- [Statement regarding the proposed acquisition of Renew Energy Global plc](#)
- [Revised offer for Renew Energy Global plc](#)

Ultimately the attempt to acquire the company collapsed in December 2025 when a member of the consortium withdrew, enabling the team to remain invested in the company and to encourage realisation of a higher valuation.

### Auction Technology Group plc

Midway through the year, our **European Active Ownership** team contributed to work led by the UK's Investor Forum to help raise awareness of the extent of investor concerns to the Chair of Auction Technology Group plc. In total six investors came together to support collaborative engagement via the Investor Forum, representing around 16% of issued share capital.

Concerns hinged on the manner in which the company had been communicating with its shareholders and how feedback was being processed. Collectively, it was felt that there was an excess of optimism in guidance and that this was affecting how the company was being evaluated in the market; it was also felt that constructive shareholder challenge was potentially being mischaracterised internally. Participants remained generally positive on the long-term potential for the company, but near term issues were being created as a result.

Whilst these issues had been communicated by the Redwheel team, the absence of clear action by the company contributed to the decision to support collaborative engagement.

Following an initial letter, a face to face meeting between the Chair and the Investor Forum was held for a frank exchange of views. As an outturn, the company committed to be more realistic and transparent in its communications, and to review the investor relations strategy. Having a clear sense of shareholder sentiment on these issues was appreciated by the Chair, as a consequence of which participants agreed that the collaborative engagement could be considered successfully closed.



# Stewardship in action: Voting

A statistical review of voting across 2025 follows, covering pooled funds only, for those meetings where we were able to vote, where we held shares at the time of the shareholder meeting, and in respect of which votes were cast identically across all ballots.

All applicable governance, oversight and reporting protocols were followed to manage the potential for conflicts of interest to arise in relation to proxy voting.

Full records of our voting activity going back to 1 January 2021 are available for inspection via our website.<sup>9</sup> For the Ecofin team who joined Redwheel in October 2024, records are provided from the time of joining Redwheel.

All teams receive recommendations reflecting the ISS Climate voting policy, ensuring that climate issues are systematically considered whenever teams make decisions over the votes to cast at the shareholder meetings of the companies they hold.

<b>Number of meetings voted</b>	<b>620</b>	
Number of meetings voted with management	377	60.81%
At least one vote against management	243	39.19%
Number of meetings voted with policy	448	72.26%
At least one policy override	172	27.74%

<sup>9</sup> [Proxy Voting Dashboard, Redwheel / ISS](#)

## Proposal level – management proposals, by type

Policy recommendation	For/Refer				Abstain			Withhold		Against			One Year	Total	%
	For	Abstain	Withhold	Against	For	Abstain	Against	For	Withhold	For	Abstain	Against			
Audit Related	516									2		17		535	7.00
Capitalization	682		19							14		61		776	10.15
Company Articles	235									1		32		268	3.50
Compensation	802		4							31		92	6	935	12.23
Director Election	2511		28	2	12	62		26	24	121	3	121		2910	38.05
Director Related	643	1			1	19	1			41		50		756	9.89
E&S Blended	15													15	0.20
Environmental	6									2				8	0.10
Miscellaneous	52	1								3		13		69	0.90
Non-Routine Business	94									2		7		103	1.35
Procedural/Non-Equity	3		3											6	0.08
Routine Business	971									11		63		1045	13.67
Social	48											5		53	0.69
Strategic Transactions	71		1							7	1	17		97	1.27
Takeover Related	71													71	0.93
<b>Grand Total</b>	<b>6720</b>	<b>2</b>	<b>55</b>	<b>2</b>	<b>13</b>	<b>81</b>	<b>1</b>	<b>26</b>	<b>24</b>	<b>235</b>	<b>4</b>	<b>478</b>	<b>6</b>	<b>7647</b>	<b>100</b>

## Proposal level – shareholder proposals, by type

Policy recommendation	For/Refer			Abstain	Against		Total	%
	For	Abstain	Against	Abstain	For	Against		
Audit Related	13					5	18	11.46
Capitalization	2						2	1.27
Company Articles	2					3	5	3.18
Compensation	5					9	14	8.92
Corporate Governance	5		2			3	10	6.37
Director Election	9		1	5	2	4	21	13.38
Director Related	11		1			2	14	8.92
E&S Blended	2		1			8	11	7.01
Environmental	4		8			3	15	9.55
Miscellaneous	7		1			22	30	19.11
Routine Business	1						1	0.64
Social	6	1	5			4	16	10.19
<b>Grand Total</b>	<b>67</b>	<b>1</b>	<b>19</b>	<b>5</b>	<b>2</b>	<b>63</b>	<b>157</b>	<b>100</b>

## Management proposals – Votes against policy recommendation

Vote cast	# where policy recommendation was not followed	# where policy recommendation was followed	% overruled within category
For	6720	274	3.92
Abstain	81	6	6.90
Withhold	24	2	7.69
Against	481	53	9.93
One Year	6	0	0.00
<b>Total</b>	<b>7312</b>	<b>335</b>	<b>4.38</b>

## Shareholder proposals – Votes against policy recommendation

Vote cast	# where policy recommendation was not followed	# where policy recommendation was followed	% overruled within category
For	67	2	2.90
Abstain	5	1	16.67
Withhold	0	0	-
Against	63	19	23.17
<b>Total</b>	<b>135</b>	<b>22</b>	<b>14.01</b>

## Meetings by region

Region	# meetings	% of total meetings voted
Africa	24	3.87
Asia (ex China)	127	20.48
Australasia	11	1.77
China	51	8.23
Europe (ex UK)	135	21.77
Middle East	11	1.77
North America (ex USA)	55	8.87
South America	27	4.35
UK	72	11.61
USA	107	17.26

## Meetings by market type

Market	# meetings	% of total meetings voted
Developed	329	53.06
Emerging	195	31.45
Frontier	47	7.58
Standalone	9	1.45
Unclassified	40	6.45

## Significant votes

The table below highlights where both (1) we dissented from supporting a management proposal, or supported a shareholder proposal, and (2) we departed from the vote recommendation provided to us by ISS

Company Name	Proposal Number	Proposal Text	Rationale	Vote Instruction	Outcome
AECOM	1.4	Elect Director Troy Rudd	Governance concerns	Against	Pass
BKW AG	5.a.2	Reelect Roger Baillod as Director and Board Chair	Governance concerns	Against	Pass
BKW AG	5.a.6	Reelect Kurt Schaer as Director	Governance concerns	Against	Pass
BKW AG	5.1.7	Elect Linda Winter as Director	Governance concerns	Against	Pass
Carrefour SA	7	Reelect Charles Edelstenne as Director	Board tenure	Against	Pass
China Longyuan Power Group Corporation Limited	1	Approve Satisfaction of the Conditions for the Issuance of A Shares to Specific Targets by the Company	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	2.01	Approve Type and Nominal Value of the Share to be Issued	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	2.02	Approve Issuance Method and Time	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	2.03	Approve Issuance Targets and Subscription Method	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	2.04	Approve Pricing Benchmark Date, Issue Price and Pricing Principles	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	2.05	Approve Number of Shares to be Issued	Governance concerns, Inadequate disclosure	Against	Pass

<b>Company Name</b>	<b>Proposal Number</b>	<b>Proposal Text</b>	<b>Rationale</b>	<b>Vote Instruction</b>	<b>Outcome</b>
China Longyuan Power Group Corporation Limited	2.06	Approve Lock-up Period	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	2.07	Approve Total Amount and Use of Proceeds	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	2.08	Approve Arrangement of Accumulated Undistributed Profits Prior to the Issuance	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	2.09	Approve Place of Listing	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	2.1	Approve Valid Period of the Resolution of the Issuance	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	3	Approve Proposal of the Issuance of A Shares to Specific Targets	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	4	Approve Demonstration and Analysis Report Regarding the Plan of the Issuance of A Shares to Specific Targets	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	5	Approve Feasibility Analysis Report on the Use of Raised Funds from the Issuance of A Shares to Specific Targets	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	6	Approve Report on the Use of Previously Raised Funds	Governance concerns, Inadequate disclosure	Against	Pass

Company Name	Proposal Number	Proposal Text	Rationale	Vote Instruction	Outcome
China Longyuan Power Group Corporation Limited	7	Approve Dilution of Current Returns by the Issuance of A Shares to Specific Targets, Remedial Measures Adopted and the Undertakings Made by the Relevant Entities	Governance concerns, Inadequate disclosure	Against	Pass
China Longyuan Power Group Corporation Limited	8	Approve Authorization by the Shareholders' Meeting to the Board or its Authorized Person(s) to Proceed with Specific Matters in Respect of the Issuance of A Shares to Specific Targets in Their Sole Discretion	Governance concerns, Inadequate disclosure	Against	Pass
China Suntien Green Energy Corporation Limited	2.2	Elect Li Lian Ping as Director	Governance concerns	Against	Pass
China Suntien Green Energy Corporation Limited	2.3	Elect Qin Gang as Director	Governance concerns	Against	Pass
China Suntien Green Energy Corporation Limited	2.4	Elect Zhang Xu Lei as Director	Governance concerns	Against	Pass
China Suntien Green Energy Corporation Limited	2.5	Elect Lu Rong as Director	Governance concerns	Against	Pass
China Suntien Green Energy Corporation Limited	2.6	Elect Zhao Shi Yi as Director	Governance concerns	Against	Pass
China Water Affairs Group Limited	3.3	Elect Bai Li as Director	Governance concerns	Against	Pass
Citigroup Inc.	1j	Elect Director Diana L. Taylor	Tenure	Against	Pass

Company Name	Proposal Number	Proposal Text	Rationale	Vote Instruction	Outcome
Citigroup Inc.	1k	Elect Director James S. Turley	Overboarding	Against	Pass
CK Hutchison Holdings Limited	3d	Elect Chow Kun Chee, Roland as Director	Tenure	Against	Pass
Compagnie Financiere Richemont SA	5.9	Reelect Josua Malherbe as Director	Governance concerns	Against	Pass
Deutsche Lufthansa AG	5	Approve Remuneration Policy	Remuneration related	Against	Pass
Deutsche Lufthansa AG	7.b	Elect Alexis von Hoensbroech to the Supervisory Board	Governance concerns	Against	Pass
Drax Group Plc	6	Re-elect Will Gardiner as Director	Governance concerns	Against	Pass
Drax Group Plc	7	Re-elect Andy Skelton as Director	Governance concerns	Against	Pass
Drax Group Plc	16	Authorise Issue of Equity	Governance concerns	Against	Pass
Drax Group Plc	18	Authorise Issue of Equity without Pre-emptive Rights in Connection with an Acquisition or Other Capital Investment	Governance concerns	Against	Pass
ERG SpA	5.1	Approve Remuneration Policy	Remuneration related	Against	Pass
Fenikso Ltd.	2	Re-elect Thomas Richardson as Director	Governance concerns	Abstain	Pass
Greencoat UK Wind PLC	17	Approve Discontinuation of Company as Closed-Ended Investment Company	Governance concerns, Inadequate disclosure	Abstain	Pass
GSK Plc	3	Approve Remuneration Policy	Remuneration related	Against	Pass
HCA Healthcare, Inc.	1f	Elect Director Hugh F. Johnston	Governance concerns, Inadequate disclosure	Abstain	Pass

Company Name	Proposal Number	Proposal Text	Rationale	Vote Instruction	Outcome
HF Sinclair Corporation	1c	Elect Director Leldon E. Echols	Tenure	Against	Pass
Ho Chi Minh City Development Joint Stock Commercial Bank	14	Approve Remedial Plan in the Event of Early Intervention	Inadequate disclosure	Abstain	Pass
Lear Corporation	1b	Elect Director Jonathan F. Foster	Tenure	Against	Pass
Lear Corporation	1i	Elect Director Conrad L. Mallett, Jr.	Tenure	Against	Pass
LyondellBasell Industries N.V.	1a	Elect Director Jacques Aigrain	Tenure	Against	Pass
LyondellBasell Industries N.V.	1c	Elect Director Robin Buchanan	Tenure	Against	Pass
Macy's, Inc.	1g	Elect Director Deirdre P. Connelly	Tenure, Overboarding	Against	Pass
Macy's, Inc.	1l	Elect Director Paul C. Varga	Tenure	Against	Pass
Macy's, Inc.	3	Advisory Vote to Ratify Named Executive Officers' Compensation	Remuneration related	Against	Pass
Molson Coors Beverage Company	1.2	Elect Director Roger G. Eaton	Tenure	Withhold	Pass
Molson Coors Beverage Company	1.3	Elect Director Charles M. Herington	Tenure	Withhold	Pass
National Grid Plc	3	Re-elect Paula Reynolds as Director	Governance concerns	Abstain	Pass
Neoenergia SA	5	Fix Number of Directors at 13	Governance concerns	Abstain	Pass
Newmont Corporation	1.2	Elect Director Bruce R. Brook	Tenure	Against	Pass
Newmont Corporation	1.9	Elect Director Jane Nelson	Tenure	Against	Pass
Omnicom Group Inc.	1	Issue Shares in Connection with Merger	Governance concerns	Against	Pass
Renova, Inc.	1.3	Elect Director Yamaguchi, Kazushi	Governance concerns	Against	Pass

The names shown above are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations or advice. No investment strategy or risk management technique can guarantee returns or eliminate risks in any market environment. All figures presented in this section are Redwheel (December 2025)

## Escalation in voting

Our general approach to stewardship assumes we are normally a part owner of the businesses in which we invest, sitting alongside a well-diversified group of other part owners. The actions we take in specific circumstances can and do vary though, reflecting not least the objectives of the individual strategies that our investment teams manage, the ownership structure of the company in which are invested, as well as the stewardship options at our disposal at the time.

Within our stewardship approach, whilst recognising that some outcomes may take time to crystallise to the benefit of our clients, we are mindful also that escalation may from time to time be required in order to increase the likelihood of securing those outcomes. Building on our normal proxy voting process, escalation may include, but is not limited to, taking the following steps:

- Engage bilaterally / collaboratively
- Engage at more senior level
- Write formally to shareholder representatives i.e. non-executive directors
- Make public statement / Attend AGM
- Vote against specific proposal at shareholder meeting
- File shareholder proposal
- Form concert party

In 2025, as part of an engagement with HCA Healthcare Inc we raised questions with management regarding the company's preparedness to manage the impact of extreme weather events on its operations in the southern United States. No response to our questions had been received by the time of the subsequent AGM. Under the circumstances, reflecting ongoing concern over the lack of response, the decision was taken by our **Sustainable Health** team to abstain on the re-election of HCA Healthcare director Hugh F. Johnson in his capacity as chair of the audit committee and in view of the committee's responsibility for oversight of material operational risks.

## Voting and engagement in Fixed Income

Our Convertible Bond team's approach to stewardship is somewhat different as compared to the approach followed by our equity teams.

Whilst having a more senior claim over assets than shareholders in the event of a corporate bankruptcy, bondholders (including convertible bondholders) have no formal claim on a company's profits; whilst they have rights to participate in bondholder meetings, they have no rights to participate in AGMs. As such, bondholder stewardship is largely constrained to engagement although opportunities for this are few and far between. Market mechanics mean that there is little scope for engagement at the point that bonds are issued. The overall maturity of the stewardship market within fixed income is also somewhat less developed than for equity issuers, in large part reflecting the differences already highlighted.

Our team has strived to engage favoured issuers as part of enhancing the holistic assessment of governance and credit risk. The team has also worked with peers to develop guidance on stewardship in relation to fixed income investments. Not only did sharing their perspective with the Investment's Associations Fixed Income Working Group help improve broader understanding of the needs of convertible bond investors but, through debate with peers about how best to effect stewardship within the asset class, the team was able to reflect on its own process and identify opportunities for enhancement.

Since then, there has however been significant downward adjustment to the size of the team meaning that, for now, scope for stewardship is limited. Moreover, whilst the team can hold convertible bonds past the point of conversion, meaning that there can be opportunity for the team to own equities and thus engage as an equity owner, such instances are rare.



# Working with third parties: external managers

External managers are not used to manage Redwheel assets although Redwheel does have a strategic partnership with Nissay Asset Management (based in Tokyo, Japan) who have for many years managed the Japan Stewardship Fund that Redwheel distributes.

Stewardship plays an enhanced role in the investment process for this fund. The team at Nissay Asset Management have the largest and best resourced stewardship team in Japan, with sector analysts and engagement specialists working together to engage Japanese companies across the market capitalisation spectrum, encouraging corporate governance reform where it is considered to have potential to improve investment performance. Both Redwheel Portfolio Manager and Head of Active Ownership Strategies Jimmy Tillotson and Head of Stewardship Chris Anker sit on the fund's Investment Committee; their involvement ensures that the portfolio management team engages regularly in debate and discussion on stewardship practices whilst at the same time remaining cognisant of the primary objective to generate competitive investment returns.

"Portfolio Review Group" meetings take place virtually on a monthly basis, with a deeper dive undertaken after the end of each quarter, with discussions regularly focussing in on specific live engagements. Additional email correspondence on related issues takes place routinely in between times e.g. discuss evolving issues and to share engagement updates and records of votes cast by the team at Nissay Asset Management. All conversation takes place in English.

The close working relationship ensures that the portfolio management team is kept well-informed of any changes in stewardship expectations whilst Redwheel is kept informed of any contextually relevant developments of significance, helping to avoid the need for escalation on either side.

As a responsible investor, we recognise and aim to use appropriately and proportionately the rights and responsibilities accruing to us across all our investments. To do so, our operational model makes use of a variety of services provided by third-parties.

For our equity teams, a key aspect of stewardship activity is the use of voting rights. Furthermore, Redwheel aims to enable its teams to vote all holdings in full and so, as a matter of course, prefers



# Working with third parties: service providers

not to support securities lending which can impact participation in shareholder meetings. For our more liquid funds, securities lending is not allowed. For funds investing in less liquid securities, arrangements with Prime Brokers (where they exist) may allow for positions to be used as collateral in order to support credit needs, which reduces the impact of fund cashflows on portfolio management. Where such arrangements exist, we retain the right to substitute collateral to facilitate voting.

We maximise the number of ballots we vote by requiring our custodians to send both ballots and the holdings of registered accounts to our proxy voting partner Institutional Shareholder Services (“ISS”). Sending holdings data gives our investment teams the facility to reconcile the number of shares attached to ballots (as presented by ISS) with the number of shares held at the relevant record date; it also enables ISS to source on a pro-active basis any ballots that have for whatever reason not been provided through the normal chain of custody.

Across all teams, we aim to cast votes in respect of all shares where we have authority to do so and where we have investment exposure at the time

of the relevant shareholder meeting; in 2025, we voted over 99% of meetings, reflecting over 99.9% of shares eligible for voting. Vote instructions are submitted using the ISS ProxyExchange web platform to meet applicable voting cutoffs as advertised.

Despite our general ambition, shareblocking, the need to address other local market technicalities (including the filing of authorised powers of attorney), late adjustment to cutoff dates, and changes or errors made in the chain of custody that impact downstream processes, on occasion frustrate our ability to participate in the voting process despite our best efforts. For instance, at the start of 2026, spot checking of holdings records fortuitously identified a ‘market specific’ account having been created by a custodian for one of the funds in respect of which we have proxy voting authority. This account had been created to hold shares of one company separate to shares for the remainder of the fund; whilst the latter had been registered with ISS, the former had not. A letter of authorisation was promptly issued ensuring ballots for future meetings would be presented to ISS for voting. However,

as a consequence, none of the company's three shareholder meetings were instructed during the year. Additional monitoring was also introduced in hope of avoiding a similar situation occurring again.

Responsibility for voting rests with the relevant investment team. Given that we do not as a matter of policy support 'client directed' voting in pooled funds, the approach adopted by each team is framed through recognition of the need to meet the expectations of their respective clients as well as evolving market best practice. Considering how best to reflect the centre of gravity of client views is a critical component within this, as is calibrating the voting approach to ensure consistency with the application of broader stewardship responsibilities.

When voting, investment teams have a general preference to support management; however, as deemed appropriate, dissenting votes may be cast. In formulating vote decisions, the process followed reflects the stewardship approach of each team. In the main, teams draw on their own past engagement experience as well as other information sources providing insight on corporate performance; this includes corporate governance research issued by ISS.

All teams also receive by default recommendations reflecting ISS's Climate Voting Policy research which is an extension of ISS' Sustainability Voting Policy. The Climate Voting Policy serves to place greater emphasis on climate considerations when formulating vote recommendations as compared to other ISS voting policies, and the underlying methodology is publicly available. It is important to note that across our equity teams ISS recommendations are an input to, rather than the sole determinant of, the voting decisions taken. Each team retains full discretion to vote as it believes is appropriate under the circumstances, with the rationale recorded for any vote deviating from policy or otherwise opposing management's recommendation. Where teams have their own established positions on corporate governance matters (e.g. remuneration), these views will be reflected within the votes cast at a company's AGM to the extent that relevant proposals are presented.

The issues considered when determining how to cast a particular vote are informed particularly by the proposal type. Where the proposal relates to

directors, independence and tenure are primary considerations, as is the extent to which relevant individuals have specific roles in relation to oversight (e.g. remuneration, audit, nominations). Where the proposal relates to remuneration, a wider variety of factors may be considered e.g. excess, pay for performance, short vs long term structure, application of malus/clawback, relevance in context of metrics/targets, peer group selection, application of discretion by the committee, and/or shareholding requirement. In respect of shareholder proposals, the basis for a vote against the proposal may include that the request is spurious, vexatious, and/or requests action in an unreasonably short amount of time.

## Service provider oversight

At Redwheel, we retain a number of third-party service providers to help facilitate specific aspects of our business processes. Each service provider relationship is "owned" by a member of the Redwheel ExCo; whilst responsibility may be delegated to an appointed oversight owner for ensuring that appropriate oversight processes and procedures are followed, the relevant ExCo member nonetheless remains ultimately responsible.

Due-diligence is conducted before entering a relationship with a new service provider or expanding the service provision of an existing provider. Trials, involving data quality and utility reviews, are a vital aspect of assessing whether services meet immediate needs and that the methodologies and assumptions underpinning solutions are sufficiently robust and transparent to enable us to meet the evolving needs of our clients and wider stakeholders; assessing the extent to which scope exists for us to work with providers to refine the service offering over time is also an important consideration at this stage.

Provided that the services are able to fulfil basic requirements, prior to obtaining the new services, the principal oversight owner must present a business case to senior management and seek approval. Once approval is received, a due diligence questionnaire (“DDQ”) is sent to the supplier for completion. Responses are reviewed by the oversight owner, as well as others including our IT team who are best placed to assess any cyber security and/or data-security related risks associated with onboarding and maintaining an ongoing relationship with the supplier. New suppliers are also asked to provide a Modern Slavery statement or, if they do not have one, to sign Redwheel’s Supplier Code of Conduct. Where feasible, consideration is also given to the supplier’s approaches to carbon footprint management and diversity and inclusion.

Once approved and onboarded, service providers are subject to ongoing oversight and service management. DDQs are reissued periodically to request up to date information; responses are collated and reviewed by the relevant oversight owner, as well as other teams including the Enterprise Risk and IT teams. Based on the responses received, areas of identified concern can be prioritised for attention and escalated to the Counterparty Committee, with the Enterprise Risk team engaging with principal service users within our business to establish the potential risks to the delivery of services as anticipated.

As regards the services provided to us by ISS, continual monitoring throughout the year is provided by our Head of Stewardship who will raise any concerns and/or queries relating to the overall delivery of services (e.g. the implications of ISS-STOXX listing as was mooted in the press in February 2025, or the decision to adjust recommendation methodology mid-season relating to the assessment of board gender diversity); our investment teams also play a role as primary consumers of ISS’ research, providing feedback on specific issues (e.g. potential discrepancies, errors, inaccuracies, or issues with the quality and timeliness of services) as appropriate which has occasionally led to ISS republishing reports to the benefit of all clients.

Consistent with our general approach to overseeing service providers, a review of responses to our queries is incorporated as part of annual service reviews which also verify the extent to which

contractually agreed service levels have been met and capacity levels utilised. Should concerns persist of a sufficient extent/severity, this may ultimately bear upon our decision to maintain a business relationship with the provider in question.

Our Head of Stewardship works extremely closely with the ISS account management team as part of ensuring a constructive working relationship and the smooth running of proxy voting arrangements, and routinely offers input to ISS’ consultations on its voting policies. In December 2025, at ISS’ request, he also contributed insights to a review of the ISS strategy and client service proposition being undertaken by a third party consultant.

## **Investment consultants and external engagement services providers**

We do not use investment consultants; nor do we use external engagement services providers in connection with the pooled funds we manage. Some of our clients do use engagement services providers though which creates the potential for a conflict of interest. It is for this reason that, since 2021, we have sought to deepen our understanding of the engagement objectives of a particular third-party engagement provider appointed by one of our clients, involving proactive contact to help us take account of client needs and ensure that the stewardship activities undertaken by the third party were reflected back into portfolio management in a timely manner. In this way, we hope we have made a constructive contribution to the development of the stewardship approach applied by the third-party provider and managed the risk of interests becoming conflicted.

# SRD II Compliance statement

## (COBS 2.2B)

Research consumed in the formulation of our proxy voting decisions includes research provided by Institutional Shareholder Services (ISS). This research informs but is not determinative of the final voting decisions applied. Ultimate responsibility for voting rests with the relevant investment team.

All votes are executed on the ISS Proxy Exchange platform.

We do not use third party engagement service providers.

Our engagement policy currently in force should be interpreted with particular reference to the commentary provided in the Redwheel Stewardship Policy and Context Disclosure, and our approach to evaluating the medium- to long-term performance of a company should be interpreted with particular reference to the “Policy on Responsible Investment” disclosed on our website.

Most significant votes for 2025 are as shown in the Statistical Review of voting within the Redwheel Stewardship Activities and Outcomes Report.

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# Redwheel Stewardship Report

December 2025

## CONTACT US

Please contact us if you have any general questions or would like to discuss any of our strategies.

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